

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) to (b) No specific Study has been conducted regarding implementation of all the Schemes for the upliftment of Handloom weavers and proper utilisation of funds provided thereo. However, a study on the implementation of the Scheme of Handloom Development Centres and Quality Dyeing Units has been conducted.

(c) The fund releases by the Governments are dependent on observance of various procedural formalities and the progress of the ongoing Schemes. Consequently, there may be a time lag between release of funds by the State Governments after receipt of funds from the Centre.

(d) The State Governments and UTs are advised from time to time to release Central grant to Implementing Agencies/beneficiaries in time.

(e) The Government is implementing a number of Schemes for the development of Handloom Sector and welfare of weavers. Requisite assistance are being provided through these Schemes for input support, marketing, skill upgradation and infrastructure development to check the plight of handloom weavers.

#### Report on Sick NTC Mills

\*323. SHRI RAM NAIK : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government had asked for a report on the viability of each of the 120 National Textile Corporation sick mills in the country;

(b) if so, the details thereof of the reports received so far and the main features thereof; and

(c) the names of sick mills which are reported viable?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) to (c). The Textiles Research Associations had been commissioned in June, 1993 to study and recommend a modernisation package for the NTC mills. In the report of the Textile Research Associations they have recommended modernisation of 79 mills with an outlay of approximately Rs. 2005 crores which include restructuring of 36 mills into 18 viable units. On the basis of this report the Central Government has approved a rehabilitation package for NTC in May, 1995. Under the Sick Industrial Companies (Special Provisions) Act, 1985, it is the company as a whole and not individual mills that are referred to BIFR. On account of continuous losses and erosion in net worth, 8 out of 9 subsidiary corporations were referred to and declared sick by the BIFR. The rehabilitation package has, therefore, been placed before the BIFR for consideration.

#### Nidhi Companies

\*324. SHRI N.S.V. CHITTHAN : Will the Minister of FINANCE be pleased to state :

(a) the number of proposals for setting up of Nidhi Companies (non-banking financial companies) have been approved by the Government so far;

(b) the number of such proposals which are still pending with the Government, State-wise;

(c) the time by which these proposals are likely to be approved.

(d) whether the Government have detected any case of frauds by these companies;

(e) if so, the details thereof, and the action taken in this regard; and

(f) steps being taken to modify the guidelines for approval of such companies?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Since 1963, 192 companies have so far been declared as Nidhi Companies under Section 620A of the Companies Act, 1956.

(b) As on 30.11.1996, ninety-one applications were pending. The State-wise position of these pending applications is as follows :

| S.No. | Name of the State                   | Number of applications Pending |
|-------|-------------------------------------|--------------------------------|
| 1.    | Tamilnadu                           | 72                             |
| 2.    | Uttar Pradesh                       | 8                              |
| 3.    | Andhra Pradesh                      | 2                              |
| 4.    | Kerala                              | 2                              |
| 5.    | Karnataka                           | 2                              |
| 6.    | West Bengal                         | 1                              |
| 7.    | National Capital Territory of Delhi | 2                              |
| 8.    | Pondicherry (Union Territory)       | 2                              |
| Total |                                     | 91                             |

(c) Pending review of the working of Nidhi Companies, a decision on the pending applications has been kept in abeyance.

(d) and (e). According to available information, the Chennai City Police have registered cases under provisions of the Indian Penal Code and Prize Chit and Money Circulation Scheme (Banning) Act, 1978 against a number of persons concerned with the management of a number of companies/firms, including GNS Nidhi Ltd. and three companies named as benefit fund companies (which are not declared as Nidhi u/s 620A of the Companies Act).

Recent inspection of eleven Nidhi companies under Section 209A of the Companies Act, 1956 has revealed certain contraventions of the provisions of the