

**Western India Mills (Textile Unit),
Bombay**

73. SHRI S. W. DHABE: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a.) whether any proposal has been received from the Maharashtra Government regarding restarting of the Western India Mill (Textile Unit).
Bombay;

(b) if so, what are the details thereof;

(c) since when the unit has been lying closed and **what** are the reasons therefor; and

(d) what is the reaction of the Central Government to the proposal of the Maharashtra Government.

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA) (a) to (d) On consideration of the proposal from Government of Maharashtra regarding reopening of Western India Spinning and Manufacturing Mills, Bombay, which, has been lying closed from 15th July, 1976 on account of financial difficulties, the Central Government notified the take-over of the mill under the Industries (D and R) Act, 1951 for management by the Maharashtra State Textiles Corporation. Later it was brought to the notice of the Central Government that Maharashtra State Textile Corporation experienced some difficulty in securing the needed cash credit limit from the mill's bank. In a joint meeting convened by the Ministry, the relevant issues were discussed with the representatives of the Bank of India, the Reserve Bank and the representatives of the Government of Maharashtra. As a result, the availability of the needed finances has been assured. The mill is expected to reopen shortly.

Interest paid on General Provident Fund

74. SHRI S. W. DHABE: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether it is a fact that interest at a lesser rate is paid on the General Provident Fund accumulations of the Central Government employees on amounts of such accumulations over Rs. 25,000; and

(b) if so, whether there is any proposal under Government's consideration to allow the rate of interest on such accumulations at par with the bank rate on fixed deposits in order to curb the tendency of frequent withdrawals from the General Provident Fund by the Government employees?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b.) For the year 1977-78, interest on General Provident Fund accumulations of Central Government employees will be allowed at the rate of 74 per cent per annum on balances upto Rs. 25,000 and at the rate of 7 per cent on balances in excess of Rs. 25,000/-.

In addition, the subscribers are entitled to an incentive bonus on their deposits if they make no withdrawal during the year; the rate of bonus allowed on deposits made during the year is 3 per cent in the case of employees drawing pay upto Rs. 500 per month and at the rate 1 per cent if their pay is above Rs. 500 per month.

Besides there is an automatic and free insurance cover for the subscribers; in the event of death of a subscriber while in service, the nominee¹ is entitled to an additional amount, upto Rs. 10,000 equal to the average of balances in the account of the deceased over 3 years immediately preceding the death of the deceased¹.