CHAPTER XII

PUBLIC SECTOR UNDERTAKINGS

NATIONAL TEXTILE CORPORATION LIMITED

The National Textile Corporation Limited (NTC) was incorporated in 1968 to manage the affairs of nationalized sick private sector textile mills which were taken over by the Government under the three Nationalisation Acts. {The Sick Textile Undertakings (Nationalisation) Act, 1974, The Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Act, 1986, and The Textile Undertakings (Nationalisation) Act, 1995}.

Starting with 16 mills in 1968, the number of mills eventually increased to 119 by 1994. During 1992-94, 8 NTC Subsidiary Corporations (104 mills) were referred to the Board for Industrial and Financial Reconstruction (BIFR), under section 15(1) of the Sick Industrial Companies Act, and were declared sick industrial companies. BIFR approved the revival scheme in respect of these Companies in 2002, permitting closure of 60 unviable mills and the revival of 44 viable mills. Accordingly, 60 unviable mills were closed. Subsequently, National Textile Corporation (Tamil Nadu & Puducherry) Ltd., (15 mills) was also referred to BIFR in 2004, and declared sick in December 2005. Thus, the total number of viable and unviable mills increased to 53 and 66, respectively (total 119 mills). All the unviable mills have since been closed under the Industrial Disputes Act 1947.

Of these 119 mills, two mills under the NTC (TNP) subsidiary (one viable and one unviable mill) were transferred to the Puducherry Government on April 1, 2005. After the transfer, NTC presently has 52 viable mills. The viable NTC mills have been organized State-wise, which may be seen at Table 12.1.

All subsidiaries have been merged with the Holding Company w.e.f. April 1, 2005.

2) Modernisation of Mills

The resources for the rehabilitation scheme approved by the Board for

Table 12.1

No.	States	Headquarter	No. of Mills
1	Andhra Pradesh, Karnataka, Kerala & Mahe	Bangalore	10
2.	Rajasthan, Punjab, Delhi.	Delhi	5
3.	Gujarat	Ahmedabad	2
4.	Maharashtra	Mumbai	8
5.	Madhya Pradesh, Chattisgarh	Indore	2
6.	Maharashtra	Mumbai	9
7.	Uttar Pradesh	Kanpur	2
8.	Tamil Nadu, Puducherry	Coimbatore	8
9.	West Bengal, Assam, Bihar & Orissa	Kolkata	6

Industrial and Financial Reconstruction (BIFR) are to be largely generated through the sale of surplus assets. The sale process was held up for more than two years in various parts of the country due to non-receipt of required permission from certain State Governments like Maharashtra, Uttar Pradesh, Madhya Pradesh and Gujarat.

As per the Rehabilitation Plan, 22 NTC mills were to be modernized by the NTC itself, and remaining 30 mills (including one mill at Mumbai, where construction of International Trade Tower is proposed) are to be modernized under Joint Ventures. In the first phase, modernization of 15 mills has been contemplated. The resources for modernization are to be largely generated through sale of surplus assets. The revival scheme was to be implemented upto March 31, 2004. The major components of the schemes have been implemented except the modernization of viable mills because of hurdles in the sale of surplus land in various states especially in Maharashtra. A revised revival scheme was submitted to BIFR on January 27, 2006. BIFR has approved the Draft Modified Revival Scheme (DMRS) on March 28, 2006 and this was communicated vide order dated May 17, 2006.

The modified revival scheme was approved by the Group of Ministers (GOM) on December 5, 2006. It was decided that NTC will revive 22 mills through it own resources, 18 mills through Public Private Partnership (PPP) and close down 12 mills where the majority of workers have taken VRS.

3. CAPITAL STRUCTURE

Initially, NTC Ltd (Holding Company) had an authorized capital of Rs.10.00 crores, which was raised from time to time. Presently, it is Rs.600 crores and is likely to be increased to Rs.5000 crores on account of conversion of loan into equity as a part of the Rehabilitation Scheme. The paid up capital of Rs.540.10 crores, is fully owned by the Govt. of India.

4. MOBILIZATION OF FUNDS

NTC has mobilized funds of Rs.2028.04 crores through issue of Bonds. Of this, Rs.248.69 crores was for One-Time Settlement (OTS) with Banks and Financial Institutions, which has been redeemed on January 1, 2007, and balance Rs.1779.35 crores for MVRS/Statutory dues.

5. CAPACITY

As on April 1, 2006, the installed capacity of the 52 mills under the NTC Group is 13.04 lakh spindles and 1886 looms with processing capacity of 36,000 mtrs/day. The Swadeshi Cotton Mills (66th unviable) and Sri Bharathi Mills (viable) located in Pondicherry have been transferred to the State Govt. of Puducherry on April 1, 2005.

6. PERFORMANCE DURING 2005-06 & 2006-07 (PROJECTIONS)

a) FINANCIAL RESULTS

The Group's net profit/cash loss for 2005-06 (audited) and 2006-07 (projected) is at Table 12.2.

b) PRODUCTION

The Production of Yarn & Cloth (including job work) in NTC mills during 2005-06, 2006-07 (April-September 2006) and expected for 2006-07 is at Table 12.3.

c) TURNOVER

The sales of Yarn & Cloth (including Job Work) in NTC mills during 2005-06, 2006-07 (April-September 2006) and expected for 2006-07 is at Table 12.4.

d) EXPORTS

NTC exported bed sheets and grey cloth worth Rs. 9.36 crores during 2005-06.

Table 12.2

(Rs. in Crores)

Sr. No.	Particulars	For 2005-06	For the period April-Sept. 06	Projected for F.Y. 2006-07
1	**Net Profit (+) / Loss (-)**	**(+) 1229.16**	**(-) 246.18**	**(+) 572.64**
2	**Non-operative expenses**			
	i) Govt interest & guarantee fee	541.39	340.00	716.00
	ii) Depreciation	13.02	6.68	13.36
	iii) MVRS	373.26	42.66	250.00
	iv) Provisions / Taxes	16.91	7.74	16.00
	v) Prior period expenses	0.35	3.10	6.00
	SUB-TOTAL	944.93	400.18	1001.36
3	**TOTAL (=1+2)**	**2174.09**	**154.00**	**1574.00**
4	**Non-operative income**			
	i) interest waived by creditors	26.64	—	—
	ii) Profit on sale of Assets	2256.70	194.00	1650.00
	iii) Provisions written back	27.50	15.00	30.00
	SUB-TOTAL	2310.84	209.00	1680.00
5	**Cash profit(+)/loss(-)(3-4)**	**(-) 136.75**	**(-) 55.00**	**(-) 106.00**

Table 12.3

S.No.	Particulars	Yarn Lakh Kgs.	Cloth Lakh Mtrs.
1	Actual for 2005-06	376.19	194.91
2	Actual for April-Sept., 06	164.00	88.00
3	Expected for 2006-07	472.17	302.63

Table 12.4

(Rs. in Crores)

S.No.	Particulars	Yarn	Cloth
1	Actual for 2005-06	471.53	90.04
2	Actual for April-Sept., 06	202.00	27.00
3	Expected for 2006-07	587.29	106.93

Exports of Rs. 3.13 crores have already been reported during the period April-December, 2006. The total exports during 2006-07 are expected to be Rs. 4.00 crores.

e) EMPLOYMENT

As on January 1, 2007, there were 18,776 employees on the roll of NTC. Between April 1, 2002, and January 1, 2007, 54,255 employees had taken VRS and Rs.1888.39 crores was disbursed.

f) READYMADE GARMENTS

NTC has diversified into production and sale of readymade garments by using NTC produced cloth. These include shirts, trousers, barmuda, shorts, handkerchiefs, kurta pyjamas, woolen coats & jackets, inner garments, etc. These measures have resulted in boosting the retail sale and have been widely accepted by the market.

NTC also markets readymade items (wide variety) under the Brand name 'FINLAY' in Mumbai & Delhi.

7. HIGHLIGHTS OF THE REHABILITATION SCHEMES APPROVED BY B.I.F.R. / G.O.I. IN 2002

BIFR approved rehabilitation schemes for eight subsidiary companies, which was to be implemented within two years with effect from April 1, 2002 and GoI sanctioned the revival scheme for ninth subsidiary, i.e. NTC (TN&P) in 2002-03, which was to be implemented within 2 years, i.e., by March 31, 2005.

7.1 SALIENT FEATURES OF THE SCHEME:-

The rehabilitation of the corporation originally involved revival of 53 operationally viable mills and closure of the 66 unviable mills. The Rehabilitation Scheme was to be implemented within two years of starting of the scheme from 2002-03. The implementation period had been extended up to 2005-06.

As per Revival Schemes approved in 2002 by BIFR/GoI, subsidiary-wise number of mills stated revival and closure is at Table 12.5.

7.2 The means of financing rehabilitation package may be seen at Table 12.6.

Table 12.5

Abstract of Mills for Revival and closure as per sanctioned Revival Schemes

Subsidiary/State-wise	Revival	Closure	TOTAL
Andhra Pradesh	2	4	6
Kerala	5	-	5
Karnataka	2	2	4
Mahe (Puducherry)	1	-	1
Punjab	2	2	4
Rajasthan	3	1	4
Gujarat	2	9	11
Maharashtra	17	18	35
Madhya Pradesh	2	5	7
Uttar Pradesh	2	9	11
Tamilnadu	8	5	13
Puducherry	1*	1*	2
West Bengal	3	9	12
Bihar	1	1	2
Orissa	1	-	1
Assam	1	-	1
TOTAL	**53***	**66***	**119**

** 2 mills (1 each from revival & closure located in Puducherry were transferred to State Govt. of Puducherry on April 11, 2005.)*

Table 12.6

Cost (Rs. in crores)		Means (Rs. in crores)	
	AMOUNT		**AMOUNT**
Modernization	1,465.78	Assets	3829.92
VRS	1,663.35	Wage Support	687.22
Statutory Dues	210.42	NTC Loan for VRS as grant	180.00
Pressing Creditors	597.94		
Total	**3937.49**	**Total**	**4697.14**

7.3 REASONS FOR DELAY IN IMPLEMENTATION OF SANCTIONED SCHEME

(i) Sale of surplus freehold land

The sale of land was at a very slow pace till December 2004, due to lack of general off-take and delay in permissions from various State Governments. It picked up from January 2005, after the State Govt. of Maharashtra gave permission, especially in respect of Mumbai based mills.

(ii) Sale of surplus lands held on leasehold basis

The respective State Governments did not grant permission for sale of leasehold lands.

7.4 Actions Taken by NTC so far:-

- 5 years 9.5% Govt. Guaranteed Tax-Free Bonds of Rs.248.69 crores were issued to Banks & Financial Institutions against One Time Settlement of their dues. These Bonds have been redemed on January 1, 2007.
- NTC mobilized Rs.1779.35 crores through Govt. Guaranteed NTC Taxable Bonds for payment of VRS to surplus employees.
- NTC has so far paid Rs 533.14 crores as interest on OTS and Taxable Bonds totaling Rs 2028.04 crores issued on private placement basis. In addition, NTC has paid Rs 58.90 crores as Government Guarantee Fee and Rs 7.64 crores as other related expenditure on issue of Bonds.
- NTC had paid VRS compensation amounting to Rs.1888.39 crores to 54,255 employees up to January 1, 2007.
- NTC had paid Rs 184.56 crores to clear the PF & ESI dues.
- NTC has closed 65 unviable mills. 66th unviable mill, i.e., Swadeshi Cotton Mills, alongwith Sri Bharathi Mills (viable) both located in Puducherry were transferred to the State Govt. of Puducherry on April 1, 2005, at a consideration amount of Rs.39.37 crores, which is yet to be received.
- Of 53 viable mills, one mill has been transferred to State Govt. of Puducherry, 22 mills are to be revived by NTC and 30 mills (18 mills as per GOM decision of December 6, 2006), in which heavy doze of modernization is required, are to be revived through Special Purpose Vehicle (SPV) with private partners.
- NTC had sold surplus Plant & Machinery worth Rs. 253.81 crores up to January 1, 2007.

- NTC has so far sold surplus land worth Rs. 2843.84 crores and Building-debris for Rs. 76.33 crores up to January 1, 2007.
- NTC has paid all the old dues of Cotton to Cotton Corporation of India Ltd. including principal and 40% carrying charges, as CCI has waived off total interest and 60% carrying charges.
- NTC entered into MOU with CCI to provide cotton to NTC mills on credit of 30 days to overcome the problem of shortage of working capital.
- Maintenance/purchase of spare parts of machinery in some of the running mills is being undertaken to improve production/utilization.

8. REVIEW BY PROMOTERS AND REVISED PROPOSAL SUBMITTED TO B.I.F.R.

8.1 Due to delay in sale of assets, modernization of the mills could not take place as per schedule, and the cost of modernization has also increased. In view of above, GoI reviewed the implementation status of the approved schemes.

8.2 Therefore, an exercise was carried out to examine the viability of each mill, which are proposed for revival/ closure/ strategic partnership with Ministry of Textiles. It was decided that:-

(a) 22 mills will be modernized by NTC itself through generation of funds by sale of assets and in regard to 30 mills, offers from reputed private entrepreneurs to revive these mills through a Special Purpose Vehicle (SPV) may be initiated.

(b) NTC will be restructured into a single company by merging all the nine subsidiaries with Holding Company.

(c) The budgetary wage support for meeting the actual shortfall should continue by the Government of India to NTC till completion of the revival scheme.

9.1 MODIFIED REVIVAL SCHEME APPROVED BY B.I.F.R. IN MARCH, 2006 DETAILS AT TABLE 12.7:

Table 12.7

Cost (Rs. crores)		Means (Rs. crores)	
	AMOUNT		**AMOUNT**
Modernization	529.96	Interest free Loan from GoI against short fall in wages (FY 2006 & 2007)	528.00
Working Capital	146.90		
VRS	812.65		
Pressing Creditors	206.68		
Wage Support	528.00		
Bonds redemption	2028.04		
Interest & related expenses on Bonds	615.43	Funds from sale of Land & other assets	4739.56
Refund of GoI Loan	399.90		
Total	**5267.56**	**Total**	**5267.56**

9.2 SALIENT FEATURES

- Merger of 9 subsidiaries with holding company, as proposed, is approved in public interest w.e.f. April 01, 2005.
- Implementation period extended up to March 31, 2008.
- Permission to invest in construction of integrated textile/ handicrafts plaza, International Trade Tower on the mills lands after taking approval from respective State Governments and surrender of land under DCR 58 to Govt. of Maharashtra provided that the capital expenditure shall be met from sale of surplus assets.
- Permission for setting up of joint venture after proper procedural approvals from the Government.
- The Government of India to consider converting unsecured GOI loans into equity to the extent required to make net-worth of the corporation positive, as early as possible, besides waiver of interest on unsecured GOI loans.
- Regarding CBDT's views that instead of giving exemption from payment of capital gains Govt. should provide budgetary support for this; the Bench observed that it might result transfer of funds from one department to another department without any significance and directed the department to comply with the provisions of sanctioned scheme in letter and spirit.

DECISIONS TAKEN BY GROUP OF MINISTERS ON DECEMBER 5, 2006

The modified revival scheme was approved by the Group of Ministers (GOM) on December 5, 2006.

- NTC will revive 22 mills through it own resources, 18 mills through Public Private Partnership (PPP) and close down 12 mills where the majority of workers have taken VRS.
- Relocation of composite mill at Hassan in SEZ instead of Modernisation of existing of Minarva Mill in Bangalore city and to replicate the model elsewhere.
- Writing-off outstanding loan of Rs.3387.70 crores and interest arrear of Rs.2712.12 crores.
- Incorporation of Chawl Development Policy of Government of Maharashtra as integral part of MRS.
- Development of Indian Textiles Plaza, Ahmedabad and India International Trade Tower, Mumbai.

9.3 STATUS OF MERGER OF SUBSIDIARIES WITH HOLDING COMPANY

The subsidiaries, as well as NTC (HC), filed the necessary forms (Form No 21) with concerned Registrar of Companies. The Registrar of Companies of NTC (HC) Ltd, New Delhi issued the Certificate of Registration of order of Amalgamation dated July 26, 2006 and thus all nine subsidiaries have been merged into NTC (HC) Ltd on April 01, 2005. However, de-activation of Subsidiary Corporation's name in the records of concerned Registrar of Companies is in process.

9.4 STATUS OF MODERNIZATION

- Order placed for purchase of machinery of Rs 87.00 crores for 13 mills.
- Advance of Rs 4.27 crores released for 10% amount against receipt of Bank Guarantee.
- Letter of credit has been opened for

supply of speed frames & ring frames for 3 mills.

THE BRITISH INDIA CORPORATION LIMITED

The British India Corporation Limited (BIC) was incorporated as a Public Limited Company on February 24, 1920. It was taken over by the Government of India on June 11, 1981, under the British India Corporation Ltd. (Acquisition of Shares) Act. The BIC Limited, Kanpur owns and manages two woollen mills, viz, (1) Cawnpore Woollen Mills Branch, Kanpur (2) New Egerton Woollen Mills Branch, Dhariwal. The products of these two mills are popularly known by the Brand names of "Lalimli" & "Dhariwal" respectively. These units manufacture the woollen/ blended suiting, tweeds, uniform cloth, lohis, shawls, rugs, blankets, etc.

The British India Corporation Limited has three subsidiary companies (1) Elgin Mills Co. Limited (2) Cawnpore Textiles Limited, Kanpur & (3) Brushware Limited.

2. MODERNIZATION/REHABILITATION OF BIC LIMITED AND ITS SUBSIDIARIES

B.I.C. Limited was declared as sick company in 1992, and was referred to Board For Industrial & Financial Reconstruction (BIFR). The Government proposed a Rehabilitation Scheme for the company in 2000 and BIFR approved the revival of the two Woollen Mills - Cawnpore Woollen Mills Branch (Lalimli), Kanpur & New Egerton Woollen Mills Branch (Dhariwal), Punjab. The cost of the BIFR approved rehabilitation scheme was Rs. 210.51 crores. The Government has released Rs. 86.00 crores as envisaged in the scheme to BIC Ltd. The said Rehabilitation Scheme could not be implemented within the stipulated time frame mainly due to non-cooperation of UP Govt. in granting the necessary permission for converting leasehold land into freehold at free of charge or with minimum charges, because the main source to finance the scheme was to be generated through the sale of surplus assets. The BIFR reviewed the matter on November 29, 2005 and issued direction that the company and operating agency, i.e., IDBI should prepare a modified Draft Rehabilitation Scheme and submit the same for consideration of BIFR. Accordingly, the draft modified rehabilitation scheme was submitted to BIFR.

3. CAPITAL STRUCTURES

The BIC Limited had initially an authorized share capital of Rs. 55.00 crores. Presently, it is Rs. 31.71 crores (after converting Government loan of Rs.249.62 crores into equity and de rating it to 10% as per direction of BIFR).

4. CAPACITY

The capacity of the two Woollen Mills of BIC is 20,680 worsted spindles, 1920 woollen spindles, 79 powerlooms & 62 handlooms.

5. PERFORMANCE DURING 2004-05 (AUDITED), 2005-06 (PROVISIONAL) AND 2006-07 (PROJECTIONS)

(A) FINANCIAL RESULTS

The net profit/cash loss for 2004-05 (Audited) 2005-06 (Provisional) and 2006-07 (projected) of BIC Limited is given at Table 12.8.

(B) PRODUCTION

The production of yarn and cloth in BIC Mills during 2004-05, 2005-06, (April - September 2006) & 2006-07 is given at Table 12.9.

Table 12.8

(Rs. In lacs)

Particulars	**2004-05**	**2005-06**	**April-Sept. 06**	**2006-07 (Projected)**
Net Profit (+)/Loss (-)	(-) 1353.51	(-) 2086.78*	(-) 409.50	12977.00
Non-operative expenses				
i) Govt. interest & guarantee fee	381.21	388.52	291.00	Nil
ii) Depreciation	35.12	88.57	52.00	90
iii) VRS	12.62	7.33	Nil	3500
iv) Provisions/Taxes	Nil	Nil	Nil	Nil
v) Prior period expenses	21.41	112.06	10.50	—
SUB TOTAL:	450.36	596.48	353.50	3590.00
Total (=1+2)	**(-) 903.15**	**(-) 1490.30**	**(-) 56.00**	**16567.00**
Non-operative Income				
i) Interest waived by Creditors	Nil	Nil	Nil	8639.00
ii) Profit on sale of Assets	259.57	Nil	1143.00	6000.00
iii) Provisions written back	Nil	Nil	Nil	Nil
iv) Grant from GOI	Nil	Nil	Nil	3500.00
SUB TOTAL:	259.57	Nil	1143.00	18139.00
Cash profit (+)/-loss (-) (-) 3-4	(-) 1162.75	(-) 1490.30	(-) 1199.50	(-) 1572.00

** Updated as on date in place of earlier reporting.*

Table 12.9

Sl. No.	**Particulars**	**Cloth Lakh Mtrs.**
1.	2004-05	11.73
2.	2005-06 (Prov.)	8.14
3.	April-Sept.2006 (Prov.)	2.25
4.	2006-07 (Projected)	10.50

(C) TURNOVER

The Sale of cloth by BIC Mills during 2005-06 (April-December 2006) and projections for 2006-07 is at Table 12.10.

Table 12.10

Sl. No.	**Particulars**	**Cloth Lakh Mtrs. (Rs. in lakhs)**
1.	2004-05	2584.28
2.	2005-06 (Prov.)	2375.85
3.	April-December 2006 (Prov.)	1044.68
4.	2006-07 (Projected)	3500.00

(D) EMPLOYEMENT

As on September 30, 2006, there were 1323 employees in CWM Branch 1278 in NEWM Branch and 81 in Corporate Office.

6. REHABILITATION SCHEME APPROVED BY BIFR/GOVERNMENT OF INDIA IN THE YEAR 2002.

The BIFR in 2002 approved a Rehabilitation Scheme for BIC Ltd. The Scheme was to be implemented within a period of 2 years, i.e., by the end of March 2005, for both the Units of BIC Limited.

(A) SALIENT FEATURES

— Conversion of Government of India (GOI) loan of Rs.249.62 crores into equity.

— Waiver of interest amounting Rs.390.80 crores.

— Modernisation of the Mills at an estimated cost of Rs.47 crores.

— Generation through sale of surplus land.

— Budgetary support for VRS and to fulfil deficit of salary and wages.

— VRS to surplus employees.

(B) REASON FOR SLOW PROGRESS OF THE SCHEME

— Delay in sale of assets due to non-availbilities of required permission from Government of U.P. for converting lease hold property into freehold.

— Poor sales performance by the Corporation.

— No. improvement in management and worker productivity.

— Bloated workforce.

7. ACTION TAKEN

(a) The British India Corporation Limited has made the payment of statutory dues P.F. & E.S.I. (contribution & interest) and placed the request for waiver of damages of PF & ESI before the Authorities of PF. They have granted the exemption of damages amounting to Rs. 8.62 crores. However the grant for exemption of damages of ESI amount to Rs. 2.35 crores is still to be obtained.

(b) allowed VRS to 521 employees and incurred an expenditure of Rs. 17.00 crores.

(c) invested Rs. 17.50 crores in the part modernization/renovation.

(d) disposed of old and obsolete machinery of the value Rs. 0.90 crores.

(e) registered the sale of the surplus assets of Rs. 25.19 crores till September 2006.

(f) registered the sale deeds of certain properties for which 25% advance of the value i.e Rs. 22.00 crores (approx) has been received.

(g) paid Rs.43.15 to SBI against the One Time Settlement (OTS) amount of Rs. 87.75 crores.

(h) made full payment of Rs. 4.5 crores to Financial Institutions under OTS

(i) prepared a Modified Draft Rehabilitation Scheme and submitted to BIFR. The cost of the scheme and means to finance may be seen at Table 12.11.

Subsidiaries of BIC Limited i.e. Elgin Mills Company Limited, Cawnpore Textile Mills Ltd. and Brushware Limited.

Elgin Mills Limited

The Elgin Mills Company Limited was established in 1864 and registered in 1911. The Corporation has 2 units viz Elgin No. 1 & Elgin No. 2. By an Ordinance viz British India Corporation Limited (Acquisition of Shares) Act, 1981 the Government acquired all the shares of BIC Limited and thus it became a Government company from June 11, 1981.

Due to continuous losses suffered by the Company, a reference under the provision of SICA was made to BIFR on May 15, 1992. The BIFR declared the Company as sick industrial company on November 3, 1992, and appointed Industrial Development Bank of India (IDBI) as an operating agency. The BIFR recommended winding-up of the Company on March 29, 1994. The said order was confirmed by AAIFR on May 9, 1997, and accordingly Hon'ble High Court, Allahabad passed the winding-up order of the Company on September 29, 1999, and appointed an Official Liquidator.

Table 12.11

Means of Finance	Cost of Scheme
1. Conversion charges to be received from GOI Rs. 47.65 crores. 2. VRS amount for 900 employees Rs. 70.00 crores. 3. Receipts from sale of surplus assets Rs. 149.57 crores.	1. Modernization/Renovation Rs 26.90 crores. 2. Working Capital and Contingency Rs.36.35 crores. 3. Payment to U.P. Government (conversion charges) Rs. 47.65 crores. 4. Payment to SBI Rs. 44.60 crores. 5. Payment of arrears of rationalized pay scale employees Rs,. 20.00 crores 6. Payment to Jal Sansthan, Nagar Nigam and subsidiary company Rs. 6.66 crores. 7. Redumption of Pref. capital and accumulated dividend Rs. 7.06 crores. 8. Payment of VRS Rs. 7.00 crores. 9. Expenditure on Marketing Development Rs. 8.00 crores.

The scheme is under consideration of BIFR.

Against the aforesaid order the Textile Labour Union filed a special appeal before Division Bench of Hon'ble High Court, Allahabad. The Hon'ble Bench granted stay of further action pursuant to winding-up order. The said order was in operation till August 18, 2000. Thereafter salary/ wages of the employees of Elgin Mills was stopped by the Government of India. However, on humanitarian ground the Government of India pronounced Voluntary Separation Scheme on June 1, 2001. All the employees, except 46, had taken VSS.

On July 6, 2001, an application was filed for revival of mill and for seeking directions of the Official Liquidator to defer the taking over of the assets of the mill until further order. The Hon'ble High Court vide order dated August 30, 2001, directed the official liquidator not to take possession of the Company. The Technical Viability Report prepared by NITRA was submitted to BIFR. The Government in June 2003, approved a Rehabilitation package by identifying a suitable private party willing to become majority shareholder. The Rehabilitation package envisages:-

1. The Revival of Elgin Mill No. 1 (closure of Elgin Mills No. 2) as a total cost of Rs.98.50 crores, including capital cost Rs.55.96 crores.

2. Raising of resources for implementing the scheme through sale of surplus land and assets valued at Rs. 126.50 crores.

3. One Time Settlement (OTS) with the secured creditors through budgetary support of Rs. 39.62 crores to unencumber the assets.

4. Writing off interest on Government loan (Rs.432.04 crores) and conversion of loan into equity (Rs.288.31 crores) alongwith de-rating of equity to 10%.

Accordingly, a Draft Rehabilitation Scheme was filed before BIFR. The BIFR vide order dated August 10, 2006, has rejected the proposal ex-parte and issued directions for change of management. A petition/appeal requesting BIFR to review its order dated August 10, 2006 was filed before BIFR for review/reconsideration of the order. The decision of BIFR is awaited.

CAWNPORE TEXTILES LIMITED, KANPUR

The Cawnpore Textiles Mills Limited was incorporated in 1920. The company was declared as sick company in 1992 and was referred to BIFR. The BIFR recommended winding up of the company on January 19, 1995, and AAIFR confirmed winding up order. On September 29, 1999, Hon'ble High Court of Allahabad passed order for winding up and appointed an Official Liquidator. The GOI stopped the payment of salaries and wages to the employees from August 2000. However, on humanitarian ground the Government implemented Voluntary Separation Scheme on March 31, 2001. All the employees, except four, opted for VRS. The company is lying closed and the Official Liquidator is still to take possession of the mill.

BRUSHWARE LIMITED

Brushware Limited was incorporated as Public Limited Company in 1893. The Company manufactures all types of brushes for industrial, domestic, personal and painting use and caters to the needs of the Defence, Railways, HAL, Sugar Mills, Textiles Mills, Roadways. Due to persistent losses, production was stopped in March 1994.

THE JUTE CORPORATION OF INDIA LTD. KOLKATA

The Jute Corporation of India Ltd. (JCI) is the Official Agency of the Govt. of India for implementing the policy of providing the Minimum Support Price to the jute growers and to serve as a stabilizing agency in the raw jute sector, However, whenever the prices of raw jute rules above the minimum support level the JCI undertakes commercial operations. The JCI in April 2005, completed 34 years of service to the jute growers.

Infrastructure

Currently, JCI operates through 171 purchase centres situated in 7 jute growing States namely, West Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. To increase its market coverage, JCI associates co-operative societies as its agents in the MSP operations in raw jute/mesta. About 250 state level apex cooperative societies and village level societies participated in the MSP operations in raw-jute/mesta during 2004-05. However their participation was low during the jute season of 2006-07 as the MSP operation in raw jute was quite negligible because the market price of raw-jute ruled much higher than the market support price of raw-jute, JCI procured only around 5 lakh bales of raw-jute under its commercial operation till December 31, 2006.

Range of Services

The Price Support Operation aims to procure raw jute from the small and marginal farmers at the minimum support prices (MSP) fixed by the Government from time to time.

The price support operations undertaken by the corporation is the most effective measure to arrest intra-seasonal fluctuation in raw jute prices as it creates a notional buffer stock through siphoning off the excess supply of the market.

The Corporation also undertakes commercial operations, i.e., purchase of raw jute at prices above the minimum support level on commercial consideration to generate profit and to arrest downward trend in raw jute prices.

JCI also distribute certified jute sheets to jute growers, supplementing the efforts of State Government agencies.

JCI, to improve the quality of raw jute, demonstrates through its centres new retting techniques developed by various research institutes.

The Corporation has entered the field of marketing of non-traditional jute products in collaboration with the Jute Manufacturers Development Council (JMDC) through a Sales Emporium 'SONALI' at Kolkata.

The Corporation provides service in the field of marketing research and acts as a decision facilitating body in the field of agriculture marketing.

NATIONAL JUTE MANUFACTURES CORPORATION LIMITED, KOLKATA

The National Jute Manufactures Corporation Limited (NJMC) was incorporated in 1980. There are six nationalised Jute Mills, viz., National, Kinnison, Khardah, Alexandra, Union and RBHM under its management. Of which five are located in and around Kolkata and one at Katihar, Bihar. NJMC was the only Public Sector Undertaking engaged in Jute goods manufacturing.

Production, Productivity & Performance

At the time of nationalization the production of the mills under NJMC was around 1.10 lakhs tons per annum, which went up to 1.33 lakh tons in 1985-86. However, since then there had been continuous decline in production. From 2004-05, six units of NJMC are not in operation due to disconnection of Power supply by CESC/ BSEB for non-payment of their bills. Suffering cash losses continuously for many years. The trend of production, productivity & performance is given at Table 12.12.

Reference to BIFR

NJMC had been continuously suffering cash loss since its inception. In view of continuous cash losses and complete erosion of net worth, NJMC was referred to the Board for Industrial and Financial Reconstruction (BIFR) on August, 11, 1992. Thereupon, BIFR declared the Company as a sick company under the provisions of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). Various revival proposals were submitted to BIFR which were turned down.

BIFR vide its order dated July 8, 2004, confirmed the winding up of NJMC Ltd. in terms of Sec.20(1) of Sick Industrial Companies (Special Provision) Act, 1985 (SICA). BIFR also ordered that this opinion shall be forwarded to the concerned High Court along with copies of all earlier orders / proceedings of the case.

On January 1, 2005, the Single Judge Bench of Calcutta High Court passed the order for winding-up of NJMC Ltd. and directed the official liquidator to take possession of assets of the company. Subsequently, NJMC management preferred an appeal before the Division Bench of the Hon'ble High Court, Kolkata against the above order. The matter was heard by the Division Bench on February 7, 2005, and stay order was granted against the operation of the above order dated January 6, 2005 which at present is in operation.

Meanwhile, NJMC Officers Guild filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the winding-up order of BIFR. AAIFR stayed the winding-up order passed by BIFR and the matter is presently pending before the AAIFR.

An action plan for the company was approved by the Government to grant

Table 12.12

Physical & Financial Performance of National Jute Manufacturers Corporation Ltd.

PHYSICAL	2003-04	2004-05	2005-06	2006-07 (Upto Nov.06)	2006-07 (Estimated)
Production (in MT)	11950	28	----	----	-----
Prodn./day (MT)	40	----	----	----	-----
FINANCIAL :	**Rs. in Lakh**	**Rs. in Lakh**	**Rs. in Lakh**	**Rs. in Lakh**	**-----**
Sale Value of Production	358	196	30	----	-----
Conversion Charges	907	6	185	----	-----
TOTAL	1265	202	215	----	-----
Cost of Production :					
Jute Cost	48	----	-----	----	-----
Salaries & Wages	12607	12589	11205	6147	10800
Stores & Spares	255	27	3	2	5
Other Expenses	3152	425	797	245	422
Interest	3123	5529	3706	2475	3712
TOTAL COST	19185	18570	15711	8869	14939
Cash Loss (Excluding interest on GOI Loan)	17920	18368	15496	8869	14939
GOI Loan	11200	11200	15802	32673	114862

VRS to all the employees and to refer the matter regarding revival of two mills to the Board for Reconstruction of Public Sector Enterprises (BRPSE). Accordingly VRS has been notified for all the employees and a proposal to revive two mills, viz., Kinnison and Khardah was referred to BRPSE.

BIRDS JUTE & EXPORT LTD., KOLKATA

The Birds Jute & Exports Ltd., a subsidiary of the National Jute Manufactures Corporation (NJMC) Ltd., processes Jute/ Cotton/Viscose & Blended Decorative Fabrics.

The production was suspended in October 1998, due to frequent break down of old and outdated machinery. It was resumed in August 2001, after repairs of major machinery and payment of electricity bills. However, the production was again discontinued in October 2002. The performance of BJEL from 2003-04 onwards is at Table 12.13.

The major losses were due to huge interest burden of secured and unsecured loan from bank, Holding Company and the Government of India

Reference to BIFR

The company was referred to Board for Industrial & Financial Reconstruction (BIFR). The BIFR vide order dated July 7, 2004 had confirmed the winding up order of BJEL, and referred the matter to Hon'ble High Court of Kolkata. The Hon'ble High Court vide order dated January 01, 2005, directed the Official Liquidator to take possession of the assets of the company. Against the above order, BJEL

Table 12.13
Physical & Financial Performance of Birds Jute & Exports Ltd.
(Rs. In Lakhs)

Physical	**2003-04**	**2004-05**	**2005-06**	**2006-07 [upto Nov.06]**	**2006-07 [Estimated]**
Production					
Own Fabrics[Mtrs.}	0	0	0	0	0
Contract[Mtrs.}	0	0	0	0	0
FINANCIAL					
Sale Value of Prodution	0	0	0	0	0
Rent & Other Income	35.33	38.55	38.84	25.87	38.83
Total	35.33	38.55	38.84	25.87	38.83
Raw Material	0	0	0	0	0
Stores	00.28	00.04	00.02	00.02	00.05
Salary & Wages	324.60	192.58	23.38	12.80	19.20
Other Expenses	33.31	32.75	29.13	19.40	30.00
Interest	545.54	591.30	***304.52	***258.83	***385.25
Depreciation	8.41	8.20	8.01	4.00	8.00
Total	912.14	824.87	365.06	293.05	442.50
Net Loss(before adjustment)	876.81	786.32	326.22	293.05	442.50
Adjustment	+3.80	-42.56	-1182.97	0	0
Net Loss/Net Profit(+) [After adjustment}	880.61	743.76	+856.75	293.05	442.50
Cash Loss/Cash profit(+)[*]	326.66	144.26	+1169.28	32.22	49.25
Interst on GOI Loan	203.41	207.73	**128.17	139.45	209.17

** After considering Interest on GOI,Bank and NJMC Ltd.*
*** After Adjustment*
****Interest on Bank Loan*

Staff Association filed an appeal in Division Bench of Hon'ble High Court, Kolkata. The orders of the single Bench dated January 06, 2005, were stayed by the Division Bench on February 17, 2005.

Against the order of BIFR, BJEL Staff Association has filed an appeal before the AAIFR which is pending.

THE COTTON CORPORATION OF INDIA LTD., (CCI), NAVI MUMBAI

CCI, set up in 1970, acts as a canalizing agency for import of cotton and purchase of raw cotton, (ii) provide price support to cultivators growing new varieties of cotton developed as a substitute for imported Long & Extra Long Staple cotton and (iii) a procurment agency for raw cotton for textiles mills, both in public and private sectors. Subsequent to the Textile Policy, 1985 CCI was assigned commercial operations for meeting the cotton requirements of institutional buyers and fulfilling the export quota allotted to it by the Government. With the liberalization of cotton exports through Open General Licence (OGL) from July 2, 2001, the system of allocation of export quota in favour of different agencies was discontinued.

CCI is the implementing agency for Mini Missions III and IV of Technology Mission on Cotton (TMC), which was launched in February 2000. It involves improvement of marketing infrastructure and modernization

/ technological upgradation of the existing ginning and pressing factories.

During the cotton season (October-September) of 2005-06, the prevailing kapas prices firmed up between third week of December 2005 to second week of January 2006, but again declined and touched MSP level in February 2006, and continued till the end-March, except in the States of Punjab & Haryana. Thereafter, kapas prices for most of the FAQ grade ruled above MSP, except Jayadhar. The Corporation, as the Price Support Agency of the Government of India, undertook MSP operations in all the cotton growing States of the country and procured 62.91 lakh quintals kapas under MSP operations equivalent to 12.52 lakh bales (170 kg. each). The Corporation also undertook commercial operation to ensure competitive prices to the cotton growers, and purchased 99,666 bales under commercial operations.

During the cotton season of 2006-07, a record cotton production is expected. The prevailing kapas prices in most of the cotton growing States are ruling at MSP level, except in Punjab, Haryana, Rajasthan, and Gujarat.

During 2005-06, the Corporation achieved the highest-ever sales turnover of Rs.2425.52 crores, against Rs.1629.76 crores during 2004-05, and paid a dividend of 20%, and earned a net profit after tax of Rs. 14.55 crore against Rs.27.04 crores in 2004-05. During 2006-07, the turnover of the Corporation will be around Rs. 1949.99 crores. During 2005-06, the Corporation sustained the pace of increased sales to private sector mills, and CCI's sales of cotton to the quality conscious mills in the private sector increased to 88.41% as against 86% during the previous year.

The developmental activities of the Corporation are covered under Mini Missions III and IV of TMC. CCI has undertaken Integrated Cotton Cultivation (Contract Farming) project for dissemination of technology to the farmers to increase the yield per hectare, improve the quality, distribute genetically pure certified seeds and pesticides, etc. During cotton season of 2005-06, the Corporation undertook Contract Farming on 20,030 hectares and during cotton season of 2006-07, the Corporation had further extended the area under contract farming programme in all the cotton growing States to 35,000 hectares area.

THE HANDICRAFTS AND HANDLOOMS EXPORTS CORPORATION OF INDIA LTD.

The Handicrafts and Handlooms Exports Corporation of India Limited (HHEC) was set up in June 1962, for the promotion of export and development of trade in handicrafts and handlooms. Presently, HHEC is a two star export house engaged in the export of handicrafts and handlooms products (including handknotted woollen carpets and ready-made garments) besides undertaking the import of bullion. In 1997-98, the Government, vide notification no. 80/97- Customs dated October 21, 1997, nominated HHEC alongwith other ten agencies for import of bullion under Open General Licence (OGL) and sale in the domestic market. Subsequently, under Exim Policy 2002-2007 bullion has been put under OGL (subject to RBI Regulations) w.e.f. January 28, 2004.

CAPITAL

The authorised and paid up capital of the Corporation is Rs. 20.00 crores and Rs.13.82 crores, respectively. The entire paid up capital is subscribed by the Government of India.

WORKING RESULTS

During 2005-06, the Corporation achieved a turnover of Rs.1,065.13 crores against

Rs. 1,302.17 crores in 2004-05. The reasons for the decline in Net Profit and foreign exchange earnings are as under:

a. Decision to disinvest HHEC during 2002-03.

b. Unfavourable global tourism scenario after terrorist attacks in the USA in September 2001.

c. The closure of HHEC offices at USA and Japan during 2003-04.

d. Decline in Jewellery sales in the Middle-East Market due to change in policy of local governments.

e. Decline in bullion imports due to reduction in usance Letter of Credits (LCs) for 90 days in July 2004, and due to the spurt in prices/ volatility in the international market.

NOIDA COMPLEX

The Noida Complex was inaugurated on September 27, 2005, by Shri Shankersinh Vaghela, Hon'ble Minister of Textiles and the marketing division of Corporate office, including the Showroom, and Delhi branch have merged and are functioning from the Noida complex.

STATISTICS

During 2005-06 the Turnover, Profit before Tax and Profit after Tax were Rs. 1,065.13, crores, Rs.1.36 crores, and Rs. 0.64 crores, respectively. For 2006-07, they are expected to reach Rs. 265.75 crores, 0.30 crores, and Rs. 0.10 crores, respectively.

MEMORANDUM OF UNDERSTANDING

The Corporation has signed an MOU with the Ministry of Textiles for 2006-2007. The Performance Evaluation Report for 2005-2006 MOU has been submitted with the Department of Public Enterprises with the rating as "Good".

TURN AROUND STRATEGY

The Corporation has chalked out a turnaround strategy, which includes:-

a. Appointment of General Sales Representatives {GSR/General Sales Agents (GSA)} in Australia, Canada, Germany, Russia.

b. Opening of franchise stores/ warehouses abroad in association with foreign buyers/agents.

c. Expansion of the range/variety of merchandise.

d. Increasing participation in Fairs and Exhibitions in India and abroad.

e. Increasing interaction with all Indian Missions abroad.

f. More emphasis on utility based handicrafts and handlooms items.

g. Increasing interaction with big buying houses and buying agents.

h. Working with agencies like the Indian Council for Cultural Relations (ICCR), and India Bond Equity Fund (IBEF), for their assistance in marketing efforts abroad for handicrafts and handlooms products.

i. There had been a proposal in 2003-04 to disinvest the Corporation. Though no decision was taken then, and the Ministry of Disinvestment later decided to put the issue on hold, the resulting uncertainty impacted the business of the Corporation adversely. Many long standing clients and buyers reconsidered their relationship with the Corporation, and the Corporation also lost many of their talented staff. In view of this, and to retrieve the situation, the Ministry of Textiles has recommended to the Department of Disinvestment that they are against any decision to disinvest Handicrafts

& Handlooms Exports Corporation of India Ltd. (HHEC), and have also communicated this, in compliance, to the Standing Committee on Labour in Parliament, which examines the Budget demands of the Ministry.

MEASURES TO UPLIFT ARTISANS

HHEC has taken several initiatives to uplift poor artisans and weavers, which include:

— Development of clusters in and around Bhadohi, Moradabad in Uttar Pradesh, and Srinagar in Kashmir. HHEC has established procurement/ production centers at handlooms clusters located in rural/remote places of Erode, Srivilliputur, Karur (Tamil Nadu), Nagri, Jamalamadugu (Andhra Pradesh), Cannanore (Kerala), Bhagalpur (Bihar), and Phulia (West Bengal). HHEC is also doing product development projects in Orissa and the North Eastern Region (NER).

— Establishment of procurement centres in production areas.

— Direct interaction with weavers and artisans to extend necessary guidance and assistance regarding design development, improvement of production techniques and quality etc.

Due to consistent efforts of HHEC, the traditional weavers in many parts of the country have been able to upgrade their skills and modernize their looms, which have ensured quality weaving, consistency and uniformity to meet international standards.

Central Cottage Industries Corporation of India Ltd. (CCIC)

The Central Cottage Industries Emporium was set up in 1952, under the management control of the Indian Co-operative Union, and in 1964 was taken over by Central Cottage Industries Association. It was incorporated as the Central Cottage Industries Corporation of India Ltd (CCIC) on February 4, 1976, as a wholly owned subsidiary of the Handicrafts and Handlooms Exports Corporation of India Ltd (HHEC). CCIC, with effect from March 23, 1991, ceased to be a subsidiary of HHEC, and was brought under the administrative control of the Ministry of Textiles, as an independent Public Sector Undertaking.

The Central Cottage Industries Corporation focusses on promoting varied crafts, and has over the time evolved into an institution, showcasing the rich cultural and craft heritage of the country to the world at large.

Objectives

- To produce, procure and sell quality handicrafts and handloom products, and to develop markets for these products in India and abroad.
- To continue to improve the quality of Indian Handicrafts, and to upgrade and produce new designs.
- To strengthen and expand the marketing network of the organization.
- To generate adequate returns on Net Worth.
- To manage trading activities and optimize sales and earnings, and reduce expenditure.

Branches

CCIC has showrooms at Delhi, Mumbai, Kolkata, Banglore, Chennai, and franchise showrooms at Gurgoan & Jaipur. CCIC has recently opened an exclusive Carpet showroom at Rajiv Gandhi Handicrafts

Shri Shankersinh Vaghela, Honourable Minister of Textiles inspecting products that have been awarded UNESCO's Seal Of Excellence, and were displayed at the Central Cottage Industries Emporium, New Delhi. Also seen in the picture Ms. Minja Yang, UNESCO representative and Director.

Bhawan, Baba Karak Singh Marg, New Delhi. CCIC is also opening a traditional Indian Painting Gallery at Rajiv Gandhi Handicrafts Bhawan, Baba Karak Singh Marg, New Delhi shortly.

Capital

As on March 31, 2006, the Authorized capital of CCIC is Rs 12.00 crores, and the paid up capital is Rs 10.85 crores.

Social role of CCIC

CCIC procures around 80% of its merchandise directly from artisans/ weavers. CCIC has about 5500 artisans and weavers on its panel, and through these craftsmen, more than 20,000 artisans and their workmen/families are associated with CCIC. CCIC provides marketing avenues to the crafts and textiles produced by craftsmen and weavers. CCIC being a Govt. organization provides an equitable return to the artisans and weavers for their products.

To improve product design and marketability, designs and market feed back are provided by CCIC to craftsmen and artisans. This helps them to upgrade their design skills and also to produce handicrafts as per the market trends and preferences, which directly make their products more saleable, and benefits them economically. CCIC also organises design workshops as a part of design development projects funded by O/o of DC (HC), Ministry of Textiles. To help poor artisans, weavers and craftsmen, CCIC has the following schemes:

- On the spot cash payment to poor artisans with specified limits.
- Immediate cheque payment, up to Rs.30,000/-, twice a month to poor craftsmen for merchandise supplied to CCIC.

Performance

The performance of CCIC during the last five year is at Table 12.14.

Projections

As per the MOU for 2006-07, a turnover target of Rs. 80.00 crores had been fixed. However it is expected that CCIC will be achieving a turnover of Rs. 110.00 crores crores, and a profit of Rs.10.25 crores, during 2006-07.

Vision

- Maximise CCIC's reach to artisans and weaves, and bring 10000 artisans into its fold in the next 5 years.
- To provide an effective marketing platform, integrate artisans into clusters developed through cluster development scheme under the Ambedkar Hastashilp Vikas Yojna of Office of Development Commissioner (Handicrafts), Ministry of Textiles.
- To act as a resource centre for crafts.
- Open retail outlets in the premises of Monuments of National importance incorporating the motifs from these monuments.

NATIONAL HANDLOOM DEVELOPMENT CORPORATION LTD., LUCKNOW

The National Handloom Development Corporation Ltd. (NHDC), Lucknow was set up in February 1983 by the Government of India as an autonomous body under the Companies Act, 1956.

The main objectives of the Corporation are:

- To carry on the business of all types of yarn for the benefit of the handloom sector.
- To organize supply of quality dyes and related material needed by the handloom sector.
- To promote marketing of handloom fabrics including for exports.
- To aid, assist and implement the projects connected with the production of handloom fabrics including taking up modernization programme, technology for the handloom sector.

Table 12.14

Financial Performance of Central Cottage Industry Corporation of India Ltd.

(Rs. in Lakhs)

S. No.	Year	Turnover (Rs.)	Profit/Loss (Rs.) (Before tax)	Earning in Foreign Exchange (Rs.)	MoU Rating
1	2001-02	5342.49	- 428.72	1968.85	FAIR
2	2002-03	5400.61	118.53	1840.90	GOOD
3	2003-04	5883.72	-49.49	1960.88	FAIR
4	2004-05	6174.32	124.64	2819.69	VERY GOOD
5	2005-06	6959.26	356.61	3058.80	VERY GOOD
6.	2006-07 (Provisional)	11000.00	1025.00	3200.00	

The total authorized capital of NHDC Ltd. is Rs.2000 lakh and its paid up capital is Rs.1900 lakh. The turnover and profit accounts of the Corporation for the last three years are given at Table 12.15.

Table 12.15

(Rs. In lakhs)

Year	Turnover	Profit
2003-2004	28474.96	145.14
2004-2005	24172.27	78.29
2005-2006	25345.20	50.33

During 2005-06, the Corporation paid dividend of Rs.10.50 lakhs to the Government. The NHDC supplied to user agencies 226.44-lakhs kg of yarn amounting to Rs.23,563.03 lakhs and 18.23-lakh kg. of dyes and chemicals amounting to Rs.1545.75 lakhs during 2005-2006 to user agencies. During 2006-07, 284.60 lakhs kg. of yarn amounting to Rs.25,491.80 lakhs (up to December 2006), 14.69 lakhs kg. of dyes and chemicals of amounting to Rs. 1249.68 lakhs was supplied to the user organizations.