

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:636

ANSWERED ON:26.11.2012

RESTRUCTURING OF TEXTILES SECTOR

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

- (a) whether Indian textiles industry are going through a bad phase due to rising competition and lack of credit facilities;
- (b) if so, the details thereof State-wise, along with the major challenges faced by the textiles industry and measures taken/being taken by the Government to bail out the industry;
- (c) whether the textiles companies in India are incurring huge losses during the last one year and becoming sick due to high debts;
- (d) if so, the details thereof and the reasons therefor;
- (e) the action plan chalked out by the Government to restructure debt of the textiles sector;
- (f) whether the Government has made any consultations with the World Bank and the Asian Development Bank for re-financing of loan-waiver scheme; and
- (g) if so, the details thereof?

**Answer**

(MINISTER OF TEXTILES) (SHRI ANAND SHARMA)

(a) to (e): Textile Industry suffered a downturn in 2011-12, due mainly to the global economic slowdown and partially the high price volatility in the international and domestic cotton market. To ease the resultant financial distress, recognizing the Handloom sector as the most vulnerable segment of the Textile industry, Government announced a Handloom Revival, Reform & Restructuring Package under which Rs.3884 crore was allocated for waiver of loans of handloom cooperatives, individual weavers, etc. and for interest subsidy, margin money and credit guarantee for fresh loans. Government also approved a debt restructuring package to help loss making textile mills, to be administered on a case by case basis by the banks within the prudential norms of the Reserve Bank of India. Following the debt restructuring of the mills, there are no losses reported by the industry. Meantime, production indicators have also turned positive for yarn and fabric, showing a 7.9% growth in total spun yarn and a 4.7% growth in total fabric production in April-September 2012 in comparison with the same period in the previous year.

(f): No Madam.

(g): Does not arise.