

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:529

ANSWERED ON:14.08.2014

DEBT RESTRUCTURING OF TEXTILE INDUSTRY

Adsul Shri Anandrao ;Yadav Shri Dharmendra

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government had issued any directions to Banks for restructuring debt of textile industry on a case to case basis;
- (b) if so, the details thereof;
- (c) whether Reserve Bank of India (RBI) had also agreed for moratorium on repayment of principal amount and conversion of working capital into working capital term loans; and if so, the details thereof;
- (d) the details of the small, medium and large scale textile mills that availed this facility and the progress made in the development of the various segments of textile industry as a result thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO. 529 DUE FOR ANSWER ON 14.08.2014 REGARDING "DEBT RESTRUCTURING OF TEXTILE INDUSTRY" RAISED BY SHRI ANANDRAO ADSUL AND SHRI DHARMENDRA YADAV TO BE ANSWERED BY SHRI SANTOSH KUMAR GANGWAR, HON'BLE MINISTER OF STATE (INDEPENDENT CHARGE) FOR TEXTILES

(a) & (b) Yes Madam. Following certain developments like global and domestic slowdown affecting the textiles industry adversely, in the year 2011-12, the Government had issued advisory to all the Public Sector Banks to open special windows for considering eligible stressed loan accounts in the textile sector for restructuring including second restructuring on a case by case basis so that viable loan accounts are nurtured and the financial health of the textile units is restored.

(c) Yes Madam. The Reserve Bank of India did not have any objection to a two year moratorium on repayment of term loans and conversion of working capital into Working Capital Term Loans repayable over a period of 3-5 years, as the same fell within the domain of the Banks themselves.

(d) The details of the small, medium and large scale textile units that actually availed restructuring is not maintained.