

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:4919
ANSWERED ON:23.05.2006
SICK TEXTILE MILLS
Deora Shri Milind Murl

Will the Minister of TEXTILES be pleased to state:

- (a) Whether the Supreme Court had set aside a Mumbai High Court judgment scrapping Rs. 20,000 crore project to develop lands belonging to 58 sick textile mills including the mills belonging to NTC in Mumbai;
- (b) If so, the reasons for setting aside it;
- (c) Whether 5 NTC mills at Mumbai were sold without complying with the condition laid down by the Board for Industrial and Financial Reconstruction (BIFR); and
- (d) If so, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) & (b) : Yes, Sir. The Hon'ble Supreme Court set aside a judgment dated 17th October, 2005 of the High Court of Mumbai. The Hon'ble High Court of Mumbai in its judgment concluded, among other things, that the sale of National Textile Corporation (NTC) mills land are contrary to the Supreme Court orders and against the sanctioned scheme by Board for Industrial and Financial Reconstruction (BIFR). NTC filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court. The final judgment was delivered on 7th March, 2006. The salient features of the judgment are –

- i) The judgment dated 17th October, 2005 of the High Court of Mumbai has been set aside by the Supreme Court.
- ii) The Court has upheld the 2001 amendment to the Rule 58 of the Development Control Regulations (DCR), 1991 of the Govt. of Maharashtra and the clarification issued by the Govt. of Maharashtra on this in 2003, which were under challenge.
- iii) All the sales of NTC mills land at Mumbai are in order.
- iv) The Court also held that the changes made in the rules for the development of the mills land were constitutionally valid.
- v) While allowing the appeal, the Supreme Court said that the environmental aspect and sustainable development has to go together.

(c) : The sale of 5 NTC mills land at Mumbai were as per the BIFR approved Scheme. The Hon'ble Supreme Court in its judgment dated 7th March, 2006 has already held that the sale of NTC mills was not contrary to the BIFR Scheme.

(d) : Does not arise.