

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1794
ANSWERED ON:01.08.2003
RESTRUCTURING OF NTC MILLS
M. JAGANNATH

Will the Minister of TEXTILES be pleased to state:

to the reply given to the Starred Question No. 5800 on May 2, 2003 regarding Restructuring of NTC mills and state:

- (a) whether the scheme of arrangement of restructuring has been prepared and approved by 'competent authority';
- (b) if so, the details thereof;
- (c) if not, the time by which the scheme is likely to be finalized;
- (d) the meaning of competent authority who has to approve the restructuring scheme; and
- (e) the broad details of the view points put forth by the NTC Management in regard to restructuring to scheme and incorporated in the restructuring scheme by the Ministry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRIBASANAGOUDA R. PATIL (YATNAL))

- (a): The scheme for merger of NTC Companies has been approved by the Government and an application has been moved before BIFR for approval of the same.
- (b): The scheme proposes merger of 9 NTC companies into 4 independent regional companies. The scheme provides for downsizing of corporate offices while providing greater decentralisation of powers and responsibility to NTC companies in order to make them accountable for their performance.
- (c): BIFR is currently considering the scheme.
- (d): BIFR is the Competent Authority for ordering merger of the sick companies under The Sick Industrial Companies (Special Provisions) Act.
- (e): NTC management, while favouring the downsizing option, sought for merging all the companies in to a single company. Since this would result in more centralisation, it was not agreed to.