

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:3639
ANSWERED ON:16.05.2006
SICK TEA INDUSTRIES
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the number of sick tea industries at present, State-wise;
- (b) the steps taken by Government to improve the sick tea industries in tea producing States;
- (c) whether the Government has made any in-depth studies regarding claims of various tea garden managements on causes of the sickness of their companies; and
- (d) if so, details and outcome thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) : As per the information available, 37 tea gardens are lying closed as on 1st May 2006, of which 3 are located in Assam, 20 in Kerala and 14 in West Bengal.

(b), (c) & (d): In January 2003, the Government of India had appointed three Expert Committees to make an in-depth study of the closed tea gardens in the States of West Bengal, Kerala, Assam & Tripura which were lying closed in 2002. The main causes for sickness/closure as identified by the Committees include inherent weaknesses of the gardens due to poor yields arising out of poor condition of the garden and factory (affecting tea quality and price realisations), poor garden management, frequent changes of garden managers and the management's excessive reliance on bank debt with negligible fresh equity infusion. In some of the gardens, the neglect was due to ownership disputes, protracted litigation and diversion of funds from tea gardens to other activities and in many cases strained relationship between management and garden workers.

The closed tea estates are required to invest in rejuvenation of the plantations for long term viability as well as in factory and estate infrastructure to achieve higher yields, better quality and consequent higher realisation in terms of price of teas. Closed gardens also need to imbibe proper garden management practices. Revival package for a garden would need to address its requirements and would necessarily have to be finalized by the management of each individual garden with its bankers. Government has facilitated discussions between the managements of these gardens and their bankers.