

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:795
ANSWERED ON:05.12.2003
LOSS MAKING JUTE & TEXTILES UNITS
ANANTA NAYAK

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government have identified the unremunerative Jute and textiles units in the country;
- (b) if so, the details thereof, State-wise;
- (c) the reasons for incurring losses ;
- (d) whether steps are being taken to help these units; and
- (e) if so, the details thereof ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES(SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): No study has been conducted to identify the unremunerative Jute and textiles units in the country. However, 30 jute mills and 324 Textiles mills have been referred to BIFR due to their sickness. A statement indicating State-wise Jute & Textiles Mills referred to BIFR is placed at Annexure-I.

(c): The main reasons for the incurring losses by these Jute & Textiles mills have been instability in production of raw material, low efficiency, higher labour and power costs, obsolete machinery and technology.

(d) & (e): The Government seeks to foster a policy regime, which facilitates growth and development of Textiles & Jute Industry in India. It has taken a number of steps for revival of sick industrial units which, inter-alia, include, guidelines of the Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board of Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provision) Act, etc. The Reserve Bank of India has been issuing from time to time elaborate guidelines covering all areas of Industrial Rehabilitation viz. detection of industrial sickness at incipient stage, identification of sick/weak units, carrying out viability study of the units, then extending relief and concessions to only viable units, coordination among Banks and Financial Institutions and Banks themselves, norms for promoter's contribution, extend period for repayment/rescheduling of loans, conversions and waiver of penal rate/compound interest, etc.

With effect from 15.9.2003, Government of India in the Ministry of Finance, Department of Economic Affairs has announced a package for restructuring of high cost debt of textiles mills/units in the organized sector. The package would be applicable to potentially viable textiles units/mills with a minimum debt exposure of Rs.2 crore. This package does not apply to sick units.

ANNEXURE-I (a)

State-wise list of cases of jute mills registered with Board of Industrial Financial Reconstruction (BIFR)

Sl.No. State Number of Jute Mills.

1. West Bengal 26

2. Andhra Pradesh 1

3. Uttar Pradesh 1

4. Bihar 1

5. Orissa 1

Total: 30

ANNEXURE-I (b)

State-wise list of cases of Textile mills registered with Board of Industrial Financial Reconstruction (BIFR)

Sl.No. State Number of Textile Mills.

1. Andhra Pradesh 45
2. Assam 4
3. Bihar 3
4. Chandigarh 2
5. Dadra Nagar Haveli 6
6. Delhi 33
- 7 Goa 1
8. Gujarat 99
9. Haryana 25
10. Himachal Pradesh 1
11. Karnataka 40
12. Kerala 10
13. Madhya Pradesh 26
14. Maharashtra 142
15. Orissa 6
16. Pondicherry 1

Total : 324