

- (c) if not, the reasons therefor alongwith the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) Yes, Sir.

(b) Government has recommended continuation of TUFs with an allocation of Rs.15886 crore for the entire 12th Five Year Plan against the allocation of Rs. 15404 crore during 11th Five Year Plan.

- (c) Does not arise in view of (B) above

Problem areas in cotton textile sector

291. SHRI R.C. SINGH: will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that cotton textile sector in the country is dying slowly,

(b) whether the Ministry has identified the problem areas;

(c) what efforts the Ministry is making to extend the helping hand for its revival;

(d) whether any study has been carried out about the fine show by cotton textile sector in China and Bangladesh; and

(e) if so, the details thereof and to what extent the positive steps adopted in the above countries are adaptable to India?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) and (b) No, Sir. Textiles Industry has witnessed a growth of 11% during the 11th Five Year Plan.

(c) To further boost rapid modernization of cotton textiles industry the Government has taken several policy initiatives including the Technology Upgradation Fund Scheme, the Scheme for Integrated Textile Parks, the Integrated Skill Development scheme and schemes being implemented for the development of Powerloom Sector export promotion.

(d) Yes, Sir.

(e) A study of Benchmarking of Apparel Industry was carried out with reference to China and Bangladesh. Improved Statistical collection, strengthening export credit guarantee schemes (EPCG), adherence to timely supplies, low power and labour costs were some of the key findings. Government has adopted the findings into the 12th five year Plan Schemes.

Proposal to restructure textile sector loans

292. SHRI BAISHNAB PARIDA: will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Reserve Bank of India (RBI) has turned down the proposal of Government to restructure textiles sector loans;

(b) whether it is also a fact that the textile industry is facing difficult times owing to adverse global scenario and demand slowdown in the domestic market; and

(c) if so, how the Ministry is planning to bail out the textile sector?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) to (c) Yes, Sir. The proposal for restructuring of textile sector loans formulated at the behest of Government of India was submitted and examined by Reserve Bank of India (RBI). RBI has advised that Bank can restructure any account whether standard, sub-standard or doubtful as also more than once, provided the financial viability is established and there is a reasonable certainty of repayment as per the terms of the restructuring package. If such restructuring is done within RBI laid down framework, certain asset classification benefits are available. However, there is no restriction on bank to restructure account outside RBI's framework. In such cases however, the asset classification benefit is not available. Restructuring of borrowal account on account of borrower's inability due to financial difficulties to service his account as per contractual obligations is a legitimate tool provided the account is potentially viable. However, restructuring is considered an event of default and the account is considered impaired as per international prudential and accounting norms. Relaxations in provisioning, asset classification and risk weight norms in this regard are not viewed positively by international rating agencies. Based on the above, RBI is not in favour of relaxing its prudential guidelines on restructuring of advances, provisioning norms, risk weights etc. for any specific sector or industry.

NTC mills approved for revival by BIFR

293. SHRI P. RAJEEV: Will the Minister of TEXTILES be pleased to state:

(a) how many of the 24 NTC mills that were approved for revival by the Board for Industrial and Financial Reconstruction (BIFR) have become functional till date;

(b) what are the reasons for inability to revive the remaining mills; and

(c) what has been central budgetary support for Kerala NTC mills – Vijayamohini Mills' Thiruvananthapuram, Kerala Lakshmi Mills and the Alagappa Mills at Thrissur?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIMATI PANABAKA LAKSHMI): (a) 23 mills are functional as on date.