

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:66
ANSWERED ON:05.12.2003
RECONSTRUCTION PACKAGE FUND
SRIPRAKASH JAISWAL

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government have initiated steps to revive the NTC mills across the country;
- (b) if so, the details and results thereof;
- (c) whether the Government propose to constitute a `Textile Reconstruction Fund`;
- (d) if so, the purpose and objectives of the fund`
- (e) the time by which the above Fund would be constituted; and
- (f) the extent to which it will be helpful to the textiles sector viz. handloom, handicrafts and power loom etc?

Answer

THE MINISTER OF TEXTILES (SHRI SYED SHAHNAWAZ HUSSAIN)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 66 FOR 5.12.2003

(a) & (b) As per the rehabilitation schemes sanctioned by BIFR / Government, 53 viable NTC mills are to be revived and 66 unviable mills are to be closed at a total cost of Rs.3,918.84 Cr. The following steps have been taken towards implementation of these schemes:

- All assets of NTC unencumbered by settling the dues of Secured Creditors under One Time Settlement (OTS). Rs.248 Crores paid through Government guaranteed NTC Bonds.

- VRS scheme has been modified to offer greater benefit to the workers whose wages were not revised for a long time. With this, the average VRS package increased to about Rs. 3 lakhs equalling roughly 75 months of wage. Rs.1250 Crores has been mobilised through NTC Bonds and utilised to give VRS to nearly 30,153 employees in 61 mills.

- Modernisation Plans for 53 mills proposed for revival are updated and steps initiated for procurement of machinery.

- Surplus assets worth Rs.292.76 Crores have been sold through a transparent process.

(c) & (d) In order to prevent sickness in viable/potentially viable textile mills, Government announced a package on 9th September 2003 permitting Banks /FIs to access external commercial borrowings and convert rupee term loan into foreign currency loan in cheaper rate who in turn restructure debt portfolios of textile units.

(e) The scheme has come into effect from 15th September 2003.

(f) The scheme is applicable only for organized textile sector with a minimum debt exposure of Rs. 2 Crores.