

**CALLING ATTENTION TO MATTER  
OF URGENT PUBLIC IMPORTANCE**

**FALL IN PRODUCTION OF CERTAIN MILLS  
AND THE EFFECTS THEREOF**

Shri Sonavane (Sholapur—Reserved—Sch. Castes): Sir, under rule 197, I beg to call the attention of the Minister of Commerce and Industry to the following matter of urgent public importance and I request that he may make a statement thereon:

“Fall in production of Sholapur Spinning and Weaving Mills Ltd., and Narsing Girji Mills Ltd., Sholapur and the effect thereof on the Government investments and on labour.”

The Minister of Commerce (Shri Kasungo): Sir, during the year 1947-48, when Messrs. Sholapur Spg. and Wvg. Mills Ltd., Sholapur came under the management of Morarka Group, there was a loss of Rs. 16.2 lakhs and in the year 1948-49 of Rs. 27.2 lakhs. The mills closed down on August 27, 1949, ostensibly on the ground that it had large stocks of cloth and yarn which it could not sell. The mill was also mismanaged and the replacement of machinery was neglected. This mill was taken over by the Government of India under special Ordinance in January, 1950. The Government of India and the Government of Bombay have jointly advanced loan to the tune of Rs. 94 lakhs to this mill in order to renovate the mills and to provide for efficient working. The mills are incurring exorbitant losses since October, 1956. The main difficulty with the mill is their acute financial position and their inability to pay for the main raw materials namely cotton and coal. Their machinery is also very old which has not been replaced or renovated on account of the initial mismanagement. The mills are, therefore, unable to work efficiently and to their full capacity. Due to this there is fall in production and full complement of labour cannot be employed. On account of continued losses, the mills are also unable to pay back the money advanced to

them. So far only Rs. 6 lakhs have been paid by the mills which has been adjusted towards the interest on the principal amount of Rs. 94 lakhs. It is felt that the remedy of the mills' difficulties lies in making available to them adequate financial assistance. The Government of Bombay, are aware of the mills' difficulties and certain changes in the Board of Directors are expected shortly, which, it is expected will improve the position. Messrs. Narsing Gurjee Mills Ltd., Sholapur: The mills were surveyed by the Textile Commissioner in July, 1955 and June, 1956. Survey reports indicate that the condition of the plant and equipment and the financial position of the mills are very unsatisfactory. The mills' liabilities have outgrown their assets by nearly a little over Rs. 2 lakhs and they have no resources for the purchase of essential supplies like cotton and for payment of workers. The mills cannot work to their full capacity and full complement of labour cannot be employed. No financial assistance has either been given by the Government or the National Industrial Corporation, or Industrial Finance Corporation on account of the state of affairs of the mills and, therefore, no financial implications are involved so far as Government is concerned.

Proceedings have already been instituted for the winding up of the Company.

**DEMANDS FOR GRANTS—Contd.**  
**MINISTRY OF FOOD AND AGRICULTURE—**  
**contd.**

Mr. Deputy-Speaker: The House will now take up further discussion of the Demands for Grants relating to the Ministry of Food and Agriculture. Out of six hours allotted for the Demands of this Ministry, about two hours have already been availed of and four hours now remain.

The list of selected cut motions relating to the Demands of this Ministry has already been circulated to Members on the 29th July, 1957.