

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:305

ANSWERED ON:25.02.2000

REVIVAL OF SICK TEXTILE MILLS IN SC / ST DOMINATED AREAS

ASHOK NAMDEORAO MOHOL;PRABHAT KUMAR SAMANTARAY

Will the Minister of TEXTILES be pleased to state:

- (a) whether a number of textile mills in Maharashtra and other States including mills in tribal and schedule castes dominated areas have been sick for more than three years;
- (b) if so, the details of such mills and performance of these mills, mill-wise;
- (c) the steps taken to make them viable and upgrade them and the funds provided by the Government for this purpose;
- (d) the details of further action plan under consideration of the Government for making these sick mills viable; and
- (e) the names of the mills in Maharashtra and other States which are likely to be closed down and the action plan drawn up regarding rehabilitation of those workers, State-wise?

Answer

MINISTER OF STATE FOR TEXTILES

(GINGEE N. RAMACHANDRAN)

a) During the period from 1996 to 9th Sep.99, 142 mills including 27 mills from the state of Maharashtra, are registered with Board for Industrial and Financial Reconstruction (BIFR).

b) Out of 142 mills registered with BIFR as on 9th Sept. 99, only 17 mills are closed as on 31/12/99. The status of the above 142 mills registered with BIFR is as under:-

Status with BIFR as on 9/9/1999	No. of Mills
Scheme Sanctioned under section 18 (4) by BIFR	3
Non maintainable	7
Draft Scheme	6
Winding up recommended under section 20(1) by BIFR	2
Others	2
Winding up Notice issued by BIFR	2
Under enquiry	118
Stay order by court/stayed by AAIFR	2
Total	142

(c) & (d) The Government of India has enacted the Sick Industrial Companies (Special Provisions) Act, SICA, 1985 and established the BIFR with a view to timely detection of sick & potentially sick companies and for the speedy determination of preventive ameliorative and remedial measures which need to be taken in respect of such companies. The rehabilitation schemes sanctioned by BIFR include various measures like restructuring the capital, induction of fresh funds by the promoters, merger with the other companies, change of management, provision for working capital and term loans by banks and financial institutions.

(e) The Sickness of mills can not be pre-decided. However, in pursuance of the Statement of Textile Policy, 1985, Government have set up the Textile Workers' Rehabilitation Fund Scheme (TWRFS) to protect the interest of workers rendered jobless due to permanent closure or partial closure of textile mills in the private sector only, in the country, including in Tamil Nadu. The objective of the TWRFS is to provide interim relief to the eligible workers only for a period of 3 years on a tapering basis, 75% of wage equivalent in the first year, 50% in the second year and 25% in the third year as per norms of the scheme.