

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2604  
ANSWERED ON:09.12.2005  
CLOSURE OF SPINNING MILLS  
Majhi Shri Parsuram

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether some cooperative spinning mills in the country specially in Orissa have been closed down;
- (b) if so, the details thereof and the reasons therefor, State-wise;
- (c) the steps taken by the Government to revive these mills; and
- (d) if so, the details thereof, mill-wise?

**Answer**

MINISTER OF TEXTILES ( SHRI SHANKERSINH VAGHELA)

(a) Yes Sir. Out of the 160 installed cooperative spinning mills, 75 are reportedly closed including 1 in Orissa.

(b) The closure of the cooperative spinning mills is mainly attributed to:

- Recession in industry during 1995-2002
- Technological obsolescence
- High cost of inputs like cotton, power and labour.
- High cost of capital.
- Lack of adequate funds, particularly for working capital.

State wise details of closed mills is given in Annexure-I

(c): NCDC has a scheme for rehabilitation of sick cooperative spinning mills. The scheme is in the form of a package. NCDC provides loan assistance to the extent of 70% of the rehabilitation cost to the State Governments for participating in the equity as well as providing term loan for the rehabilitation of the sick cooperative spinning mills. In addition, capital subsidy to the extent of 20% on the plant and machinery component of the rehabilitation programme is provided, if made available by the Government of India.

(d): Sequel to the introduction of the scheme (March 2000) four programmes have been sanctioned so far – of which 1 has been completed and 3 are in progress. Details are given in Annexure-II.

Annexure-I

S1. No. Name of the States NUMBER OF CLOSED COTTON GROWERS/ HANDLOOM WEAVERS COOPERATIVE SPINNING MILLS

- 1. Andhra Pradesh 11
- 2. Assam 2
- 3. Bihar 3
- 4. Gujarat 4
- 5. Haryana 1
- 6. Karnataka 5

7 Maharashtra 26

8. Madhya Pradesh 1

9. Orissa 1

10. Punjab 5

11. Rajasthan 1

12. Tamil Nadu 9

13. Uttar Pradesh 6

TOTAL 75

Annexure-II

Sl.No.	Name of Mill	Date of sanction	Remarks
1.	Gulabpura Unit of SPINFED,Rajasthan	12.6.2001	Completed
2.	Farmers Cooperative Spinning Mills Ltd., Karnataka	11.9.2003	Under Implementation
3.	Gulabpura Unit of SPINFED Rajasthan	6.12.2004	Under Implementation
4.	Gangapur Unit of SPINFED, Rajasthan	6.12.2004	Under Implementation