

GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
RAJYA SABHA
UNSTARRED QUESTION NO-319
ANSWERED ON- 21/07/2023

CLOSURE OF NATIONAL TEXTILE MILLS

319. SHRI ABIR RANJAN BISWAS:

Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Mills running on Public Private Partnership (PPP) models are closed for the last several years and the case in this regard is pending in Court;

(b) if so, the mill-wise details thereof;

(c) whether National Textile Corporation (NTC) mills of West Bengal is also included in this, if so, the details thereof; and

(d) the measures being taken by Government to resolve this issue as soon as possible along with the details thereof?

ANSWER

THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a) to (d): As per Board of Industrial and Financial Reconstruction (BIFR) approved revival scheme of National Textile Corporation (NTC), 16 NTC mills were finalized to be revived through Joint Venture (JV) route. In 1st phase 5 NTC mills were taken up for revival through this route in 2007. However, based on special audit on performance of these 5 JV companies in which the Auditors pointed out various breach of contract and non-transparency in operation including the insolvency status of the Strategic Partners firm, show cause notice has been issued to the Strategic Partner in case of 3 JV companies. In response to the show cause notice, one of the Strategic Partner filed an Arbitration Petition before Hon'ble Delhi High Court for appointment of Arbitrator. As per Hon'ble Court order, Arbitrator has been appointed and the matter is sub-judice.

In the 2nd phase, 11 NTC mills were to be revived through JV route in 2008. However, since, the Strategic Partner did not execute definitive agreement within the prescribed timelines, all the three Memorandum of Understandings (MoUs) were terminated. The matter was referred to Arbitration. As per the common award passed by the Arbitral Tribunal, the upfront money returned to the selected JV partner was not accepted by them. One of the selected JV partner on behalf of others has challenged the award before Hon'ble Delhi High Court and the matter is sub-judice.

The mill-wise details of NTC mills which had to be revived through JV route including two mills in the state of West Bengal namely Laxmi Narayan Cotton mills, Rishra and Sodepur Cotton Mills, Sodepore is at Annexure-A.

A. List of Mills revived through Joint Venture Arrangements

State	Sr. No.	Name of the Mills	Location
Maharashtra			
	1	India United Mills No.1	Mumbai
	2	Apollo Textile Mills	Mumbai
	3	Goldmohur Mills	Mumbai
	4	New City Of Bombay Mfg. Mills	Mumbai
	5	Aurangabad Textile Mills	Aurangabad

B. List of Mills to be revived through Joint Venture Arrangements (Under Arbitration)

State	Sr. No.	Name of the Mills	Location
Maharashtra			
	1	Chalisgaon Textile Mills	Chalisgaon
	2	Dhule Textile Mills	Dhule
	3	Nanded Textile Mills	Nanded
	4	Savatram Ramprasad Mills	Akola
	5	RBBA Spinning & Weaving Mills	Hinganghat
Tamil Nadu			
	6	Sri Sarada Mills	Coimbatore
Kerala			
	7	Parvathi Mills	Quilon
Odisha			
	8	Orissa Cotton Mills	Bhagatpur
Uttar Pradesh			
	9	Swadeshi Cotton Mills	Maunath Bhanjan
West Bengal			
	10	Luxmi Narayan Cotton Mills	Rishra
	11	Sodepur Cotton Mills	Sodepore
