

# Govt relief for textiles industry

By Mail Today Bureau  
in New Delhi

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**THE government on Tuesday decided to restructure loans worth ₹35,000 crore to provide relief to the debt-ridden textiles industry. The decision to restructure the bank loans was taken at a meeting between commerce and textiles minister Anand Sharma and finance minister Pranab Mukherjee here.**

The total outstanding debt of textiles sector is ₹1,55,809 crore, out of which debt of ₹35,000 crore needs restructuring, an official statement said. The sector has been hit by a sharp fall in cotton yarn prices and poor domestic and global demand. Textile units are facing difficulty in repaying term loans and financing working capital.

Government directions to banks will be issued in this regard, the statement said adding that an Inter-ministerial committee of senior officials will be constituted to coordinate with industry and banks for expeditious restructuring.

On the demand of textiles industry associations for a two-year moratorium on long-term loans, it said that the finance ministry will examine the issue in consultation with the Reserve Bank of India (RBI). There was agreement with the ministry of finance that the debt restructuring package will be considered on a case-to-case basis by individual banks, the statement said.