

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2763
ANSWERED ON:23.07.2009
CLOSURE OF SPINNING MILLS
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Will the Minister of TEXTILES be pleased to state:

- (a) the number of spinning mills closed down during each of the last three years, UT/State-wise;
- (b) the scheme of the Government for the revival of the spinning mills lying closed for a very long time;
- (c) whether the Government is aware of the pitiable condition of the workers due to the closure of these mills;
- (d) if so, the steps taken in this regard;
- (e) whether the Government proposes to provide subsidy for the revival of these mills; and
- (f) if so, the details thereof?

Answer

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

(a): Details of the cotton/man-made fibre spinning mills (Non-SSI) during the last three years are as follows: -

Sr.No.	State	May-06 to April-07	May-07 to April-08	May-08 to April-09	Total
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1	Andhra Pradesh	1	0	0	1
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2	Gujarat	2	0	2	4
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3	Haryana	2	2	5	9
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4	Karnataka	1	3	0	4
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5	Kerala	1	1	0	2
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6	Orissa	0	1	0	1
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7	Punjab	1	0	0	1
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8	Tamil Nadu	3	15	6	24
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9	Uttar Pradesh	1	1	0	2
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Total		12	23	13	48
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(b), (e) & (f): Government seeks to foster a policy regime, which facilitates growth and development of Indian industry. It has taken a number of steps to revive sick industrial units which, inter-alia, include, guidelines of the Reserve Bank of India (RBI) to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Social Provisions) Act, etc. For restructuring of high cost debts of textiles units, in the organized sector, Ministry

of Finance, Banking Division, in September 2003 introduced a Debt Restructuring Package to help textiles units overcome their unsustainable debt burden.

(c) & (d): Yes, Madam. The Government is aware of the pitiable condition of the workers due to the closure of these mills. 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. The Government has paid financial assistance amounting to Rs.262.01 crore to 102711 workers of 70 mills till 31.5.2009.