

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2905  
ANSWERED ON:12.12.2006  
FINANCIAL RESTRUCTURING OF NTC  
Adsul Shri Anandrao Vithoba;Verma Shri Ravi Prakash

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether the National Textile Corporation Limited (NTC) which was a holding company with nine subsidiaries is now a single company;
- (b) if so, the details thereof and the objectives therefor;
- (c) whether the Government proposes to go in for financial restructuring of NTC; and
- (d) if so, the details of the plan prepared therefore?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) : Yes Sir. The Board for Industrial and Financial Reconstruction (BIFR), in its hearing held on 28.03.2006, has approved a Modified Revival Scheme (MRS) for National Textile Corporation (NTC), involving merger of all the 9 subsidiaries with the Holding Company w.e.f. 01.04.2005.

(b) : Formation of single Company will lead to synergy, economy and better control of the operations of the Company. This will enable NTC to have a sound financial position, in order to access funds from financial institutions at reasonable rates. The employee strength of NTC is projected to come down to 10,050 from the existing strength of 21,000 on account of merger of subsidiaries and MVRS. In nutshell, NTC will become an efficient and profitable organisation contributing significantly to the Government exchequer in the form of dividend and ensuring enhanced welfare to the large workforce employed in the organisation. Moreover, NTC will compete on equal terms with other players, domestic and international, in the resurgent textile sector in India.

(c) & (d) : Yes Sir. It has been decided to go in for financial restructuring of NTC. This includes writing off the outstanding loan as on 31.03.2006, and waiver of interest thereon, and providing wage support during 2007-08, if warranted. Also, the 9 Transferor companies shall transfer their entire undertaking to the Transferee Company, i.e. NTC (Holding Company). Consequent to the transfer, NTC will issue shares in exchange of shares in the subsidiary companies held by the respective State Governments.