

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1749
ANSWERED ON:16.07.2009
SICK COTTON MILLS
Dubey Shri Nishikant

Will the Minister of TEXTILES be pleased to state:

(a) the number of cotton mills operating in the country at present, State-wise;

(b) the number of cotton mills closed/declared sick during each of the last three years and the current year alongwith the reasons therefor; and

(c) the steps taken/being taken by the Government to rehabilitate the ex-employees of sick/closed cotton mills and the number of employees rehabilitated during the period, till date?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES(SMT. PANABAACA LAKSHMI)

(a) & (b): As per the information available, 1422 cotton/man-made fibre textile mills (Non-SSI) were operating as on 30.4.2009. The state wise details are at Annexure-I.52 cotton/man-made fibre textile mills (Non-SSI) were closed down during May 2006 to April 2009. Out of these 52 mills 16 textile cases were registered with BIFR as on 30.4.2009. The main causes of sickness / closure in industry can be attributed to factors such as excess capacity, low productivity of both machine and labour due to lack of modernisation, stagnant demand and inability on the part of them (sick units) to access export market, increase in the cost of inputs particularly labour and electric power, difficulties in getting timely and adequate working capital finance, internal factors poor management etc.

(c): There is no direct policy formulated by the Government of India to rehabilitate workers rendered unemployed due to closure of textile units. However, the Government of India launched a Textile Workers Rehabilitation Fund Scheme on 15.9.1986 to provide interim relief to textile workers rendered unemployed as a consequence of permanent closure of any particular portion or entire textile unit. Assistance under the Scheme is payable to eligible workers only for the purpose of enabling them to settle in another employment. Any worker is eligible provided he/she is engaged in a closed textile unit on the date of its closure continuously for five years or more and earning a wage equivalent of Rs.2500 per month or less for the mills closed between 6.6.1985 to 1.4.1993 and Rs. 3500 or less thereafter. They should be contributing to the Provident Fund maintained by the Regional Provident Fund Commissioner of the State concerned. As on 31.5.2009, 1,02,711 workers of 70 closed mills have been paid relief of Rs. 262.01 crores under the scheme.