



NOTE ON FUNCTIONING OF NHDC LTD.

1. INCORPORATION

National Handloom Development Corporation Limited (NHDC) was set up in February, 1983 as a Public Sector Undertaking 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 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 to the weavers, the Corporation has set up its Regional Offices and Branch Offices at different places.

3.3 (a) Regional Offices - Yarn

Lucknow	Panipat	Kolkata
Hyderabad	Coimbatore	Kannur

(b) Zonal Offices – Dyes & Chemical

North Zone – Panipat	South Zone – Tirupur
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3.4 Branch Offices

There are 28 Branch Offices mostly either at State Capital or Handloom concentrated areas.

4. HUMAN RESOURCES

Total strength of the employees of the Corporation is 207. (As on 31.3.2010).

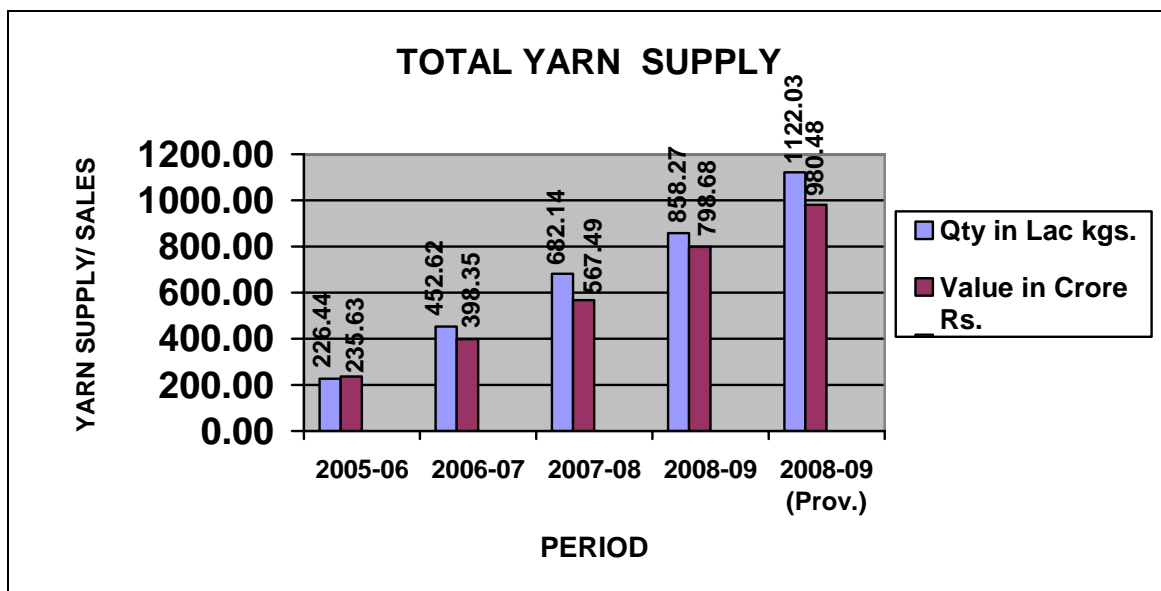
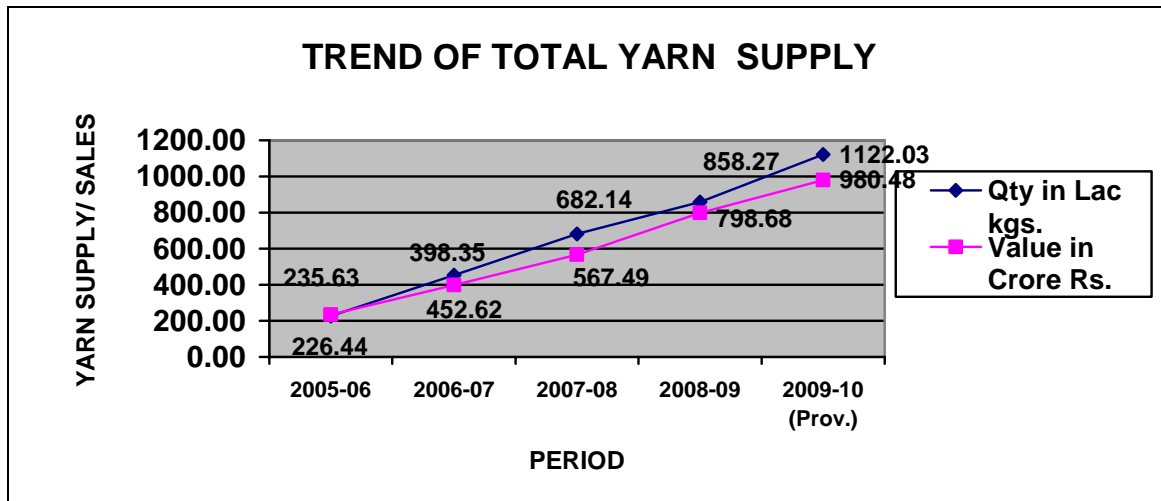
5. (IMPORTANT ACTIVITIES & PARAMETERS OF CORPORATION'S FUNCTIONING)

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 etc. The supplies of yarn in the last 5 years are tabulated below.

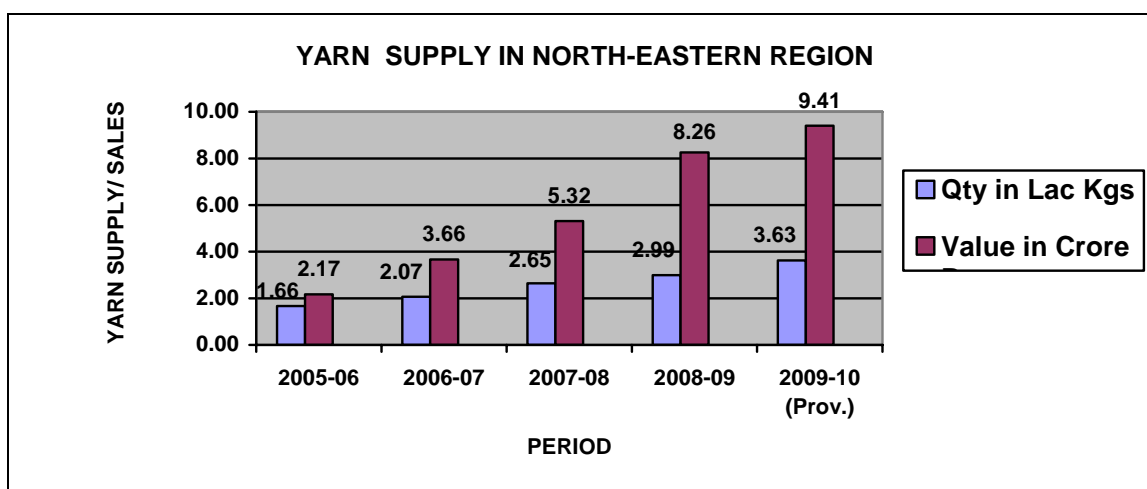
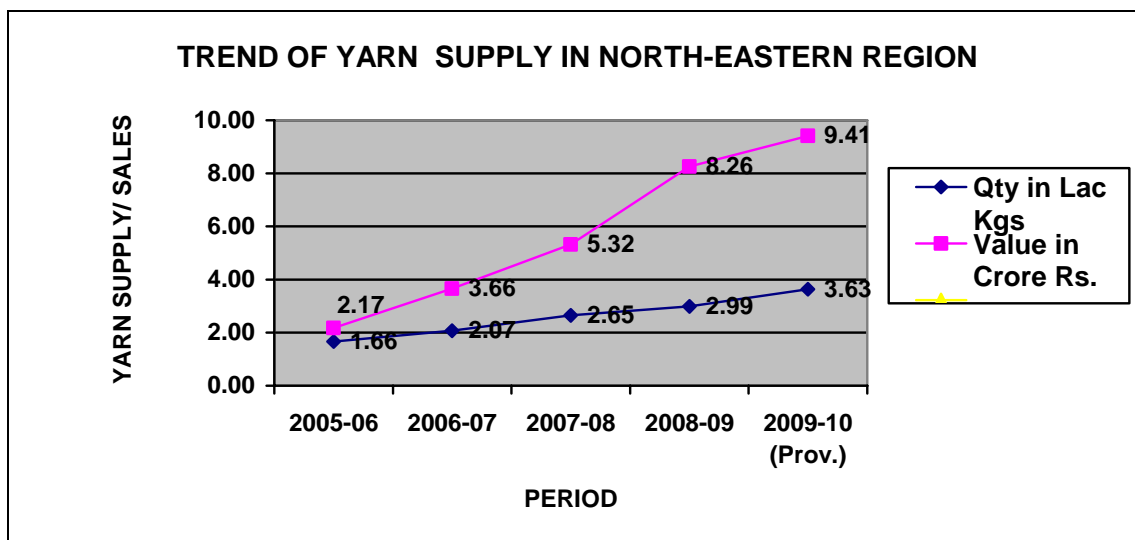
(Qty. in Lac Kgs & Value in Crore Rs.)

SL. NO.	YEAR	TOTAL SUPPLIES		YARN SUPPLIED UNDER MILL GATE PRICE SCHEME		
		QTY.	VALUE	QTY.	VALUE	% (Qty.)
1.	2005-06	226.438	235.63	220.859	228.16	97.54 %
2.	2006-07	452.615	398.35	437.210	388.10	96.60 %
3.	2007-08	682.140	567.49	678.210	563.05	99.42 %
4.	2008-09	858.270	798.68	855.050	793.40	99.62 %
5.	2009-10 (Provisional)	1122.030	980.48	1117.640	973.99	99.61 %



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.

		(Qty in Lac Kgs & Value in Crore Rs.)		
SL. NO.	YEAR	NORTH – EASTERN REGION		
		QTY.	VALUE	Increase (Value)
1.	2005-06	1.66	2.17	07.43 %
2.	2006-07	2.07	3.66	68.66 %
3.	2007-08	2.65	5.32	45.36 %
4.	2008-09	2.99	8.26	55.26 %
5.	2009-10 (Provisional)	3.63	9.41	13.92 %



As per Handloom Census 1995-96, there are 470 handloom clusters in the country. Out of 470, there are 230 clusters where the number of handlooms is 1000 and above, while balance 240 clusters are such where the handlooms are below 1000 in number.

The Corporation has so far covered 270 clusters by allotting depots in the cluster (upto Mar' 2010), 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.

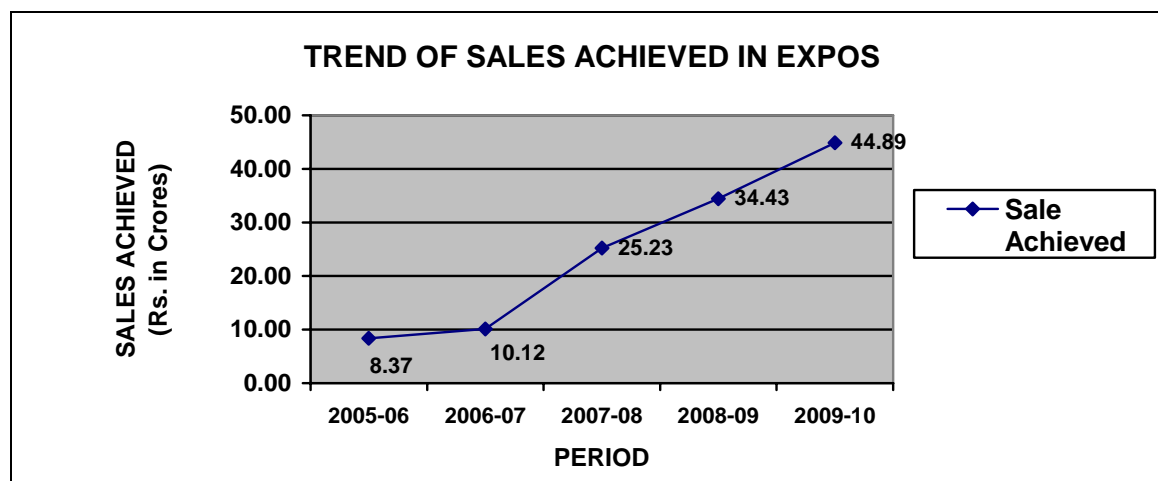
YEAR	QUANTITY (In Lac Kgs)	VALUE (Rs. in Crore)
2005-06	18.23	15.46
2006-07	20.70	17.30
2007-08	21.48	18.98
2008-09	39.13	27.97
2009-10 (Provisional)	52.79	31.20

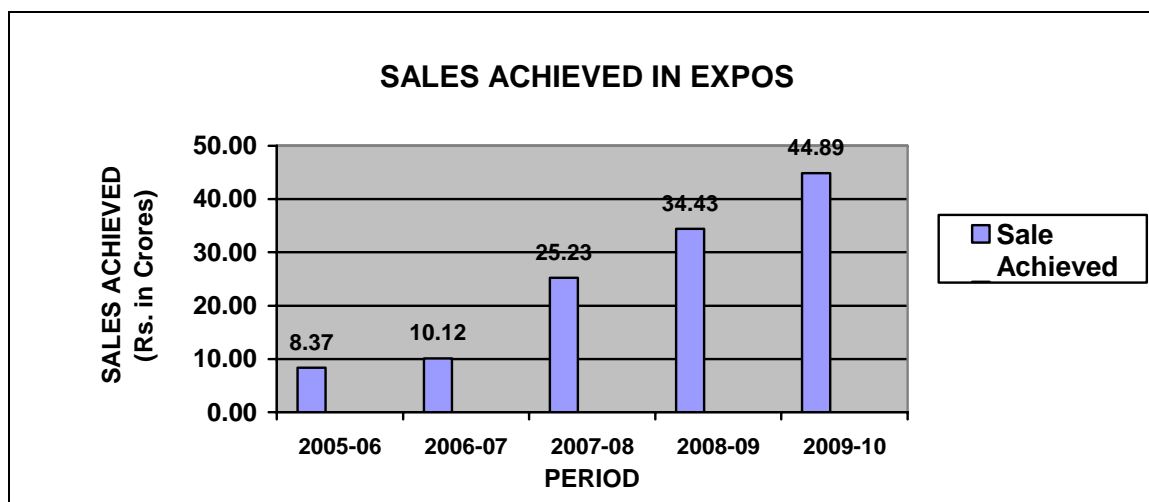
c. DEVELOPMENTAL ACTIVITIES (Marketing support)

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.

SL. NO.	YEAR	No of Events	No of Stalls	Total sale (Rs. in Crore)
1.	2005-06	6	290	08.37
2.	2006-07	6	303	10.12
3.	2007-08	9	665	25.23
4.	2008-09	12	994	34.43
5.	2009-10	15	1123	44.89





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.

PLACES	NO. OF SHOW ROOMS
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 Appropriate Technology Exhibitions.
- ii. Organization of Dyers Training Programmes.
- iii. Organization of Workshops on Awareness/Sensitization.
- iv. Organization of Buyer Seller Meet.

6. FINANCIAL DATA

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

(Rs. in Lac)

S. No	Financial Indicators	2005-06	2006-07	2007-08	2008-09	2009-10 *(Apr-Feb.)
1	Sales	25345.20	41716.26	58867.17	82948.34	87308.82
2	Net Profit after Tax	50.33	103.90	104.52	393.84	325.51
3	Equity Share Capital	1900.00	1900.00	1900.00	1900.00	1900.00
4	Reserves & surplus	784.49	849.16	878.19	1098.00	1419.12
5	Dividend including dividend tax	11.97	24.57	25.74	93.60	-
6	Gross block	411.63	422.49	431.49	456.51	475.49
7	Net Block	227.68	226.87	224.01	257.00	258.49
8	Working capital	2561.95	2588.95	2599.67	2748.92	3065.63
9	Capital Employed	2789.63	2815.82	2823.68	3005.92	3324.12

* Figures for FY 2009-10 are upto Feb.' 2010 (i.e. for 11 Months).