CHAPTER XII

PUBLIC SECTOR UNDERTAKINGS

1. NATIONAL TEXTILE CORPORATION LIMITED:

National Textile Corporation Ltd (NTC) was set up with the main objective of managing the affairs of the Sick Textile Undertakings taken over by the Government. It was also proposed to rehabilitate and modernize these Mills after take-over and expand them wherever necessary with a view to making them economically viable.

NTC was incorporated in April, 1968 and started functioning in October, 1968. At present there are 119 mills, managed by the Holding Company and its 9 subsidiary Corporations namely, NTC(APKKM), NTC (DPR), NTC(MP), NTC(MN), NTC(SM), NTC(GUJ), NTC (TN&P) NTC(UP) & NTC (WABAO).

Capital Structure:

The NTC Ltd. (Holding Company) started with an Authorized Capital of Rs.10.00 Crores, which was raised from time to time. It stands at Rs. 600 Crores as on date. The paid up capital as on date is Rs. 512.10 Crores.

Capacity:

The Installed capacity of the mill under NTC as on 30.06.2001 was 34.03 lakh spindles and 32,454 looms whereas the commissioned capacity was 26.49 lakhs spindles and 18,972 looms.

Performance During 2001-2002:

During the period April-June, 2001 NTC Group has reported a net loss of Rs. 297 crore. The Group's anticipated net loss for the year 2001-2002 is expected to be Rs.1189 crore.

The Cash Loss suffered by the NTC Group before depreciation, tax and interest on Government loans and expenditure on VRS is Rs.159.17 crores for the period April-June, 2001. Looking at the trend, this figure for the year 2001-2002 is likely to be Rs. 637 crore.

Four major factors, namely, shortage of working capital stoppage/curtailment of activities, payment of idle wage to employees and lack of modernization put together, are responsible for deteriorating performance of NTC mills. Added to this is poor off-take of yarn during the first half of 2001-2002 due to slackening of demand.

Production:

During the period April- June, 2001, NTC mills have reported a production of 9 million kgs of Market Yarn (own) and 5 million kgs of
job work yarn. Based on this trend, the annual production is estimated to be of the order of about 56 million kgs, including job work.

NTC mills have produced 9 million meters cloth (own) during the period April-June,2001. In addition NTC mills have undertaken job work for cloth production to the extent of 1 million meters during this period. The annual production of the cloth, both own production as well as job work, is expected to be of the order of about 40 million meters.

**Turnover:**

The sales of the Market yarn (own) in value terms for the period April-June 2001 is approx. Rs.76 crore. During this period, the mills have also earned Rs 14 crore by undertaking job work of market yarn. The estimated turnover for the whole year 2001-2002, for yarn, both own production as well as job work is expected to be around Rs. 360 Crore.

The sale of Cloth (own) in value terms for the period April-June 2001 is of the order of Rs. 27 Crore. The mills have also earned about Rs.0.40 crore during April-June,2001, by way of doing Job Work for cloth production. The turnover for cloth for the whole year is expected to be of the order of about Rs 112 crores.

**Exports:**

Orders for export of bed sheets for a value of Rs.23.87 lakhs have been received. The same is expected to be completed by the end of December, 2001. Similarly, negotiations are being conducted for export of towels for which samples have been approved by the importers.

**Employment:**

At the end of June,2001, there were 82343 employees on roll in NTC Group. During 2000-2001, 1535 employees have gone on VRS and an amount of Rs.2621.73 lakhs was paid to them.

**Readymade Garments:**

NTC has diversified into production and sale of readymade garments by using NTC produced cloth. These include shirts, trousers, Bermuda, shorts, handkerchiefs, kurta-pyjamas etc. These have resulted in boosting up of retail sale. They have been widely accepted in the market.

**Activity Status:**

Due to acute shortage of working capital funds and other reasons, the mills, under NTC Group have not been able to utilize their full capacities. The activity status of mills during April-June, 2001 was as under:-

(i) Mills with no production activity 41
(ii) Mills with partial production activities 53
(iii) Mills with normal production activities 25

**Rehabilitation:**

8 out of the 9 Subsidiary Corporations,
which were referred to BIFR under the provisions of the Sick Industrial Companies (Special provisions) Act, 1985. BIFR circulated Draft Revival Schemes (DRSs) prepared by Operating Agencies namely IDBI/IFCI and fixed hearings for finalizing the same in February 2002. It was proposed in DRSs for revival of 44 viable mills and closure of 60 unviable mills after giving VRS to affected workers.

The Government considered the DRS circulated by BIFR and conveyed their concurrence for the proposed course of action consisting of closure of unviable mills and modernizing of viable mills along with the sacrifices consisting conversion of loan into equity, waiver of interest on loan, waiver of damages on statutory dues. NTC under instructions of Government had also filed submissions before BIFR in each of the 8 individual cases giving consent to the sacrifices proposed therein. Government had also taken preparatory steps for implementing the Rehabilitation Plan under finalization with BIFR.

2. THE BRITISH INDIA CORPORATION LIMITED, KANPUR:

The British India Corporation Ltd. was taken over by the Government of India on 11.6.1981 by acquisition of private shares. BIC has two woollen mills, namely, Cawnpore Woollen Mills Branch (Lalimli) and New Egerton Woollen Mills Branch (Dhariwal) under its direct control. Besides it has two cotton Subsidiary companies, namely, Elgin Mills Co. Ltd. and Cawnpore Textiles Ltd. The two woollen mills have 10,176 woollen spindles and 22,092 worsted spindles, 518 powerlooms and 162 handlooms. The total share capital of the BIC is Rs.44.66 crores out of which the share holding of the Government of India is Rs.42.96 crores. The total number of employees in the BIC is 3537.

Financial Performance:

The net loss for the financial year 1999-2000 was Rs.37.62 crores while the net loss for the year 2000-2001 is Rs.37.41 crores. The cumulative net loss upto 2000-01 is Rs.449.02 crores against which cumulative budgetary support including amounts released for salaries and wages have been Rs.224.32 crores upto 2000-01. The main reasons for losses suffered by BIC Ltd. include obsolete machinery, excess man-power, shortage of working capital etc.

Physical Performance:

The capacity utilisation for the year 2000-01 is 12.40% in worsted spindles and 8.88% in the woolen spindles while the capacity utilisation in weaving Sulzer looms is 31.78% and in old power looms 5.52%. The value of production is Rs.16.04 crores as against Rs.10.73 crores for last year.

Reference to the BIFR:

In 1993, the Company was referred to the BIFR which declared it as a sick industrial Company. The BIFR passed orders on
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31.10.94 recommending the winding up of the company. Against the order of BIFR the company filed an appeal before the AAIFR on 26.12.1996. AAIFR also dismissed the appeal of BIC at its hearing held on 9.5.1997 as the AAIFR felt that no rehabilitation scheme was feasible for the BIC Ltd. The Government asked the Wool Research Association (WRA) to prepare Techno-Economic Viability Report of the two woollen Mills separately, to consider the feasibility of reviving the units/company. On 21.11.2000, Govt. of India, approved the rehabilitation package of the company and the High Court was requested to remand the case to BIFR for reconsideration. The High Court, remanded the matter to BIFR for reconsideration of the matter and approval of the revival package. The BIFR held hearing on 13.6.2001 and appointed IDBI as operating agency to prepare Draft Rehabilitation Scheme (DRS) by December, 2001. IDBI is in the process of finalisation of DRS.

(a) The Elgin Mills Company Limited, Kanpur

The Elgin Mill Company Ltd., is a Composite Textile Mill known as Elgin Mill No. 1 and Elgin Mill No. 2 and is a subsidiary of the British India Corporation Ltd., Kanpur. It has an installed capacity of 1,18,092 spindles and 2,376 looms.

Physical & Financial Performance:

The capacity utilisation both spinning and weaving for the year 2000-01 was ‘Nil’ (the mills operation has been totally stopped since December, 1995). The Company incurred a loss before charging interest and depreciation of Rs.4.98 crores in the year 2000-01. The accumulated net loss as on 31.3.2001 stood at Rs.724.48 crores including interest of Rs.366.36 crores on Government loan.

Reference to the BIFR:

BIFR on September, 1994 recommended winding up of the Elgin Mills Company Ltd., before the Hon’ble High Court, Allahabad. The appeal preferred by the Company before AAIFR against the order of BIFR was dismissed on 9th May, 1997. The Hon’ble High Court, Allahabad passed order for winding up of the Company and appointment of Liquidator on 29th September, 1999. On Special appeal No. 1121/99 preferred against aforesaid order of the Hon’ble High Court passed on 13th October, 1999 staying further action of take over by the Official Liquidator. However, at the hearing on 24th July, 2000, the Hon’ble High Court, Allahabad directed that the said stay order dated 13.10.99 would remain in operation only upto 18.8.2000.

Voluntary Separation Scheme(V.S.S.):

With a view to protect the interest of the workers and as a special case, Government introduced the Voluntary Separation Scheme effective from 1st June, 2001 upto 30th June, 2001 which has been implemented almost fully.
(b) Cawnpore Textiles Limited, Kanpur

The Cawnpore Textiles Limited is a Cotton Textile Subsidiary of the British India Corporation Limited, located at Kanpur. It has an installed capacity of 37800 spindles, 604 looms per shift.

Physical & Financial Performance:

The production has been completely stopped since 12th May, 1997 after the disclosure of Government order discontinuing the Budgetary support against salary & wages and VRS after 11th August, ’97 (original date extended till 22.3.2000). The Company incurred losses, amounting to Rs.2.31 crore before interest and depreciation during 2000-01. The accumulated net losses as on 31.3.2001 stood at Rs.132.56 crore including interest amounting to Rs.68.97 crore on Government loans.

Reference to BIFR:

BIFR in January ’95 recommended winding up of Cawnpore Textiles Limited before Hon’ble High Court, Allahabad. An appeal was preferred by the Company before AAIFR against the aforesaid orders, which was dismissed on 9th May, 1997 and the matter was referred to the Company Court at Allahabad High Court, which passed an order appointing Liquidator on 29.9.1999. However further action on take over by the Official Liquidator was stayed by a Division Bench on 28.10.99. Further, on 24th July, 2000, the Hon’ble High Court, Allahabad directed that Stay Order dated 28.10.99 shall remain in operation only till 18.8.2000.

Voluntary Separation Scheme (V.S.S.):

With a view to protect the interest of the workers as a special case, Government introduced the Voluntary Separation Scheme effective from 1st June, 2001 upto 30th June, 2001 which has been implemented almost fully.

3. BIRDS JUTE & EXPORT LTD. (BJEL), KOLKATA:

The Birds Jute & Export Ltd., is the only subsidiary Corporation of the National Jute Manufactures Corporation (NJMC) Ltd. This company has been incurring losses for the last several years. The total sales have decreased from Rs. 166 lakhs in 1994-95 to nil in 1999-2000. The losses suffered by the Corporation during the past years have also been increasing continuously. The reasons for loss were poor machinery condition coupled with the steep increase in input price, high increase in wage costs and huge interest on loans. Poor off take in the market is also the reason for recurring losses.

The company has repaired and renovated some machinery. However, the shortage of working capital coupled with accumulated losses does not permit the company to run even partially at present. The company is preparing a revival plan in consultation with the operating agency.
4. NATIONAL JUTE MANUFACTURES CORPORATION LIMITED (NJMC), KOLKATA:

National Jute Manufactures Corporation Limited (NJMC) was incorporated in 1980. There are six nationalised Jute Mills under its management of which five are located in and around Calcutta and one at Katihar, Bihar. NJMC is the only Public Sector Undertaking engaged in Jute goods manufacture. The Undertakings of the six Sacking, Jute Twine and also Jute Carpet Backing Cloth (CBC).

**Production, Productivity & Performance:**

At the time of Nationalisation production of the mills under NJMC was around 1.10 Lac tons per annum, which went up to 1.33 Lac tons in the year 1985-86. There is however, a decline in production during the last several years. The present trend of production, productivity & performance is tabulated below:

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<tbody>
<tr>
<td>Production (M.T.)</td>
<td>77583</td>
<td>76313</td>
<td>70013</td>
<td>46605</td>
<td>54245</td>
</tr>
<tr>
<td>Production per day (M.T.)</td>
<td>257</td>
<td>253</td>
<td>235</td>
<td>214</td>
<td>180</td>
</tr>
<tr>
<td>Capacity</td>
<td>49</td>
<td>48</td>
<td>45</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Utilisation (%)</td>
<td>90</td>
<td>89</td>
<td>95</td>
<td>98</td>
<td>108</td>
</tr>
<tr>
<td>Average hands per day</td>
<td>23066</td>
<td>22431</td>
<td>22400</td>
<td>20952</td>
<td>19387</td>
</tr>
<tr>
<td>Mandays per M.T.</td>
<td>90</td>
<td>89</td>
<td>95</td>
<td>98</td>
<td>108</td>
</tr>
<tr>
<td>Export Sales</td>
<td>42.37</td>
<td>34.00</td>
<td>25.47</td>
<td>12.43</td>
<td>0.16</td>
</tr>
<tr>
<td>Domestic Sales (Rs. in crores)</td>
<td>123.05</td>
<td>131.14</td>
<td>102.46</td>
<td>121.79</td>
<td>46.14</td>
</tr>
<tr>
<td>Total Sales (Rs. in crores)</td>
<td>187.86</td>
<td>157.05</td>
<td>156.61</td>
<td>114.89</td>
<td>127.04</td>
</tr>
<tr>
<td>Net Loss* (Rs. in crores)</td>
<td>92.57</td>
<td>127.23</td>
<td>132.99</td>
<td>116.33</td>
<td>82.27</td>
</tr>
<tr>
<td>G.O.I Loan (Rs in crores)</td>
<td>80.00</td>
<td>70.00</td>
<td>104.11</td>
<td>96.00</td>
<td>96.00</td>
</tr>
</tbody>
</table>

* excluding interest on Govt. Loan

Jute Mills viz. National, Kinnison, Khardah, Alexandra, Union and RBHM, the management of which were earlier taken over by the Govt. under the Industries (Development & Regulation) Act 1951 were nationalised and vested in NJMC. The Mills produce traditional Jute goods like Hessian,

**Reference to BIFR:**

In view of continuous cash loss and complete erosion of net worth, NJMC was referred to the Board for Industrial and Financial Reconstruction (BIFR) on 11th Aug., 1992. IIBI, the Operating Agency, prepared a Unit wise viability Plan and accordingly
BIFR issued show cause notice for winding up of the Company. Government of India with a view to protect employment to the extent possible and to safeguard the interest of the workers has submitted to BIFR that the orders of winding up of NJMC may be kept in abeyance and mill wise approach for revival attempted. The mills are to be handed over with the condition that they shall be run for ten years and workers' interest protected. IIBI, which is the operating agency appointed by BIFR, has issued the necessary advertisement in this regard and some private sector companies have shown interest in the offer. Bids have been received by IIBI, which has sent its report to BIFR.

5. THE JUTE CORPORATION OF INDIA LTD. (JCI), KOLKATA:

The Jute Corporation of India Ltd. is the Official Agency of the Govt. of India in implementing its policy of providing Minimum Support Price to the jute growers and to serve as a stabilising agency in the raw jute sector. However, in years when prices of raw jute had ruled above the minimum support level the JCI had also undertaken Commercial Operation. It has completed 30 years of service to the jute growers in April, 2001.

Infrastructure:

Currently JCI is operating through 171 purchase centers situated in 7 jute growing States, namely, West Bengal, Assam, Meghalaya, Bihar, Orissa, Andhra Pradesh and Tripura. In order to increase its market coverage JCI during the current season it has involved cooperative Societies of the jute growing States to participate in the MSP operation in raw jute mesta through their centers. In response to this, 40 cooperative centers are acting as agents of JCI in procuring raw jute during the current season 2001-2002 under MSP operation. Apart from this attempts were made to utilize the village level service societies to procure raw jute directly from the growers and to deliver the same to their nearest JCI/Cooperative centers. By this arrangement, a few village level service societies are procuring raw jute in Assam.

**Range of Services Provided:**

Price Support operation aims at procuring raw jute from the small and marginal farmers at the minimum support prices (MSP) fixed by the Government of India from time to time.

During the current season, the Corporation procured a quantity of around 374707 quintals through its own purchase centers and 66449 quintals through its agent cooperatives i.e. altogether 441156 quintals, equivalent to approx. 2.45 lakh bales as on 13.02.2002 under minimum support price operation.

Undertaking price support operation by the Corporation was found to be most effective measure to arrest inter-seasonal and intra-seasonal fluctuation in raw jute prices as it creates a notional buffer stock in siphoning.
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the excess supply in the market and holds it till a shortage situation is attained when this jute is supplied to jute mills so that prices do not reach an unhealthy peak and by that way both the producer and consumer are benefited in the process.

Another important activity of the Corporation is to undertake commercial operation i.e. purchase of raw jute at prices above the minimum support level on commercial consideration to generate profit.

The Corporation has entered the field of marketing of non-traditional jute products in collaboration with the Jute Manufactures Development Council with inauguration of a Sales Emporium named 'SONALI' at Calcutta in April, 1989.

The Corporation also provides service in the field of marketing research and acts as a decision-support-system in the field of agriculture marketing.

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

The CCI was set up in 1970. It came into existence with the objective of acting as the canalising agency for import of cotton and undertaking purchase of raw cotton for giving necessary price support to enterprising cultivators growing new varieties of cotton developed as substitute for imported Long and Extra Long Staple Cotton and also for procuring raw cotton for textile mills both in public and private sectors. Over the years, its operations have undergone significant changes in tune with the needs of the Indian cotton economy during the past two decades. Subsequently, the CCI's role was expanded to carry out commercial operations including export of cotton.

With the launching of the Technology Mission on Cotton, the CCI has now been made the implementing agency for Mini Missions III and IV, relating to improvement of marketing infrastructure and modernisation of existing ginning and pressing factories.

The turnover of the Corporation is expected to be around Rs.952 crores during the year 2001-2002 as compared to Rs.741 crores in the year 2000-2001. The net loss was Rs.8.58 crores in the year 2000-2001 as against a profit before tax of Rs.2.10 crores in the previous year. Sharp decline in cotton export activity and higher overheads mainly attributed to poor financial performance of the Corporation.

The CCI's sales of cotton to quality conscious mills in the private sector (particularly the 100% Export Oriented Units) marginally increased from 68.9 per cent to 72.42% during the year 2000-2001. The sales to NTC mills registered a nominal decrease from 15.04% to 14.48% during the year 2000-2001.

The CCI intensified its developmental activities during the year while continuing the existing activities and taking up new ones during the year. These were aimed at
supplementing the efforts of the Ministry of Agriculture, Government of India and the concerned State Governments to increase production and productivity of cotton and also for improvement in the quality of cotton as well as increase the over-all income of the cotton farmers.

The developmental activities involved 'Village Adoption Programme' for dissemination of technology to the farmers to increase the yield per hectare, distribution of genetically pure certified seeds and pesticides, distribution of genetically improved parental lines of DCH-32 variety, funding Research Projects for genetic improvement of parental lines of DCH-32 Hybrid cotton in Karnataka, crop surveillance, Research Projects on naturally coloured cotton, promotion of medium staple cotton, promoting cotton cultivation in non-traditional cotton growing States etc. For the various developmental activities listed above, the Corporation spent an amount of Rs. 43.84 lakhs during the year 2000-2001.

The CCI also implemented an Action Plan to modernise the Ginning and Pressing factories with a view to ensuring processing of cotton with least contamination for improvement in quality and also for ensuring that processing of cotton conforms to BIS norms. The CCI continued with this incentive scheme during 2000-2001 and incentive amounting to Rs. 1.11 lakhs were given to Ginning and Pressing factories.

The performance of the CCI, as per the Memorandum of Understanding (MOU) for the year 2000-2001, was rated as 'Fair'. The MOU for the year 2001-2002 was also signed with the Ministry in March, 2001.

7. HANDICRAFTS & HANDLOOMS EXPORT CORPORATION (HHEC), NEW DELHI:

The Handicrafts & Handlooms Export Corporation of India Limited (HHEC) was set up in June, 1962 with the twin objectives of (I) Export promotion, and (ii) Trade development of handicrafts and Handloom products. HHEC is a trading house in the export of handicrafts and Handloom products (including Handknotted woolen carpet and ready made garments) besides undertaking export of Gold and Silver Jewelry/Articles. In the year 1997-98, vide Government notification No.80/97 Customs dated 21st October, 1997, HHEC along with other ten agencies was nominated for import of bullion under OGI, and sale in the domestic market. In keeping with its plan for diversification HHEC also undertook import of mulberry raw silk.

Turn Over:

The Corporation achieved a highest ever turnover of Rs. 426.07 crores during 2000-01 surpassing the earlier highest of
Rs. 370.12 Crores recorded in the year 1999-2000. Target for total turnover for 2001-02 is Rs. 522.90 crore which include export direct of Rs.71.60 crore.

**Working Results:**

During the year 2000-01 the total income increase to Rs. 30.42 crore as against Rs. 22.87 crore during the previous year. The overheads during the year 2000-01 increased to Rs. 25.01 crore as against Rs. 18.74 crore during previous year. The net profit of Rs. 6.03 Crores is also a record, surpassing the previous record profit of Rs.4.01 Crores achieved in the year 1999-2000. The company has proposed to the Government enhanced divided of 20% on paid share capital amounting to Rs.236.40 lakhs during 2000-01.

**Statistics:**

The summarized working results for the last three years along with achievements for 2000-2001 is given in table below:-

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<tr>
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<tbody>
<tr>
<td>Total Turnover</td>
<td>318.28</td>
<td>139.73</td>
<td>370.12</td>
<td>426.07</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2.42</td>
<td>1.87</td>
<td>4.13</td>
<td>7.21</td>
</tr>
<tr>
<td>Net Profit</td>
<td>2.04</td>
<td>1.59</td>
<td>4.01</td>
<td>6.03</td>
</tr>
</tbody>
</table>

**Mulberry Raw Silk Imports:**

The import of Mulberry Raw Silk was placed in the canalized list vide Notification no. 18 (RE- 990 1997-2002 dated 8th July, 1999 and the Corporation was one of the designated agencies for imports. The Corporation undertook import of Mulberry Raw Silk and achieved sales of Rs.38.27 crores during 2000-01, as compared to Rs.177.71 Crores in the previous year. The imports for mulberry raw silk has been again placed in the restricted list of imports w.e.f. 1.4.2000.

**Memorandum of Understanding:**

A memorandum of understanding for the year 2000-01 duly approved by the High Power Committee in the Department of Public Enterprises was signed between Ministry of Textiles and the Corporation on 22.03.2000. The performance evaluation Report for 2000-01 MOU on the basis of provisional data has been submitted with Department of public Enterprises and the Corporation has been rated as "Excellent". The MOU for the year 2001-02 has also been signed.

**Export Promotion and Trade Development:**

The Corporation continued its export promotion and trade development activities during the year by developing new samples, engaging professional designers and entering new areas of Handicrafts and was able to generate business for new products in new markets. The Corporation also introduced e-commerce, which is giving positive results and we are beginning to receive orders. HHEC has undertaken promotion of Indian Handicrafts and handloom products in foreign markets through improved design inputs. We continue giving exposure to traditional Indian, especially lesser known products in
the world market by participating in a number of international fairs on handicrafts, handlooms, ready to wear and carpets.

**Capital:**

The authorized share capital of HHEC remained Rs. 20 Crores and paid up capital is Rs. 11.82 Crores as on 31st March, 2001.

**8. NORTH EASTERN HANDICRAFTS AND HANDBOOKS DEVELOPMENT CORPORATION (NEHDBC), GUWAHATI:**

The NEHDBC Ltd. was established in 1977 as a Regional Nodal Agency for the promotion and development of Handicrafts and Handlooms in the region. The areas identified for undertaking promotional and developmental activities included infrastructural and input support for research, design development, training of craftsmen and weavers, technical upgradation, supply of raw materials through appropriate budgetary support. The Corporation was also required to market the products outside the region and promote export.

**Activities:**

The main activity of the Corporation is developmental covering different spheres mentioned above. Its secondary activity is related to marketing. Its marketing operation is being conducted through a network of 6 (six) emporia located in metropolitan and other cities. These emporia also organize and participate in a variety of exhibitions, Handlooms and Handicrafts Expos, N.E. Crafts Fair, etc. The Corporation has also been participating in I.I.T. F., other Trade Fairs, and Gifts Fairs, etc. on a regular basis.

During 2001-2002, NEHDBC has been conveyed administrative approval for conducting 56 exhibitions and 7 N.E. Crafts Fairs and participation in IITF 2001. The Corporation has organized 21 exhibitions sponsored by the Office of the Development Commissioner (Handicrafts) till 31 October, 2001.

The functioning of the Dye House was stopped from 1st April, 1994 under the direction of the Government of India. In February 1997, the Government further ordered winding up of the Dye House and disposal of plant, machinery and other assets by auction or leasing to other institution. However, complete winding up of the Dye House has not been possible in absence of Government decisions on the treatment of outstanding secured and unsecured loans availed in the setting up of the Dye House. Due to closure of the Dye House the manpower numbering 63 have been rendered idle initially but have redeployed in various showrooms and to the CFC. However, Government has sanctioned funds in March<sub>98</sub> for a Cane & Bamboo Common Facility Center, which will facilitated use of the Dye House building and also redeployment of about 25 staff of the Dye House. 20 of whom were trained at IPRT, Bangalore. The Common facility centre has stated its trial production from April 2000 and is now fully operational. Orders for several tones of bamboo sticks have been received. So far about 6 tonnes of bamboo
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sticks from one stick making machine has been produced and training is being imported to 12 craftsmen of Barpeta and Kamrup districts of Assam with whom it is proposed to have production tie ups at a later stage.

The authorized share capital of the Corporation is Rs. 2 Crores which is fully paid up and subscribed by the Government of India. The Corporation has submitted a proposal to enhance the share capital to Rs.15 Crores to accommodate enhanced equity capital after the conversion of outstanding loans/interest into equity, grant or write off proposal under the capital restructuring plan submitted to Government of India. The Corporation has proposed to raise share capital from Rs. 2 Crores to Rs. 10 crores and convert the entire Government loans into grant-in-aid. Consultancy work on the restructuring of NEHHDC is also in good progress.

Performance:

The detailed financial performance over a period of five years from 1996-97 to 2000-2001 is given in table 12.1:

The net loss position is due to the following:

a) Increased overheads particularly in salaries on account of revision of pay-scale.

b) Huge ‘Idle works force of dye-house.

c) Discontinuation of promotional and development reimbursement schemes.

(The Corporation has been shifted under the administrative charge of Deptt. for Division of NER.)

9. CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA (CCIC), NEW DELHI:

The Central Cottage Industries Emporium was established in Delhi in the year 1952 under the Management of the Indian Co-operative Union and was later on taken over by the Central Cottage Industries Association in 1964. The Central Cottage Industries Corporation of India was incorporated in 4.2.1976 as a wholly owned subsidiary of the Handicrafts and handicrafts and Handlooms Export Corporation of India Ltd. However, with effect from 27.3.1991, CCIC has ceased to be a subsidiary of HHEC of India Ltd. and has been brought under the administrative control of the Ministry of Textiles.

The main objective of the CCIC is to act as dealer, exporter, Manufacturer and agent of Indian quality handicrafts and Handlooms and to develop Markets for these products in India and abroad. However, it also engages itself in export

<table>
<thead>
<tr>
<th>Table No. 12.1</th>
<th>(Rs. in lakhs)</th>
</tr>
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<tbody>
<tr>
<td>Turnover</td>
<td>589.87</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>136.07</td>
</tr>
<tr>
<td>Total Loss</td>
<td>61.93</td>
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</table>
activities and is eligible export house. The Corporation has five showrooms Viz; at
Delhi, Calcutta, Mumbai, Bangalore and Chennai. Besides this, the Corporation
has its own production centre at NOIDA for manufacture of readymade garments
and accessories. The production centre also has a printing unit where Sarees,
fabrics etc. are printed.

10. NATIONAL HANDLOOM
DEVELOPMENT CORPORATION
(NHDC) Ltd. LUCKNOW:

National Handloom Development
Corporation (NHDC) Ltd., Lucknow
was set up in February, 1983 by the
Government of India as an
autonomous body under the
Companies Act, 1956, in pursuance of
the imperative need for a National
Level Agency to assist the Government
in the speedy development of the
Handloom Sector by co-ordinating the
procurement and supply of inputs at
reasonable prices, augmenting the
marketing efforts of State Handloom
agencies and initiating developmental
activities for upgrading the technology
in the handloom sector and improving
their productivity.

The main objectives of the
Corporation are :-

1. To carry on the business of all types of
yarn for the benefit of the handloom
sector.

Shri Kashiram Rana, Hon’ble Minister of Textiles at an inaugural function alongwith Smt. Tinoo Joshi, DC(HC) and Shri
Durgesh Shankar, MD CCIC
MINISTRY OF TEXTILES

2. To organise supply of quality dyes and related materials needed by the handloom sector.

3. To promote marketing of handloom fabrics including exports.

4. To aid, assist and implement the projects connected with the production of handloom fabrics including taking up modernization programme, introduction of appropriate technology for the handloom sector.

The total authorized capital of NHDC Ltd. is Rs. 20.00 crore and its paid up capital was Rs. 17.00 crore upto the year 2000-01. During the year 2001-2002, a further sum of Rs.1.00 crore has been released to NHDC as equity participation.

The turn over and profit account of the Corporation for the last three years have been as under:-

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover (Rs in lakhs)</th>
<th>Profit (Rs in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998-1999</td>
<td>18545.73</td>
<td>75.71</td>
</tr>
<tr>
<td>1999-2000</td>
<td>21697.48</td>
<td>92.08</td>
</tr>
<tr>
<td>2000-2001</td>
<td>19470.66</td>
<td>33.00</td>
</tr>
</tbody>
</table>

During the year 2000-2001, the Corporation has paid dividend of a sum of Rs.10.20 lakh to the Government of India.

The NHDC supplied 167.90 lakh kg. of yarn of the value of Rs. 17302.11 lakh, and 10.53 lakh kg. of dyes and chemicals of the value of Rs. 1711.51 lakh during the year 2000-2001 to user agencies. During the current year 2001-2002, 134.49 lakh kg. of yarn of the value of the Rs.13276.50 lakh and 5.63 lakh kg. of dyes and chemicals of the value of Rs.1121.76 lakh were supplied to the user organisations upto December 31, 2001.