

estimated a crop size of 334 lac bales, mill/SST consumption of 250 lac bales and export of 70 lac bales. The recommendations of the Cotton Advisory Board have been accepted by the Government.

(d) Government has decided that the exportable surplus of 70 lac bales would be adhered to in registration of cotton exports. Cotton exports have been placed on Open General Licencing Category subject to registration of export contracts.

Cotton production

2150. DR. RAMACHANDRA RAO: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the cotton production in 2011-12 was the highest ever crop size;

(b) if so, the details thereof; and

(c) to what extent this production has helped the farmers and the textile industry in the country?

THE MINISTER OF TEXTILES (SHRI ANAND SHARMA): (a) and (b) Yes Sir. Cotton Advisory Board (CAB) has estimated 2011-12 cotton production at 353 lac bales, consumption at 252 lac bales and exports at 128.81 lac bales.

(c) Despite the increase in production, record cotton exports helped sustain Indian cotton prices during cotton season 2011-12 above MSP levels. By July 2012, domestic cotton prices crossed international prices, causing several textiles mills to import cotton from cheaper international destinations. The volatility in cotton prices in cotton seasons 2010-11 and 2011-12 resulted in textiles industry experiencing negative operating cash flows, low profit margins, skewed debt to equity ratio, inadequate debt service coverage ratio and low return on capital employed and necessitated a Rs. 35000 crores debt restructuring package undertaken on a case by within the RBI's prudential guidelines.

Shortfall in production of cotton

2151. SHRI NATUJI HALAJI THAKOR:

SHRIMATI SMRITI ZUBIN IRANI:

Will the Minister of TEXTILES be pleased to state:

(a) whether there is shortfall in estimated production of cotton in India as per the estimated world production;