

**Statement**

State-wise No. of cotton/man-made fibre textile mills closed under I.D.Act/ Under liquidation etc. as on 31.1.1999.

Sr.No.	State	Under ID Act	Under liquidation	Otherwise closed	Total
1.	Andhara Pradesh	2	0	27	29
2.	Assam	0	0	4	4
3.	Bihar	0	0	3	3
4.	Gujarat	0	35	36	71
5.	Haryana	0	0	9	9
6.	Karnataka	0	2	12	14
7.	Kerala	0	0	3	3
8.	Madhya Pradesh	1	0	9	10
9.	Maharashtra	0	6	22	28
10.	Orissa	0	0	2	2
11.	Punjab	0	1	3	4
12.	Rajasthan	1	1	7	9
13.	Tamil Nadu	0	3	69	72
14.	Uttar Pradesh	0	0	21	21
15.	West Bengal	0	0	15	15
16.	Delhi	0	0	3	3
17.	Manipur	0	0	1	1
Total		4	48	246	298

**Misuse of Funds by Bank of Rajasthan**

3757. DR. BIZAY SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether RBI has rapped Bank of Rajasthan for misuse of funds and have inspected the books of that Bank;

(b) if so, the specific cases of misuse of funds and the action taken thereon alongwith outcome of the inspection; and

(c) the manner in which the situation is compared with other private sector banks and the number of banks in which similar instances of misuse of funds have come to light ?

**THE MINISTER OF FINANCE (SHRI YASHWANT SINHA)** : (a) and (b) Reserve Bank of India (RBI) have reported that the findings of the Financial Inspections of the Bank of Rajasthan Ltd. with reference to its financial position as on 31.3.1997 and 31.3.1998 were discussed with the Managing Director and few members of the Bank's Board. The bank was impressed upon to rectify the serious irregularities observed in its working. The bank was also advised to draw a monitorable time bound programme for recovery of non-performing advances (NPA). The bank has been placed under Directions covering various areas of its functioning and the performance is watched by quarterly monitoring system and off-site returns in addition to regular Annual Inspection.

After issuing a show cause notice to the bank and obtaining its response, RBI had imposed Rs. 20 lacs as penalty for violating RBI instructions on bill discounting scheme, purchase of cheques, advances against shares and packing credit advances.

(c) RBI has reported that instances of banks being penalised for similar irregularities such as discounting of Bills for non-customers, advance against shares etc. in the case of two other private sector banks. In addition, action has been taken by RBI against 10 other private sector banks for defaults in the maintenance of statutory ratios, violation of guidelines relating to stockinvest and non-compliance of other instructions issued by the RBI.

**Production and Export of Tea**

3758. SHRI GINGEE N. RAMACHANDRAN : Will the Minister of COMMERCE be pleased to state:

(a) the quantity of tea produced in the North and South India during each of the last three years ;

(b) per capita consumption of tea in the country ;

(c) the surplus quantity of tea available for exports;

(d) the details of the major countries importing Indian tea and the foreign exchange earned through exports during the above period ;

(e) whether there is any proposal to import tea from Sri Lanka ; and

(f) if so, the details thereof ?

**THE MINISTER OF COMMERCE (SHRI RAMA-KRISHNA HEGDE)** : (a) The quantity of tea produced in the North and South India during the last three years are as follows :

Year	(Qty in Mn. Kgs.)	
	North India	South India
1995-96	577.55	183.99
1996-97	588.60	186.70
1997-98	625.52	212.50

(b) The estimated per capita consumption of tea during 1998 was 665 gms.

(c) The surplus quantity of tea available for exports during the year 1998 was 225.41 Mn.Kgs.

(d) Indian tea is exported to more than 80 countries of the world. Major importers of India tea are Russia and C I S countries, UK, Germany, Poland, U.A.E., Iran, Arab Republic of Egypt, Japan, Saudi Arabia etc. The foreign exchange earned through exports during the last three years are as follows :-

Year	Qty. (Mn.Kgs)	Value (US \$ Mn.)
1995-96	167.47	372.08
1996-97	169.04	366.62
1997-98	211.76	525.74

(e) and (f) Government has permitted free import of tea, as one of the 2307 items, from SAARC Countries in order to give a fillip to intra-regional trade.

#### Decline in Cotton Yarn

3759. SHRI K. YERRANNAIDU : Will the Minister of TEXTILES be pleased to state :

(a) whether production of Cotton yarn in 1998-99 has shown a decline;

(b) if so, the details therefor; and

(c) the steps proposed to be taken for modernisation of textile mills to stand in competition ?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) As per the data available upto December 1998, the production of cotton yarn had declined. The figures of production of cotton yarn are given below :-

Year	Quantity (Mn. Kg.)
1998-99(April-Dec)	1494
1997-98(April-Dec.)	1693

(b) The major reasons for decline in the production of Cotton yarn are World wide recession in the economy; South East Asian crisis; decline in production of Cotton crop during 1997-98 due to disease and unseasonal rains ; increase in price of raw cotton etc.

(c) Government have approved the launching of Technology Upgradation Fund Scheme (TUFS) for technological upgradation of the textile and jute industries. Under the Scheme, eligible units from identified sector of textile and jute sectors would be able to apply for loans at applicable rate of interest from designated nodal agencies, which after satisfying themselves, as regards viability etc.

would advance loan to applicant unit stipulating the condition for repayment of loan etc. Under the scheme difference in the amount of interest to the extent of 5% points would be reimbursed to the lending nodal agencies by the Ministry of Textiles to be passed on to the eligible borrowing units.

The Government is also proposing to launch a Cotton Technology Mission to improve the production productivity and quality of cotton.

[Translation]

#### Subsidy to Retired Persons

3760. Dr. PRABHA THAKUR :

COL. SONA RAM CHOUDHARY :

SHRI RAM NARAIN MEENA :

Will the Minister of TEXTILES be pleased to state:

(a) whether the Hon'ble High Court of Rajasthan have flayed the Government for not setting up the committee in time to release the production incentives/subsidy to the workers of certain NTC mills of Rajasthan who took voluntary retirement and started their own business;

(b) if so, the details thereof;

(c) whether the Government have directed the concerned authorities to release immediately production incentives/ subsidy alongwith interest to such retired workers of NTC;

(d) if so, the action taken thereon by the concerned authorities and the number of workers benefited therefrom, mill-wise, alongwith the amount of subsidies given;

(e) if not, the reasons for delay ; and

(f) the steps taken by the Government to ensure that production incentives/subsidy is provided to such NTC workers immediately?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) and (b) Some of the former workers of mills under NTC (DPR) who had availed VSR and who had been given loans under rehabilitation scheme had filed a writ petition before the Jaipur Bench of Rajasthan High Court requesting for production incentives/subsidy. The Rajasthan High court dismissed the writ petition as the Union of India had not been made a party. The Court, however, directed the mill authorities to forward a copy of the judgement to the Government for re-consideration of the whole rehabilitation scheme.

(c) to (f) The rehabilitation scheme for the workers who availed the VRS was formulated as part of the 1992 Turn Around Strategy for NTC mills. However, on account of the fact that 8 out of 9 subsidiaries of NTC were referred to the BIFR and the financial institutions were reluctant to release