

**NATIONAL HANDLOOM DEVELOPMENT
CORPORATION LIMITED
(A Govt. of India Undertaking)**

**CORPORATE PLAN FOR NEXT 5
YEARS
(From 2017-18 to 2021-22)**

**Registered Office: 4th Floor, Wegmans Business Park, Tower – 1, Plot No.03,
Sector Knowledge Park – III Surajpur – Kasna Main Road, Greater Noida –
201306.**

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CORPORATE PLAN

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 AGENCY FOR THE PROMOTION AND DEVELOPMENT OF HANDLOOM SECTOR.

3. OBJECTIVE OF THE CORPORATION

a. MAIN OBJECTIVES AS SET OUT IN MEMORANDUM OF ASSOCIATION

1. To carry on in India or elsewhere, the business of buying, stocking, marketing or otherwise controlling the distribution of all types of yarn for the benefit of handloom sector.
2. To procure, stock, distribute and sell all types of raw materials, dyes & chemicals needed by the handloom sector.
3. To manufacture, purchase, stock, sell, export or otherwise support and promote the marketing of handloom fabrics directly or through other agencies.
4. To undertake the establishment of spinning mills/ silk reeling units on its own and to render financial and other assistance to the state corporations and such other agencies for the setting up of such spinning mills/ silk reeling units for supplying yarn to handloom weavers.
5. To aid, assist, finance or implement any project, undertaking or enterprise, whether on its own or in collaboration with an

international organization, a statutory body/ company/ cooperative society, firm or individuals with capital, credit means or resources for the progress of its work and business connected with the production of handloom fabrics, garments or made-ups and for bringing about greater modernization and pooling of technical resources for achieving higher standards of production.

6. To undertake formulation, organization and control of multi-state handloom production and processing projects.
7. To act as channel for routing the Central Government funds, loans and grants to state Handloom Corporation, cooperative societies and other bodies or persons engaged in the promotion and development of handloom industry.

b. OBJECTIVES AS NOW EMERGED FOR FOCUSED ATTENTION (As per MOU 2017-18).

1. To enhance its competitive edge in providing quality raw material i.e. yarn, dyes & chemicals through improved supply chain management.
2. To maintain viability of operations through effective utilization of available resources.
3. To take up development programs so as to contribute to increasing the awareness of schemes/ products and marketing avenues etc.
4. To continue to act as a channel for routing Central Government funds, loans & grants to handloom agencies to aid in speedy implementation of Programs for development of the sector.
5. To ensure increasing contribution from personnel through training/ counseling and to ensure career progression opportunities.

4. ORGANISATION

4.1 Head Office:

The Corporation has its Registered Office at Greater Noida.

4.2 Field Offices/ Regional Offices:

To reach the weavers, the Corporation has set up its Regional Offices and Branch Offices at different places.

4.3 Regional Offices

Varanasi	Panipat	Kolkata
Guwahati	Bhubaneswar	Vijaywada
Hyderabad	Coimbatore	Kannur

4.4 Branch Offices

There are 32 Branch Offices mostly either at State Capital or Handloom concentrated areas.

5. HUMAN RESOURCES

Total strength of the employees of the Corporation is 212 (As on 31.10.2017).

6. ACHIEVEMENTS OF CORPORATE OBJECTIVES

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 the 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 **Yarn Supply 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. To mitigate the cost disadvantage of handloom sector, Govt. has allowed 10% price subsidy on hank yarn w.e.f. 06th Jan' 2012. The supplies of yarn in the last 3 years are tabulated below:-

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

SL. YEAR NO.	TOTAL SUPPLIES		YARN SUPPLIED UNDER YARN SUPPLY SCHEME		
	QTY.	VALUE	QTY.	VALUE	% (Qty.)
1. 2014-15	1487	2167.3	1484	2160.8	99 %
2. 2015-16	1728	2361.2	1725	2356.9	99%
3. 2016-17	1802	2947.6	1799	2941.9	99%

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 YSS. The extra cost over and above the amount admissible under the YSS is borne by the corporation. The supplies in north-eastern region is as below:-

Sr. No.	YEAR	(Qty in Lac Kgs & Value in Crore Rs.)		
		NORTH – EASTERN REGION		
		QTY.	VALUE	Increase (Quantity)
1.	2014-15	2.7	14.5	(-)10 %
2.	2015-16	2.7	15.8	-
3.	2016-17	2.5	18.0	(-) 7 %

Out of 667 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 545 clusters (upto Oct., 2017) by allotting depots in the clusters. These depots are working as per the guidelines of Yarn Supply Scheme offering yarn to the handloom weavers at Mill Gate Price.

The details of agencies serviced, coverage, delivery period and credit etc. pertaining to yarn activity is placed herein below:-

i. Agencies serviced:

The Corporation is presently supplying yarn to nearly 2157 agencies, including state level handloom organizations, apex bodies, weaver's cooperatives, HDCs and manufacturers of exportable handloom products etc. Out of total 2157 agencies, 78 are State Corporations and Apex bodies.

ii. Coverage:

NHDC is supplying all varieties of yarn i.e. Cotton, Silk, Jute, Polyester & its blends, Viscose, Woolen & worsted, Staple, Acrylic, Texturised yarn, Linen and coir etc.

iii. Mills empanelment/ procurement:

Corporation is procuring yarn from nearly 458 spinning mills (including quality conscious and reputed spinning mills). The preference is always to the NTC/ State/ Cooperative Sector mills, wherever there is availability.

iv. Delivery period:

Corporation is arranging supplies directly from mills and NHDC's warehouses and it takes about 0 to 26 days time reaching supplies to the user agencies.

v. Credit:

Corporation is supplying yarn mainly on back to back basis i.e. releasing payment to supplier on receiving the corresponding payment from the user agency. However, credit facility is allowed to those state level handloom agencies against demand where there is firm commitment of payment. Interest is also charged for such credit facility from these state agencies. However, in the Eastern and North-Eastern states the credit allowed varies between 90 to 120 days.

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 from the leading manufacturers.

The supplies of Dyes & Chemical in the last 3 years are tabulated below.

YEAR	QUANTITY (In Lac Kgs)	VALUE (Rs.in Crore)
2014-15	37.0	49.5
2015-16	37.5	44.8
2016-17	46.2	46.0

The details of agencies serviced, coverage, procurement and delivery period etc. pertaining to dyes & chemicals activity is placed herein below:-

i. Agencies serviced:

The Corporation is supplying Dyes & Chemicals to more than 320 agencies, mostly Weaver's Cooperatives and manufacturers engaged in handloom export.

ii. Coverage:

Corporation is arranging various classes of dyestuff like; Vat, Reactive, pigment, acid and disperse dyes etc.

Besides, the chemicals and auxiliaries consumed in handloom/ processing industry are also being supplied. Corporation is also promoting the use of Vegetable/ Natural dyes in Handloom sector.

iii. Procurement:

Corporation is procuring Dyes & Chemicals from the manufacturers of repute in organized sector, which have been empanelled by it. Besides against specific requirement, Dyes & Chemicals are procured from other/ alternate sources based on quality consciousness of the manufacturers. Presently there are 49 no. of empanelled suppliers. Approx. 90 % of total procurement of dyes & chemicals is through empanelled sources.

iv. Delivery period:

Corporation is arranging supplies of Dyes & Chemicals directly from manufacturers to ensure genuine supplies. For speedy delivery, corporation is also arranging supplies through Ludhiana, Kanchipuram, Tirupur, Erode and Kannur Depots, where stock is maintained for the regular items.

c. DEVELOPMENTAL ACTIVITIES

i) Organization of Workshops on Awareness/ Sensitisation:

In order to disseminate/ propagate the various schemes run by the office of DC (Handlooms), Ministry of Textiles, for benefit of handloom weavers, the Corporation is organizing Awareness/ Sensitization programmes. The corporation has organized 14 nos. Programmes on Awareness/ Sensitization of Govt. Schemes during 2016-17 and planned 10 nos. such Programmes during 2017-18.

ii) Organization of Buyer-Seller Meets:

Corporation is organizing the Buyer-Seller Meets, to increase the availability of better quality yarn and also the options in the form of alternative supplier mills, to the handloom weavers. The corporation has organized 16 nos. Buyer-Seller Meets during 2016-17 and planned 17 nos. such programmes during 2017-18.

iii) Organization of Familiarisation/ knowledge sharing visits of handloom weavers:

Corporation is organizing the familiarisation/ knowledge sharing visits of handloom weavers to other states to make them aware of the different kind of yarns used and products manufactured by them. The weaver group consists of approx. 15 weavers. The corporation has organized 9 nos. Familiarisation/ knowledge sharing visits during 2016-17 and planned 9 nos. such visits during 2017-18.

d. MARKETING SUPPORT - 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 organising 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 parts of the country at one place. The exhibitions organized by the corporation in the last 3 years are tabulated below.

SL. NO.	YEAR	No. of Events	No. of stalls/ shops	Total sale (Rs. in Crore)
1.	2014-15	24	1742	89.0
2.	2015-16	24	1802	92.4
3.	2016-17	25	1716	89.0

7. FINANCE AND ACCOUNTS: -

Financial Results for the last 3 years are as follows.

(Rs. in Crore)

Sr. No	Financial Indicators	2014-15	2015-16	2016-17
1	Sales	2217.0	2406.0	2993.5
2	Gross Operating Margin	38.5	38.0	48.1
3	Net Profit after Tax	25.4	24.1	28.88
4	Capital Employed	66.3	79.9	98.38
5	Equity Share Capital	19.0	19.0	19.0

8. Signing of Memorandum of Understanding.

The Corporation started signing of Memorandum of Understanding in the year 1992-93. The composite score for the last 3 years is given below.

Year	Rating	Composite Score
2013-14	Excellent	1.05
2014-15	Excellent	1.373
2015-16	Very Good	85.44
2016-17 (Prov.)	Very Good	78.23

9. TARGETS (Projections for Five Year – Based on changed scenario of Handloom Sector)

a. YARN SUPPLIES

Corporation plans to increase its yarn supply coverage in terms of higher volumes and increased supplies to Handloom sector by way of improved service(s).

Corporation aims to reach a supply level of 2520 Lac kgs for yarn by the year 2021-22.

Year wise break-up is given below:-

Years	Qty. (Lac Kg.)	Value (Crore Rs.)	Avg.Rate (Rs. per kg.)	Ratio of Spl.Sch:Gen.Sch.
2017-2018 (Estimated)	1800	2955	164	99 : 01
2018-2019 (BE)	1890	3250	164	99 : 01
2019-2020	2080	3600	172	99 : 01
2020-2021	2290	4000	175	99 : 01
2021-2022	2520	4400	175	99 : 01

b. DYES & CHEMICALS SUPPLIES

Corporation plans to increase its coverage in terms of higher volumes, larger supplies of Vat and reactive dyes and other eco-friendly dyes.

Corporation aims to reach a supply level of Rs. 76 crore for Dyes & Chemicals by the year 2021-22. The year wise break-up is given below;-

<u>Years</u>	<u>Value (Crore Rs.)</u>
2017-2018 (Estimated)	45.0
2018-2019 (BE)	50.0
2019-2020	58.0
2020-2021	66.0
2021-2022	76.0

c. DEVELOPMENTAL ACTIVITIES

(i) Organization of Awareness programmes:

<u>YEAR</u>	<u>(In Numbers) Workshops/ Awareness Program</u>
2017-2018 (Estimated)	10
2018-2019 (BE)	10
2019-2020	10
2020-2021	10
2021-2022	10

(ii) Organization of Buyer-Seller Meets:

<u>YEAR</u>	<u>(In Numbers) Workshops/ Awareness Program</u>
2017-2018 (Estimated)	17
2018-2019 (BE)	17
2019-2020	17
2020-2021	17
2021-2022	17

(iii) Organization of Familiarisation/ knowledge sharing visits of handloom weavers:

YEAR	(In Numbers)
	Familiarisation/ Knowledge Visits
2017-2018 (Estimated)	9
2018-2019 (BE)	9
2019-2020	9
2020-2021	9
2021-2022	9

d. FINANCIAL PROJECTIONS

Targets for next five years are as follows:

Sr. No	Financial Indicators	(Rs. in Crore)				
		2017-18 (Estimated)	2018-19 (BE)	2019-20	2020-21	2021-22
1	Sales Turnover	3000.0	3300.0	3658.0	4066.0	4476.0
2	Profit before tax (excluding Other income & exceptional terms)	44.0	47.8	51.2	52.8	53.7
3	Net Profit after Tax	27.3	29.9	32.0	33.0	33.5
4	Capital Employed	101.0	117.0	135.0	153.0	170.0
5	Equity Share Capital	19.0	19.0	19.0	19.0	19.0
6	Bank Borrowings	-	-	-	-	-
7	<u>From Govt.</u>					
i)	YSS Subsidy	152.0	166.0	185.0	205.0	225.0
ii)	10% Price Subsidy	115.0	125.0	140.0	155.0	170.0