



NOTE ON FUNCTIONING OF NHDC LTD.

1. INCORPORATION

National Handloom Development Corporation Limited (NHDC) was set up in February, 1983 by the Government of India as a public sector undertaking, under the Companies Act, 1956 in pursuance of the imperative need for a national level agency to assist the speedy development of the handloom sector by coordinating all actions covering 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 productivity.

2. MISSION

TO SERVE AS A NATIONAL LEVEL AGENCY FOR THE PROMOTION AND DEVELOPMENT OF HANDLOOM SECTOR.

3. ORGANISATION

3.1 Head office:

The Corporation has its registered and corporate office at Lucknow.

3.2 Field offices/ regional offices:

To reach the weavers, the corporation has set up its regional offices and branch offices at different places.

3.3 (a) Regional offices – Yarn activity

Panipat	Varanasi	Kolkata
Hyderabad	Coimbatore	Kannur

(b) Zonal offices – Dyes & chemical activity

North zone – Panipat	South zone – Tirupur
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3.4 Branch offices

There are 33 branch offices mostly either at state capital or handloom concentrated areas.

4. HUMAN RESOURCES

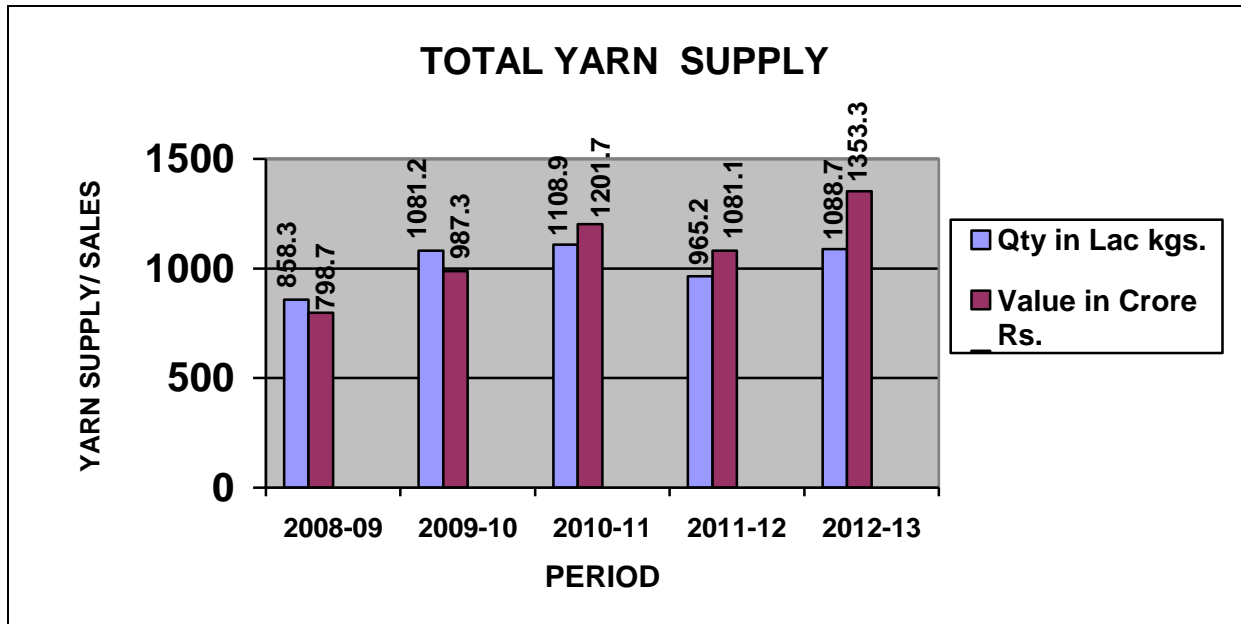
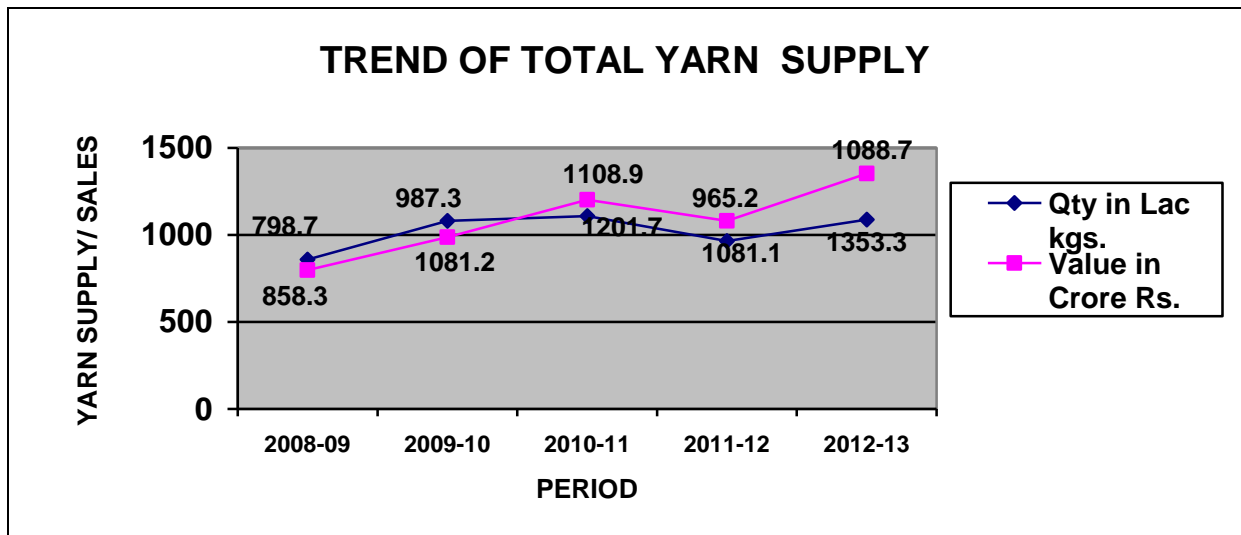
Total strength of the employees of the corporation is 199. (As on 31.03.2013).

5. (IMPORTANT ACTIVITIES & PARAMETERS OF CORPORATION'S FUNCTIONING)

a. SUPPLY OF YARN

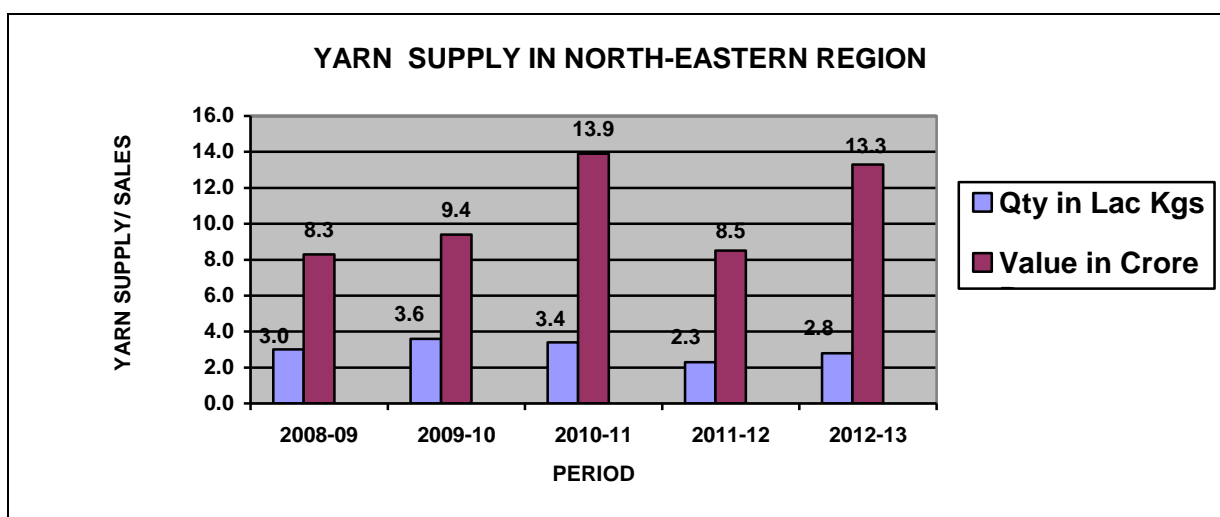
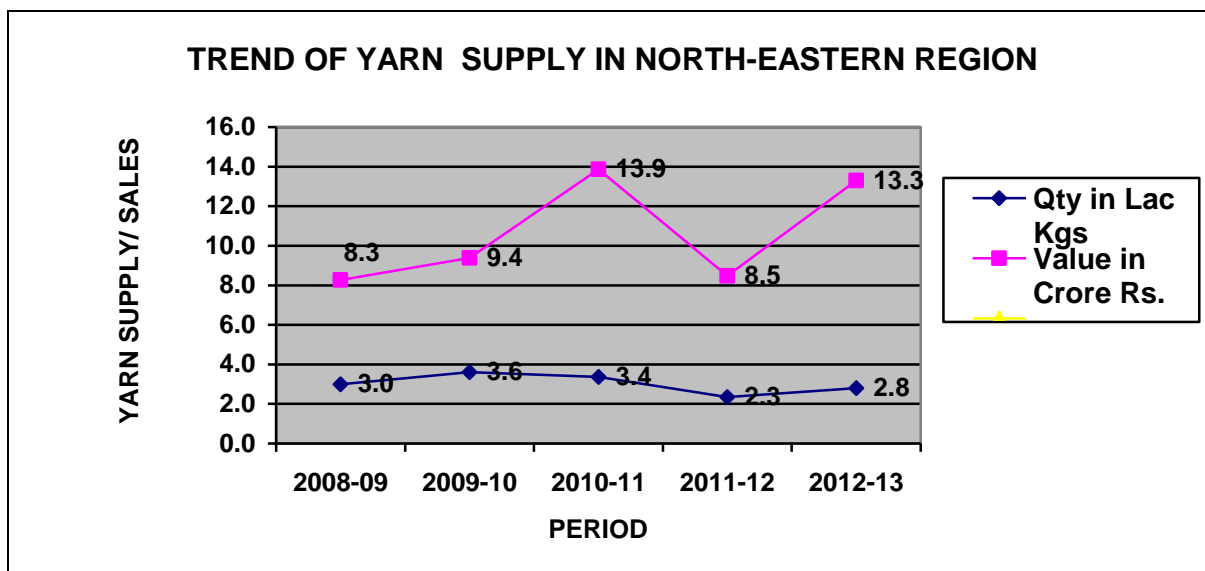
Yarn is the basic input for the handloom production. Therefore, its regular and adequate availability at reasonable prices has always been a matter of prime importance to Government for ensuring continuous employment in the handloom sector. Presently, Corporation is arranging supplies of yarn for the benefit of handloom weavers in almost all states. The major supplies are under Govt. of India's **Mill Gate Price Scheme** through the state level handloom corporations/ apex bodies, handloom development centres/ weaver cooperatives, manufacturers engaged in production of handloom goods for exports, NGOs, weaver entrepreneurs, SHG/ JLG, individual weaver etc. The supplies of yarn in the last 5 years are tabulated below.

Sr. No.	Year	TOTAL SUPPLIES		(Qty. in lac kgs & Value in crore Rs.) YARN SUPPLIED UNDER MILL GATE PRICE SCHEME		
		Quantity	Value	Quantity	Value	% (Qty.)
1.	2008-09	858.3	798.7	855.1	793.4	99.6 %
2.	2009-10	1081.2	987.3	1076.5	980.4	99.6 %
3.	2010-11	1108.9	1201.7	1106.0	1195.5	99.7 %
4.	2011-12	965.2	1081.1	942.7	1041.3	97.8 %
5.	2012-13	1088.7	1353.3	1070.8	1318.6	97.4 %



Corporation is making special efforts for supplying the yarn in **north-eastern region**. In order to help the handloom agencies in north-eastern region, the actual cost of transportation is being reimbursed which is more than the amount admissible under MGPS. The extra cost over and above the amount admissible under the MGPS is borne by the corporation. As a result thereof, the supplies in north-eastern region have improved presently, as is evident from the table below.

Sr. No.	Year	(Qty in lac kgs & Value in crore Rs.)		
		NORTH – EASTERN REGION		
		Quantity	Value	Increase on YOY (Value)
1.	2008-09	3.0	8.3	55.3 %
2.	2009-10	3.6	9.4	13.3 %
3.	2010-11	3.4	13.9	47.9 %
4.	2011-12	2.3	8.5	(-)38.8 %
5.	2012-13	2.8	13.3	56.5 %



Out of 630 clusters sanctioned by the Govt. of India under Integrated Handloom Cluster Development Scheme (IHCDS) and Integrated Handloom Development Scheme (IHDS), the corporation has so far covered 330 clusters (upto March, 2013) by allotting depots in the clusters. These depots are working as per the guidelines of Mill Gate Price Scheme offering yarn to the handloom weavers at mill gate price.

b. SUPPLY OF DYES & CHEMICALS:

Dyes & chemicals are essential for value addition in the handloom fabric. Corporation is supplying all varieties of eco-friendly dyes and essential chemicals in the original form the leading manufacturers.

The supplies of dyes & chemical in the last 5 years are tabulated below.

Year	Quantity (in lac kgs)	Value (Rs. in crore)
2008-09	39.1	28.0
2009-10	53.2	31.1
2010-11	33.9	24.6
2011-12	29.3	18.3
2012-13	27.6	20.9

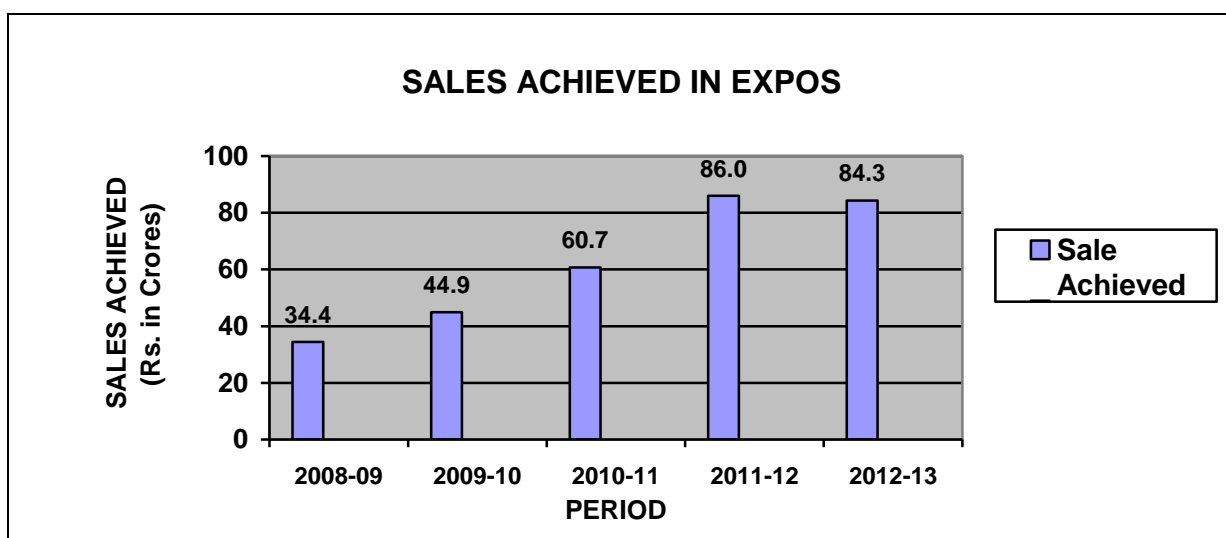
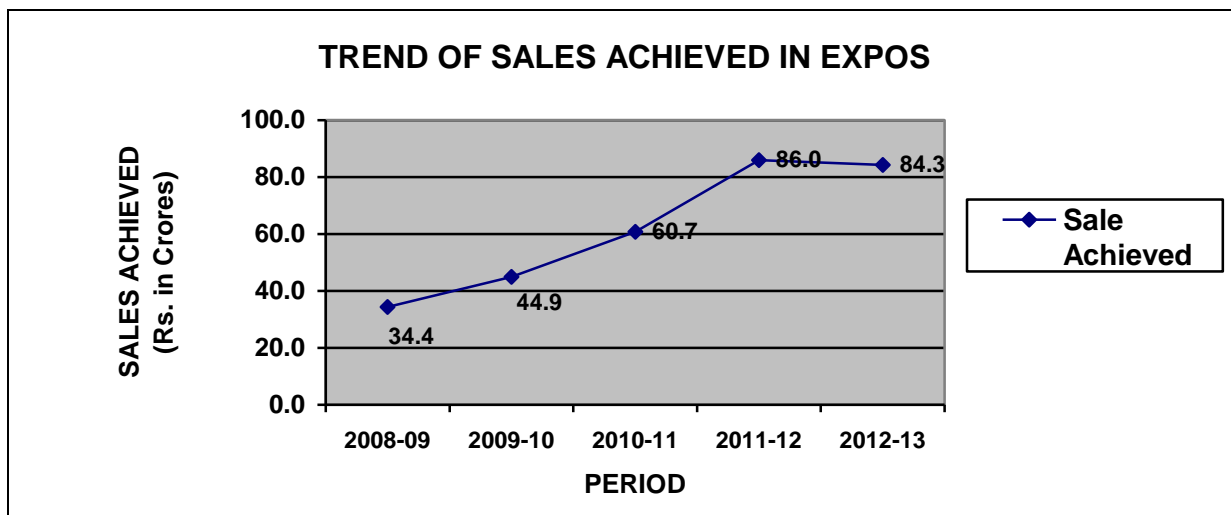
The supply of dyes & chemicals has come down during the year 2011-12 and 2012-13 on account of discontinuing the supply to the dye houses in the areas of Tirupur and Erode, which were closed down due to Effluent Treatment problem.

c. DEVELOPMENTAL ACTIVITIES (Marketing support)

i. Organisation of expos:

In order to augment the marketing efforts of state handloom agencies and to promote marketing of handloom products in the country, the corporation has been organizing special handloom expos – silkfab and woolfab at various metropolitan cities under the marketing promotion programme of Govt. of India. These exhibitions not only assist in marketing of handloom products but also provide facilities to consumers to purchase genuine handloom products from different part of the country at one place. The exhibitions organized by the corporation in the last 5 years are tabulated below.

Sr. No.	Year	No of Events	No of Stalls	Total sale (Rs. in crore)
1.	2008-09	12	994	34.4
2.	2009-10	15	1123	44.9
3.	2010-11	18	1268	60.7
4.	2011-12	21	1855	86.0
5.	2012-13	19	1834	84.3



ii. Establishment of marketing complexes:

Corporation has setup 8 marketing complexes at Jaipur, Kolkata, Ahmedabad, Hyderabad, Kanpur, Indore, Navi Mumbai and New Delhi. To give brand image national handloom marketing complexes have now been named as handloom haveli. Number of emporia in each marketing complex is given below.

Sr.No.	Places	No. of showrooms
1.	Jaipur (Rajasthan)	11
2.	Kolkata (West Bengal)	20
3.	Ahmedabad (Gujarat)	13
4.	Hyderabad (Andhra Pradesh)	06
5.	Kanpur (U.P.)	16
6.	Indore (Madhya Pradesh)	09
7.	Navi Mumbai (Maharashtra)	09
8.	New Delhi (Delhi)	31

Marketing complexes at Kochi and Quilon have been closed as they were housed in rented buildings and rent increase was very high, therefore, affecting profitability of the agencies. At other places, emporia are on outright purchase basis.

OTHER DEVELOPMENTAL ACTIVITIES

- i. Organization of dyers training programmes.
- ii. Organization of workshops on awareness/ sensitization.
- iii. Organization of buyers sellers meet.

6. FINANCIAL DATA

Financial data for the last 5 years is as follows:-

		(Rs. in Lac)				
Sr. No.	Financial Indicators	2008-09	2009-10	2010-11	2011-12	2012-13
1	Sales	82948.3	102078.0	122674.8	110106.9	137546.6
2	Net profit after tax	393.8	303.5	432.0	282.2	697.4
3	Equity chare capital	1900.0	1900.0	1900.0	1900.0	1900.0
4	Reserves & surplus	1098.0	1318.0	1445.7	1647.5	2163.9
5	Dividend	80.0	61.0	87.0	57.0	141.0
6	Gross block	456.5	451.5	510.8	637.4	658.9
7	Net Block	257.0	256.2	302.0	418.5	425.4
8	Working capital	2748.9	2948.1	3003.4	3074.6	3526.2
9	Capital employed	3005.9	3204.4	3305.4	3493.1	3951.6
10	MOU rating	Excellent	Excellent	Excellent	Good	*Excellent

* Provisional