

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

UNSTARRED QUESTION NO:3809
ANSWERED ON:19.04.2010
CLOSURE OF TEA ESTATES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether large number of tea gardens in the country have closed down especially in North Bengal and Assam;
- (b) if so, the details thereof alongwith the names, owner company, area, date of closure and number of workers affected in each of the tea estates; and
- (c) the details regarding reasons for such closure alongwith the action being taken by the Government to reopen the closed tea gardens?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) and (b): There were 33 listed closed tea gardens as on 01-04-2007. Two more gardens in Darjeeling district of West Bengal were closed after 01-04-2007 taking the total number to 35 which includes 17 in Kerala, 16 in West Bengal and 2 in Assam. Of these, 22 gardens have been reopened. There are 13 tea gardens reported to be closed as on 20-03-2010. These include 8 in West Bengal and 5 in Kerala. The details showing the names, owner company, area, date of closure and number of workers in each of these closed tea estates are at Annexure-I.

(c): The main reasons for sickness/closure include inherent weaknesses of the gardens due to poor yields arising out of poor condition of the gardens and factories (affecting tea quality and price realizations), 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 Government of India has announced a rehabilitation package for revival of closed tea gardens. The package provides for restructuring of outstanding bank loans, sharing of the accumulated interest 1/3rd each by the banks, Central Government and the beneficiaries, interest subsidy on working capital loans, deferred payment of arrear towards PF liabilities, complete waiver of outstanding loan under the loan schemes of Tea Board and priority in providing developmental assistance under the ongoing developmental schemes of Tea Board.