

LOK SABHA  
UNSTARRED QUESTION NO. 4856  
TO BE ANSWERED ON 01.04.2025

**OPERATION OF SWADESHI COTTON MILLS**

4856. SHRI RAJEEV RAI:

Will the Minister of TEXTILES वस्त्र मंत्री  
be pleased to state :

- (a) whether the Government has closed the operation of Swadeshi Cotton Mills at Mau for over a decade;
- (b) if so, the reasons therefor;
- (c) whether the Government is considering any proposal for its revival and re-opening in the near future, if so, the details thereof;
- (d) if not, whether the Government is considering establishing any alternate industry on this land located at the heart of Mau city; and
- (e) if so, the details thereof and if not, the details regarding the Government intention to make productive use of this asset in the betterment of Mau region?

उत्तर  
ANSWER  
वस्त्र राज्य मंत्री (श्री पबित्रा मार्गेरिटा)  
THE MINISTER OF STATE FOR TEXTILES  
(SHRI PABITRA MARGHERITA)

**(a) to (c):** Swadeshi Cotton Mill at Maunath Bhanjan was Nationalized and brought under National Textile Corporation Ltd. (NTC) through The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986. On account of technical obsolescence, excess manpower, poor productivity, etc., the net worth of NTC mills got totally eroded by early 1990s, necessitating reference to Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act in the year 1993-94 and subsequently NTC was declared sick. As per the BIFR approved revival scheme of NTC, Swadeshi Cotton Mills at Maunath Bhanjan was slated for modernization through Joint Ventures (JV) route. Accordingly, NTC signed a Memorandum of Understanding (MoU) for the modernization of Swadeshi Cotton Mills at Maunath Bhanjan along with another 10 mills through JV route. The said MoU was cancelled on 14.09.2010 due to non-execution of various transaction documents by Strategic Partners within stipulated time of 240 days. Presently, the matter is sub-judice before the Hon'ble High Court of Delhi.

**(d) & (e):** No such proposal is under consideration at this stage as the matter is sub-judice.

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