

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

STARRED QUESTION NO:333
ANSWERED ON:17.12.2012
CLOSURE OF TEA UNITS
Acharia Shri Basudeb

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

- (a) whether Section 16E of the Tea Act, 1953 empowers the Government to take necessary steps to restart the tea units which have been closed for more than three months or more;
- (b) if so, the details thereof;
- (c) whether several tea gardens/units in West Bengal and other North-Eastern States have been closed for more than three months;
- (d) if so, the details thereof including the dates since when these units are closed and the reasons therefor; and
- (e) the initiatives taken/being taken by the Government to restart these closed gardens/units in West Bengal and the North-Eastern States?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 333 FOR ANSWER ON 17TH DECEMBER 2012 REGARDING 'CLOSURE OF TEA UNITS'

(a) & (b): Section 16E of the Tea Act, 1953 empowers the Central Government to authorize any person or body of persons to take over the management of the whole or any part of the tea undertaking or tea unit where a situation has been brought about which is likely to affect production of tea or where the entity has been closed down for a period of not less than 3 months.

(c) & (d): Yes, Madam. 18 gardens remained closed for more than three months during the crisis period between 1999 and 2008 of which 16 were in West Bengal and 2 in Assam. With steady improvement in tea prices and efforts made by Government of India/State Governments, 16 units (14 in West Bengal and 2 in Assam) have since been reopened and only the following two units in West Bengal remain closed mainly due to protracted court cases:

S.No.	District	Name of Tea Estate	Date of closure	Reasons of closure
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1.	Jalpaiguri	Dheklapara	August 2002	Financial crisis.
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2.	Darjeeling	Ringtong	February 2008	Garden was abandoned by owners.
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(e): An expert committee was appointed by Government of India in January, 2003 for studying the causes for closure and recommend suitable measures for their revival. A rehabilitation scheme aimed at revival of the closed tea gardens for the XI Plan period was notified in June, 2007 which provided for restructuring of bank loan, interest subsidy on working capital, deferred payment of PF dues, waiver of outstanding loans under erstwhile loan schemes of the Tea Board and according priority for providing developmental assistance under the Tea Board Development Schemes.

It was decided to invoke Section 16E of the Tea Act against Dheklapara tea estate. However, as the garden was involved in court cases, it became necessary to seek leave of the Calcutta High Court. The Hon'ble High Court after taking into account the cases filed by both secured and unsecured creditors, decided to auction the garden. Two attempts were made to sell the garden through public

auction but bids received being far from satisfactory, the Court has sought for the views of the State Government of West Bengal and the matter as on date remains sub-judice. The Ringtong tea estate is also involved in protracted litigation and as per order of Hon'ble High. Court of West Bengal, the possession of the tea estate cannot be disturbed.