

# 1,000 acres of defunct textile mills in UP to give way for new firms

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Virendra Singh Rawat | Lucknow

The Uttar Pradesh government is acquiring defunct textile mills for fresh allotment to the industry.

According to estimates, prime land assets of over 1,000 acres are locked in these units across the state. These units are operated by state-owned entities like UP Cooperative Spinning Mills Federation, UP State Textile Corporation Limited, UP State Spinning Company Limited, and UP State Yarn Company Limited.

These defunct units collectively owe liabilities of almost Rs 3,000 crore to different agencies, including financial institutions, and have little chances of revival.

UP Industrial Development Minister Nand Gopal Gupta Nandi had announced the state intended to acquire the land parcels for allotment to investors after settling their outstanding liabilities.

While the state has waived Rs 500 crore debt on these units, the requisite funds to wipe off the remaining debt would be raised through auction, sources said.

UP Cooperative Spinning Mills Federation alone has over 700 acres of land spread across districts.

Meanwhile, the proposed restricting action plan includes setting up of an MSME industrial park in the Kanpur region, which is among the most industrialized and textile hubs of North India.

The government is bracing up for a mega groundbreaking ceremony to launch projects worth almost Rs 10 trillion.

Since the industry has flagged the urgent requirement of land for setting up units, the UP government is pulling all stops to ramp up industrial land bank in the manufacturing and commercial hubs.