CHAPTER - 3
Profile of NTC (MN) Ltd.
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3.1 Brief History

PUBLIC SECTOR / PUBLIC ENTERPRISES

National Textile Corporation is a part and parcel of public sector.

3.1.1 Definition of public sector / public enterprises

Broadly speaking, PE means an activity of a business character, owned and managed by the Government-central, state or local, providing goods and services for a price.

3.1.2 Coverage of the term 'Government'

The Government owning and managing a PE may be the central, state, or local Government. The central Government at present owns about 250 autonomous PEs, excluding banks and financial institutions, 25 State Governments and seven Union Territories own about 1000 PEs. Numerous corporations and local bodies also undertake economic activities like power and transportation.

Timely data about state and local Government PEs is not available. In 1951 we had 5 PEs with an investment of Rs.29 crores as compared to 232 PEs with an investment of Rs.85,564 crores in 1989. These figures relate only to the corporate public sector, which falls within the purview of the bureau of public enterprises, Government of India. This data
does not cover even all Central Government Public Enterprises with an investment of Rs.85,564 crores in 1989. These figures relate only to the corporate Government of India. This data does not cover even all Central Government PEs. For example, it does not include departmentally run enterprises, port trusts, nationalized banks, financial institutions, and insurance companies. But as the bureau of public enterprises in the form of a report entitled “Public enterprise survey” makes these figures available regularly, it often tend to consider them as relating to the whole of PE in the country.

3.1.3 Government ownership and management

For an activity to become PE, the Government should not only own it but should also manage it. The ownership with the Government should be 51 per cent or more. In some cases, this ownership may be indirect. For example, the Government owns Air-India, and Air-India in turn owns Hotel Corporation of India Limited, which thus becomes a PE.

If the indirect ownership were through financial institutions like L.I.C., U.T.I., and industrial development bank of India, then a unit would not be treated as PE. There are many cases where more than one public financial institution holds 51 per cent or more of equity of an enterprise. According to audit report commercial part I, as on 31st March 1987, in 41 cases, public financial institutions held 51 per cent or more of equity. In all such cases, the unit is not considered as PE.
Implications of control over the management are that, among others, the Government has the right to appoint and re-appoint the board of directors and has the power to issue mandatory directives to the board.

It may be asked as to why the Government should carry on any business. The function of the Government is to administer the country well and to protect it from foreign aggression rather than undertake industrial and commercial activities. Some people even remark that the best Government is that one which administers the least.

The reasons behind Government in business are discussed under two heads: (i) Economic (ii) Ideological.

3.1.4 Economic reasons for Government in business

At the time of independence there was virtually no industrial infrastructure. The public enterprises, which produce steel, machine tools, heavy electrical, transportation equipment, power and numerous other inputs necessary for industrial development were therefore considered necessary. The private sector did not have adequate resources for investment in various basic and heavy industries. All these factors made basic and heavy industries unattractive for the private sector, and the Government’s therefore had no option but to step in. Some other reasons for the Government’s incursion into the field of industries and commerce.
3.1.5 Taking over of sick private sector mills

When private sector units became sick and had to be close down, the Government in many cases was forced to take them over mainly for two reasons. Firstly, to avoid large unemployment, and secondly to save the useful production capacity, which would have got lost to the nation had the unit been closed down permanently.

The Central Government has taken over more than 100 textile mills under flag of National Textile Corporation and a large number of other companies. Some examples of nationalised sick units are: Indian iron & steel company, Braithwaite & company, Burn & company, Andrew Yule & company and Bengal chemicals & Pharmaceuticals. Most of the taken-over sick units continue to make losses after nationalisation.

3.1.6 Promotion of interest of weaker sections of the community and backward regions

The 25 State Governments and seven Union Territories, where hundreds of developmental and promotional PEs has been set up, are fulfilling this objective in a big way. Some of the central Government PEs in this category are: i) North eastern regional agricultural marketing corporation Ltd., (ii) Rehabilitation industries corporation Ltd., (iii) Nagaland Pulp & Paper Company Ltd., iv) Rural Electrification Corporation (Established in 1969 to finance Rural Electrification Projects), v) Artificial Limb Manufacturing Corporation (Established in

1 Sick Textile Undertakings (Nationalisation) Act 1974 (STUNA)
1973 to manufacture aids and appliances for the orthopedically and visually handicapped persons, and vi) National Scheduled Castes and Scheduled Tribes Development Finance Corporation of India, set up during 1988-89.

3.2 Organisation

3.2.1 Formation of National Textile Corporation Ltd.

No doubt Pt. Jawaharlal Nehru is the pioneer of the public sector. Before resuming as prime minister of India he has shown affection towards socialism but NTC was not born up during his regime. His daughter Smt. Indira Gandhi became Prime Minister after few years of his death. Her thoughts were very much clear. She was highly impressed with the progress and development of U.S.S.R.

The bill regarding taking over of sick textile mills was put to the parliament in year 1972. After processing, the bill was converted in to the act on 1-4-1974, and the sick textile undertaking nationalisation act 1974 i.e. act no. 57/1974 came in to existence. These acts were published in gazette of India. Parliament has communicated this act with all its procedures to the Ministry of commerce.

The head quarter of National Textile Corporation Ltd. is situated at New Delhi. NTC is having 26.75 lacs Spindles and 19020 looms. It has capacity processing of 10.59 lacs mtrs. of cloth. National Textile Corporation Ltd. is divided in to 9 zones for carrying out the work of...
National Textile Corporation Ltd. undertaking mills smoothly. These zones are given in table. Only Maharashtra is the State where 2 zones are found.

3.2.2 Subsidiaries of NTC Holding Company

Table 3.1

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Subsidiary Office</th>
<th>No. of units / strength of Labours – Col. Of No. of Trade unions</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) NTC DPR</td>
<td>Delhi</td>
<td>8</td>
<td>Delhi, Punjab &amp; Rajasthan</td>
</tr>
<tr>
<td>2) NTC MP.</td>
<td>Indore</td>
<td>7</td>
<td>Madhya Pradesh</td>
</tr>
<tr>
<td>3) NTC UP</td>
<td>Kanpur</td>
<td>11</td>
<td>Uttar Pradesh</td>
</tr>
<tr>
<td>4) NTC (SM)</td>
<td>Mumbai</td>
<td>17</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>5) NTC (M.N.)</td>
<td>Mumbai</td>
<td>18</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>6) NTC Gujarat</td>
<td>Ahmadabad</td>
<td>11</td>
<td>Gujarat</td>
</tr>
<tr>
<td>7) NTC AP, K.K.M</td>
<td>Bangalore</td>
<td>16</td>
<td>Andhra, Kerala, Karnataka</td>
</tr>
<tr>
<td>8) NTC T &amp; P</td>
<td>Coimbatore</td>
<td>10</td>
<td>Tamilnadu &amp; Pondicherry</td>
</tr>
<tr>
<td>9) NTC WB O&amp;BA</td>
<td>Calcutta</td>
<td>16</td>
<td>West Bengal, Orissa &amp; Bihar, Assam</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>119</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.2.3 Reasons of formation of N.T.C.

Smt. Indira Gandhi, our Ex-Prime Minister was pro-socialist. She was of the opinion “control over the commanding height of economy is necessary, particularly in a poor country where it is extremely difficult to mobilise adequate resources for development”
3.2.4 Other reasons are:

1] Textile Industry is having fewer profit margins in comparison to its investment. Hence the mill owners had started diversion of funds to other Industries. RBI has estimated rate of gross profit during 68/69 to 72/73, as being 4.48% as compared to 8.8 & 10% for other industries, low return do not attract the new investors.

2] Industry was hit by recession of the year 1960 has made difficult to run the mills.

3] Mostly the mills were situated in metropolitan cities and rates of land have started showing rising trends.

4] Following Chinese aggression and hostilities with Pakistan causing some fall in out put of textile, in border area specially Punjab and lower Rajasthan.

5] The position was aggravated by 2 yrs of drought, which resulted in fall of cotton production.


7] Production of textile was not sufficient to meet with demand of the Indian market.

8] Cost of raw material and other overhead showed high increase in this period.
With the strong political will Mrs. Indira Gandhi, Ex-P.M. of India nationalized the mills with the intention to:

a) Provide more employment
b) Make available cheap cloth for common man
c) Have Government control on textile industries
d) Save the national losses due to closer of industries.

Before the Act was passed, all the sick textile mills were run by Ministry of Commerce (Govt. of India). After passing of this act ministry of commerce appointed a commission for survey of all the sick mills and on the recommendation of this commission National Textile Corporation of India came into existence and was registered under the Indian companies act 1956. The initial capital of NTC was Rs.10 crore which was divided in 1 lac share of rupees.1000/-each.

The corporation has so far been functioning chiefly as advisor to Government with reference to report of committee of investigation appointed under (industries development and regulation) act and report to authorised person received by Government under section 3 of the cotton textile company act. So far the corporation has studied 19 reports of investigation committee and ten report of authorized persons and tendered suitable advice to Govt. On the basis of this advice Government of India has appointed authorised controller in case.
The expertise of corporation and its officer has also been placed at the service of Govt. in carrying out investigation under industries (development and regulation) act and in examining application for financial assistance received by Government from cotton textile companies, technical guidance has also been given when ever sought to management of mills under authorized controllers.

In year 1972 strength of mill was 50 under Ministry of Commerce. On 31 October 1972 the total number of NTC mills was 103 with 2.94 million spindles and 4.30 lacs looms.

The NTC mills were divided in 9 subsidiaries for better and smooth working.

3.2.5 Objectives of NTC

1) To manage the affairs of the sick textile undertaking taken over by Govt.

2) To increase the textile production and distribution of different varieties of cloth and yarn so as to sub-serve the interest of general public.

3) To rehabilitate and modernize their mills.

4) To make them economically viable.

5) To fulfill the aim of Government NTC had accepted the concept of workers participation and invested the fund for the modernization.
3.3 Planning

The National Textile Corporation (MN) Ltd. Mumbai is governed by Company Act therefore the Board of Directors conduct the meeting of quarterly basis and take to stock of present, past and future and formulate policy how planning has to be carried out for production, marketing, purchasing, modernization, finance, administration, Human Resources Development, labour welfare, generation of funds etc.

As per the directives of Board of Directors the production activities considering the market scenario are planned and executed.

NTC (MN)'s main products through their units located in Maharashtra including Mumbai are manufactured and launched in the Market as under:

i) **YARN** - The mills under this Subsidiary Corporation are manufacturing 100% cotton yarn from 10s to 80s count and PC/PV blended varieties in large quantities. The mills are also capable of manufacturing 100% Polyester and Viscose yarn. The mills can also produce double yarn and high twist yarn. In one of our units, yarn dyeing can be done. Since the production activities have reduced considerably in most of the mills, due to paucity of working capital fund, own activity of yarn has reduced drastically.

3 BIFR (Board For Industrial And Financial Reconstruction)
ii) CLOTH - Basically, these mills are manufacturers of grey varieties and few of them are in a position to process the grey cloth. Presently, these mills are producing grey sheeting, low reed pick, long cloth, poplins and also varieties of Drill like M.K. Drill, Navy blue, Vat blue etc. P.C. Shirtings and Suitings are also manufactured in sizeable quantities. Tata Mills' Mull and Cambric are known in market by its brand. Earlier, these mills were manufacturing controlled cloth varieties for supplying to vulnerable sections of the society. However, presently, these are stopped and mills are producing shirting, suiting, and dress material, printed dyed dress material for the institutional supplies.

iii) PROCESSING – The cloth manufactured upto the stage of grey in different units is sent to Tata Mill for processing purpose since they do not have the processing facilities. The Tata Mill is equipped with weaving, spinning and processing facilities. As and when new designs are launched in the market by the different competitors of textile industry, National Textile Corporation (MN) Ltd, with the permission of Board is outsourcing the job work of processing.
3.3.1 Operational Parameters

a) The net loss for the year 2002-03 was Rs.249.93 Crores (Cumulative Losses Rs.1849.79 Crores.)

b) Mills have produced about 81.70 Lac Kgs of yarn and 121.30 Lac mtrs. of cloth during the year 2002-03.

c) The sale turn over of the year 2002-03 was 54.96 Crores, with the production value of Rs.63.64 Crores.

3.3.2 Salient Features of the Sanctioned Rehabilitation Scheme

The Mill units have been referred to BIFR (Case No. 536/92) and the Scheme has been approved on 25/07/2002. The salient features of the Scheme are given below.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mills in Mumbai</th>
<th>Mills in Upcountry</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viable Mills</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Unviable Mills</td>
<td>9</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Total Mill Units</td>
<td>13</td>
<td>5</td>
<td>18</td>
</tr>
</tbody>
</table>

The Ministry of Textiles Vide letter No.F No./18001/7/93/NTC dated 3rd July, 2002 has directed to consider the merger of the processing activity of Indu Dye Works as well as Spinning activity of Kohinoor Mill No.1 to Tata Mills and consequent to this direction, the final status of Revival/Closure is as follows:

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4 Source Page 61 Ibid
5 Source Page 61 Ibid
### 3.3.3 Mills for Revival & Closure - Maharashtra State

#### Table 3.3

<table>
<thead>
<tr>
<th>Mills for Revival</th>
<th>Mills for closure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Mill</strong></td>
<td><strong>Location</strong></td>
</tr>
<tr>
<td>India United Mill</td>
<td>Mumbai</td>
</tr>
<tr>
<td>No.1</td>
<td></td>
</tr>
<tr>
<td>India United Mill</td>
<td>Mumbai</td>
</tr>
<tr>
<td>No.5</td>
<td></td>
</tr>
<tr>
<td>Tata Mills</td>
<td>Mumbai</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Podar Mills</td>
<td>Mumbai</td>
</tr>
<tr>
<td>RBBA Mills</td>
<td>Hinganghat</td>
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<tr>
<td>Savatram Mills</td>
<td>Akola</td>
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<td></td>
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</tr>
</tbody>
</table>

** These Mills are already closed

#### 3.3.4 Steps Taken for Improvement:

Steps taken for implementation of Rehabilitation Scheme are as under:

1) **MVRS**

The Employees numbering 6973 have been relieved under MVRS on payment of Rs.296.02 crs.*

2) **Modernisation and Renovation**

The Corporation has taken up essential repairs and maintenance of Machinery of Viable Mills in stages, due to paucity of funds. Priority
has been given to Tata Mills and Podar Mills. The corporation has spent a sum of Rs.3.22 crs. On modernization / renovation of plant & Machinery upto 14.09.2005. * Mill wise release of funds from Holding Company is as under:

Table 3.4

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<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata</td>
<td>14.00</td>
<td>For replacement of B&amp;C Items.</td>
</tr>
<tr>
<td>Tata</td>
<td>20.00</td>
<td>Addition of Printing heads Replacement of components on Ring Frames (6 Sets)</td>
</tr>
<tr>
<td>Podar</td>
<td>17.90</td>
<td>Replacement of Card wires, Repairs of Speed Frames and EYC.</td>
</tr>
<tr>
<td>Total</td>
<td>51.90</td>
<td></td>
</tr>
</tbody>
</table>

3) Resources Mobilisation

a) Sale of Lands

The Corporation has prepared “Integrated Development Scheme” (IDS) in respect of 25 Mills belonging to National Textile Corporation (MN) Ltd & NTC(SM) Ltd. in Mumbai to MCGM under Development Control Regulation 58 in force. The MCGM has approved development plan of IDS of 7 mills in the first phase as directed by Urban Development Department on 27.10.2004, envisaging sale of entire FSI of 5 mills and earmarking of two mills towards share of MCGM and MHADA under the D C Regulation 58. Of the 5 mills permitted for sale, one mill viz. Kohinoor Mill No.3 belongs to NTC (MN) Ltd and 4 mills to NTC(SM) Ltd. The land of India United Mill No.2&3 belonging
to the Corporation and land of New Hind Textile Mill belonging to NTC (SM Ltd. are earmarked for MCGM and MHADA respectively. The approval in respect of remaining mills is awaited and being followed by the Corporation.*

b) Sale of Surplus Machinery

The Corporation has identified the sections where VRS has been implemented and as a result the machineries are stopped. Such sections have been taken up for sale. The Corporation has sold old used machinery belonging to Kohinoor Mills No. 3, Kohinoor Mills No. 2, Tata Mills, Podar Mills and India United mills No. 4 worth Rs. 992.00 Lacs. The process of selling of old/ used machinery of unviable sections is in progress.

3.4. Co-ordination

3.4.1 Methods of Government Control

(Facilities to the labour in Govt. Organisations)

The Government exercises control over its enterprises in various ways. Some of the important methods of Government control are:

3.4.2 Power to appoint the Board of Directors

The Government as the sole or majority owner appoints their Board of Directors. However, the exercise of this power has often reflected into certain problems with the boards.

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The main problems are:

i) Short and uncertain tenure of the members of the boards;

ii) Presence of too many officials on the board who tend to bureaucratize decision-making; and

iii) Inadequate part-time professional experts on the board.

3.4.3 Prior approval for important matters

The Government as the owner has reserved many matters to itself, on which decisions can be taken only after its approval. These matters have been listed in the articles of association of Government companies, and in the acts or the rules made under them in respect of statutory corporations. Some of the important matters for which prior approval of the Government is generally required are given below.

I) Capital expenditure beyond the limits laid down from time to time. For example, most of the Govt. owned organisation can take an investment decision up to rupees 20 crores at a time but have to get the Government’s approval beyond it.

II) Formation of a subsidiary company by the enterprise

III) Making of rules governing the conditions of service of the employees’ provident fund and to create reserves and special funds.

IV) Giving employees a commission on the profits of the business of the enterprise.
V) The plans of development and the capital budget of the enterprise and also the revenue budget, if there is an element of deficit in it, which is proposed to be met by the Government.

It may be noted that PEs generally prepare the following two types of budgets,

1) Capital  
2) Revenue.

The Government must approve all budgets involving capital expenditure. But budgets for revenue expenditure like purchases, wages, salaries, overheads, etc., need Government approval only if they show a deficit, which the enterprise would like to be met by the Government.

i) Agreements involving foreign collaboration.

ii) Borrowings, investment, and distribution of profits.

In practice, the Government approval is required for many more matters than stated in the circulars containing Government decisions. These refer to matters for which the enterprises have to secure approval of the Government. Two examples where prior approval of the Government is required are:

i) Wage settlement with the employees beyond the guidelines issued by the Bureau of Public Enterprises, and

ii) Visit of the chief executive of a PE abroad.
3.5 Finance

3.5.1 Money invested for modernisation

The Government has shown interest in modernisation programme to withstand in market competition with other private mills and has spent the money for modernisation.

3.5.2 Phase of new economic policy

From 1990 onwards, Govt. has accepted the new economic policy. The process of globalisation and free trade treaty, which is going to implement from 1/1/2005. The NTC was informed to either come out of losses or get ready for closer. In year 1993, 8 subsidiary of NTC were referred to BIFR. And new strategy was decided.

1) 66 mills are going to close in near future as are non-viable.
2) 53 mills are going to be modernized to withstand against the global competition without any government’s assistance.

3.5.3 Overall Financial Impact On The Cost Of The Scheme

Table 3.5

<table>
<thead>
<tr>
<th>Description</th>
<th>As per the BIFR scheme</th>
<th>Proposed after revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Inflow of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of land, and properties</td>
<td>86062</td>
<td>108424</td>
</tr>
<tr>
<td>Sale of Machinery</td>
<td>2319</td>
<td>2454</td>
</tr>
<tr>
<td><strong>Sub-Total (A)</strong></td>
<td><strong>88381</strong></td>
<td><strong>110878</strong></td>
</tr>
<tr>
<td>B) Outflow of funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>14734</td>
<td>13342</td>
</tr>
<tr>
<td>MVRS</td>
<td>19231</td>
<td>33611</td>
</tr>
<tr>
<td>OTS to FI and Banks</td>
<td>2238</td>
<td>2238</td>
</tr>
<tr>
<td>Payment of Statutory dues</td>
<td>5538</td>
<td>5538</td>
</tr>
<tr>
<td>Payment to pressing creditors</td>
<td>3896</td>
<td>3896</td>
</tr>
<tr>
<td>Cash Losses</td>
<td>12456</td>
<td>12456</td>
</tr>
<tr>
<td>Margin for working capital</td>
<td>1392</td>
<td>1392</td>
</tr>
<tr>
<td><strong>Sub-Total (B)</strong></td>
<td><strong>59485</strong></td>
<td><strong>72473</strong></td>
</tr>
<tr>
<td>Surplus funds (A-B)</td>
<td>(+)</td>
<td>(+)</td>
</tr>
<tr>
<td></td>
<td>28896</td>
<td>38405</td>
</tr>
</tbody>
</table>

7 Source Page 55 Ibid
3.5.4 Administration

The administration of the National Textile Corporation (MN) Ltd. has been controlled & administrated by the Board of Directors and based on the guidelines issued by the Ministry of Textile, Govt of India through NTC Holding Co., New Delhi. The local administration of National Textile Corporation (MN) Ltd is controlled under the supervision of Managing Director through various Directors e.g. Director (Finance), Director (Technical), Director (HRD), Director (Commercial). These directors are assisted by specialized officers of respective fields.

There are difference categories of employees divided into workers, staff, sub staff, technical staff and managerial staff who are well versed with their fields. To maintain the discipline code of conduct for each every categories are framed based on the different Acts like, Bombay Industrial Act, Industrial Dispute Act 1947, Model Standing Orders, Conduct Discipline Rules of Govt. of India. To deal with the misconduct of the employees the Rules of National Textile Corporation (MN) Ltd. are developed which are approved by Board of Directors. These rules are developed out of Model Standing Order, Code & Conduct Discipline Rule of Govt. of India.
3.6 Management

In the present market scenario any commercial organization has to complete globalization environment. All the manufacturers market always try to minimize the production cost so that can stand in the market but generally union interfere in day to day working of the organization, instigate the workers for agitation for a petty cause which subsequently become the reason for loss of production as well as corporation. The management of National Textile Corporation (MN) Ltd. is also based on the policy of commercial organization being a public sector enterprise it's motto is not to make the profit but to provide the employment to the citizens of India that too those who are semi literate. It's basic aim to provide the cloth at the price affordable to the common man, which indirectly prevent private textile players in marketing from selling their products at the higher cost. Even Government give the subsidy to National Textile Corporation (MN) Ltd For providing the cheaper cloth to the poor people those who do not having purchasing power for their essential clothing.

Based on the above aim Govt. of India frame the policy, issue the guidelines time to time and keep indirect control over the Board of Directors who are the supreme authority for managing the business of National Textile Corporation (MN) Ltd. While appointing member of the Board who represent the Govt. of India and a Director who belong to financial institution of Govt. of India also appointed on the Board to take care of financial position of National Textile Corporation (MN) Ltd.
Below the Board of Director there are different four directors who represent finance, commercial, technical and respectively human resources. The each unit mill is headed by managerial cadre in the rank of General Manager who is an incharge and sole responsible for manufacturing, marketing, purchase and administration for their respective units. He works under the control / directives of National Textile Corporation (MN) Ltd. They manage day-to-day working of their respective departments with the help of specialized officers who manage with the help of workers, staff, sub staff, technical supervisory staff and managerial category. To manage the huge number of employees there are certain rules and regulations framed by National Textile Corporation (MN) Ltd To prevent the employees from interference in day-to-day working adversely. On violation of these rules employees are punished according to their offence based on Conduct & Discipline Rules, Model Standing Order whichever rule is applicable to concerned employee / officer.

3.6.1 Steps taken for improvement *:

Steps taken for implementation of Rehabilitation Scheme are as under:

1) MVRS

Employees numbering 6973 have been relieved under MVRS on payment of Rs.296.02 crs.*
2) MODERNISATION AND RENOVATION

The corporation has taken up essential repairs and maintenance of Machinery of Viable Mills in stages, due to paucity of funds. Priority has been given to Tata Mills and Podar Mills. The corporation has spent a sum of Rs.3.22 crs. On modernisation / renovation of plant & Machinery upto 14.09.2005. *Mill wise release of funds from Holding Company is as under:

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(Rs. in Lacs)

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3) Resources Mobilisation

a) Sale of Lands:

The Corporation has prepared “Integrated Development Scheme” (IDS) in respect of 25 Mills belonging to National Textile Corporation (MN) Ltd & National Textile Corporation (SM) Ltd. in Mumbai to MCGM under Development Control Regulation 58 in force. The MCGM has approved development plan of IDS of 7 mills in the first phase as directed by Urban Development Department on 27.10.2004, envisaging sale of entire FSI of 5 mills and earmarking of two mills.
towards share of MCGM and MHADA under the D C Regulation 58. Of the 5 mills permitted for sale, one mill viz. Kohinoor Mill No.3 belongs to NTC (MN) Ltd and 4 mills to NTC(SM) Ltd. The land of India United Mill No.2&3 belonging to the Corporation and land of New Hind Textile Mill belonging to NTC(SM Ltd. are earmarked for MCGM and MHADA respectively. The approval in respect of remaining mills is awaited and being followed by the Corporation.

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For the sale of land in Mumbai based mills an Integrated Development Scheme has been submitted to Brihan Mumbai Corporation (BMC).

b) Sale of Surplus Machinery:

The Corporation has identified the sections where VRS has been implemented and as a result the machineries are stopped. Such sections have been taken up for sale. The Corporation has sold old used machinery belonging to Kohinoor Mills No. 3, Kohinoor Mills No. 2, Tata Mills, Podar Mills and India United mills No. 4 worth Rs.992.00 Lacs. The process of selling of old/ used machinery of unviable sections is in progress.
Table 3.7

List of Mills of NTC (MN) Ltd.

<table>
<thead>
<tr>
<th>S. NO.</th>
<th>NAME OF THE MILLS</th>
<th>LOCATION</th>
<th>DIST.</th>
<th>STATE</th>
<th>YEAR OF ESTB.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India United Mills No. 1</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1893</td>
</tr>
<tr>
<td>2</td>
<td>India United Mills No. 2**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1868</td>
</tr>
<tr>
<td>3</td>
<td>India United Mills No. 3**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1882</td>
</tr>
<tr>
<td>4</td>
<td>India United Mills No. 4**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1888</td>
</tr>
<tr>
<td>5</td>
<td>India United Mills No. 5</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1888</td>
</tr>
<tr>
<td>6</td>
<td>India United Mills No. 6</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1895</td>
</tr>
<tr>
<td>7</td>
<td>Tata Mills</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1910</td>
</tr>
<tr>
<td>8</td>
<td>Kohinoor Mills 1**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1896</td>
</tr>
<tr>
<td>9</td>
<td>Kohinoor Mills 2**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1896</td>
</tr>
<tr>
<td>10</td>
<td>Kohonoor Mills 3**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1896</td>
</tr>
<tr>
<td>11</td>
<td>Podar Mills</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1892</td>
</tr>
<tr>
<td>12</td>
<td>Sitaram Mills**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1875</td>
</tr>
<tr>
<td>13</td>
<td>Jam Mills**</td>
<td>Mumbai</td>
<td>Mumbai</td>
<td>Maharashtra</td>
<td>1908</td>
</tr>
<tr>
<td>14</td>
<td>Model Mills**</td>
<td>Nagpur</td>
<td>Nagpur</td>
<td>Maharashtra</td>
<td>1892</td>
</tr>
<tr>
<td>15</td>
<td>R.S.R.G.**</td>
<td>Akola</td>
<td>Akola</td>
<td>Maharashtra</td>
<td>1903</td>
</tr>
<tr>
<td>16</td>
<td>Savatram</td>
<td>Akola</td>
<td>Akola</td>
<td>Maharashtra</td>
<td>1885</td>
</tr>
<tr>
<td>17</td>
<td>R.B.B.A Mills</td>
<td>Hinganghat</td>
<td>Wardha</td>
<td>Maharashtra</td>
<td>1912</td>
</tr>
<tr>
<td>18</td>
<td>Vidarbha**</td>
<td>Achalpur</td>
<td>Amravati</td>
<td>Maharashtra</td>
<td>1927</td>
</tr>
</tbody>
</table>

**These Mills are already closed.
3.7 PROFILE OF MILLS UNDER NTC (MN) LTD.

UNIT - 1: INDIA UNITED NO. 1

Introduction

The mill was originally known as Jacob Sassoon Mills. It was established in the year 1893. The old management changed hands and was taken over by M/s. Agrawal. Then state Govt. took over from the year 1970. The Mill was nationalised w.e.f. 1st April 1974 and it came under the management of National Textile Corporation (Maharashtra North) Ltd. Mumbai, from the same date.

The mill is situated at Dr. Ambedkar Road, Parel, and Mumbai-400012. The unit has a licensed capacity of Rs.1.12 lac spindles and 2362 looms. Now the existing production capacity is 38304 spindles, 300 open end rotors and 546 looms.

Profit and loss-

The unit is incurring loss of Rs.82 lacs per month. The upto-date loss up to March 2004 is Rs.19685.42 lacs

Land -

The total area of the existing unit is 7,87,750 sq.ft. (20.29 acres) surplus land available is 8.71 acres.

Man Power –

Details of employees are as under:-
Table 3.8

<table>
<thead>
<tr>
<th></th>
<th>Worker</th>
<th>1360</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Staff</td>
<td>123</td>
</tr>
<tr>
<td>3.</td>
<td>Total</td>
<td>1483</td>
</tr>
</tbody>
</table>

Post Modernisation- The expenditure carried out on modernization till 31-3-2004 is Rs.9.30 crores.

**Product of Mills** – Market yarn different blends, P/v, P/c, 100% polyester, 100% cotton

a) Cloth – Registered exporter –
b) Supply to DGS and D –
c) All types of cloth, 100% cotton, sheeting, long cloth, grey cloth cotton, and blends.

1) Year of Establishment: -1893
2) Location: Mumbai

**A) Present Capacity:**

1) Spinning(Spindle) : 38304
2) Weaving(looms)   : 546

**F) Net accumulated Loss Upto 31-3-2004 :** 19685.42 lacs

1) Products of Mills : Grey sheets, Drills, Suiting and Cotton/Blends yarn for sale
2) Channels of Marketing : Through show room, Agents, Brokers,

Supply Govt.(direct)

3) No. of show rooms : one

Of the mills

4) Availability of infrastructure : Yes
to manufacture Readymade Garments :

5) Ability to Export : yes
Unit -2: INDIA UNITED NO. 5

Introduction

This mill was established in the year 1888. The mill was originally owned and managed by E. Sassoon. The mill had changes hands before nationalisation on 1-4-1997. The unit is a Grey Composite/with commissioned capacity of 25364 spindles 288 looms and no processing.

Profit & loss:

The mill is presently incurring net loss of Rs.52 lacs.

Surplus Land

The mill has got 5.56 acres of total land. Out of which surplus land is 1.41 acres valued at Rs.14.51 crores.

Manpower

The details of employees are as under: -

Number of employees on roll:

Table 3.9

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Workers</td>
<td>740</td>
</tr>
<tr>
<td>2</td>
<td>Staff</td>
<td>62</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>802</td>
</tr>
</tbody>
</table>

Past modernisation: The expenditure on modernisation carried out till 31.3.1996 is Rs. 490 lacs.
1) Year of Establishment: in the year: 1888

2) Location: Mumbai

1) Share Capital (Rs.in crores)
   a. Authorised Capital: Rs.60.00 (Combined for NTC(M.N))
   b. Paid up Capital: Rs. 2.83 crs.

A) Present Capacity:
   1) Spinning(Spindle): 25364
   2) Weaving(looms): 288
   3) Processing mtr/day: -

F) Net accumulated Loss: upto 31-3-2005 = Rs. 990.66 lacs loss

G) 1) Products of Mills: Long cloth, Shirting, cotton and blended yarn for sale
   2) Channels of Marketing: Through, Agents, Brokers,
   3) No. of show room of the mills:
   4) Availability of infrastructure: Yes
to manufacture Readymade Garments:
   5) Ability to Export: Yes
Unit - 3 : INDIA UNITED MILL NO.6

Introduction

This mill was established in the year 1895. The mill was originally owned and managed by E.D. Sassoon. Change hands before nationalization. The unit is a Processing with commissioned capacity of no spindles - looms and processing of 100000 Mtrs/day.

Profit & loss:

The mill is presently incurring net loss of Rs.45.76 lacs and cash loss of Rs.41.92 lacs per month. It has accumulated net loss of Rs. 8210 lacs upto 31-3-2001.

Surplus Land :

The mill has got 11.95 acres of total land. Out of which surplus land is 3.92 acres valued at Rs. 94.29 crores.

Manpower : The details of employee are as under:

Number of employees on roll: [As on 31.3.2001]

Table 3.10

<table>
<thead>
<tr>
<th></th>
<th>Worker</th>
<th>330</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Staff</td>
<td>54</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>384</td>
</tr>
</tbody>
</table>

Past Modernisation: The expenditure on modernisation carried out till 31.3.2001 is Rs.496 lacs.
1) Year of Establishment : In the year: 1895
2) Location : Mumbai

1) Share Capital (Rs.in crores)
   i. Authorised Capital : Rs. 60.00 (Combined for NTC(M.N))
   ii. Paid up Capital : Rs. 4.78

A) Present Capacity:
   Processing mtr/day : 14250 kgs/day

F) Net accumulated Loss: upto 31-3-2005 – Rs. 8210.48 lacs loss

G) 1) Products of Mills : Processing of polyester dyed suiting
    2) Channels of Marketing : Direct supply to show room, Govt., through brokers and agents.
    3) No. of show room of the mills : One
    4) Availability of infrastructure to manufacture Readymade Garments : Yes
    5) Ability to Export : Yes

Unit - 4 : TATA MILLS MUMBAI - ESTABLISHED By J.D.TATA

Brief History

The Mill was established in the year 1910. This is a composite Textile Mills having Process House. Central Govt. as custodian took over the Mill on 18th October 1983; after the strike. The mill was
nationalised on 1.4.1994 and it came under the management of National Textile Corporation (South Maharashtra) Ltd., Mumbai. On 1.4.1996 the mill was transferred to N.T.C. (Maharashtra North) Ltd. Before take over the mill had a licensed capacity of 93,882 spindles and 1,939 looms; with installed capacity of 91,552 spindles and 1,939 looms (348 Auto Looms & 1591 Plain Looms) and one lac mtrs. of cloth processing.

The Mill is situated at Dr. Ambedkar Road, Dadar, Mumbai 400 014. However, after take over, many uneconomic activities have been cut down and the existing production capacities are 28,600 spindles 300 Auto Looms and 48 plain looms and 40,000 mtrs. Processing capacity.

The mill is producing cotton grey fabrics mainly sheeting for job work and own cloth processed for local markets. The mill is also producing PC shirting’s and suiting for PSUs and local sales.

**Earlier Modernisation**: The Mill has not done any modernisation so far. The accumulated net loss and cash loss as on 31st march 2001 were as follows: Net loss Rs.8843.06 lacs while cash loss Rs.6230 lacs.

1) Year of Establishment : In the year 1910

2) Location : Mumbai

3) Share Capital (Rs.in crores)
   i) Authorised Capital : 
   ii) Paid up Capital : Rs. 9.33
A) **Present Capacity:**

1) Spinning (Spindle) : 28600

2) Weaving (looms) : 348

3) Processing mtr/day : 5900 kgs/day

F) **Net accumulated Loss** : upto 31-3-2005 – Rs.8843.06 lacs loss

G) 1) **Products of Mills** : Bed sheets, shirting, long cloth, poplin, sheets, non woven products.

2) **Channels of Marketing** : Direct supply to Govt., agents, brokers

3) **No. of show room of the mills** : One

4) **Availability of infrastructure** : yes
to manufacture Readymade Garments

5) **Ability to Export** : yes

*Unit - 5: Podar Mill - Mumbai*

**Introduction:**

The mill was established in the year 1892. The mill was originally owned and managed by E.D. Sassoon. Later at the time of take over was under the control of poddar group. The unit is a Grey Composite with commissioned capacity of 45116 spindles 240 looms and processing of - Mtrs/day. The unit is presently working with partial activities with capacity utilization of
Profit and loss:

The mill is presently incurring net loss of Rs.62 lacs and cash loss of 58.01 lacs per month. It has accumulated net loss of Rs. 6,026.31 lacs and accumulated cash loss of Rs. 4012 lacs till 31.3.2001.

Surplus Land: The mill has got 6.19 acres of total land. Out of which surplus land is Nil

Manpower: Number of employees on roll: (As on 31.3.2001)

Table 3.11

<table>
<thead>
<tr>
<th></th>
<th>Worker</th>
<th>648</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Staff</td>
<td>72</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>720</td>
</tr>
</tbody>
</table>

Past Modernisation: The expenditure on modernisation carried out till 31.3.2001 is Rs. 46 lacs.

1) Year of Establishment : In the year:1892

2) Location : Mumbai

3) Share Capital (Rs.in crores)

i. Authorised Capital :

ii. Paid up Capital : Rs.7.46

A) Present Capacity :

1) Spinning(Spindle) : 45116  35352

2) Weaving(looms) : 248        200

3) Processing mtr/day :Nil

F) Net accumulated Loss : upto 31-3-2005 – 6026.31 lacs loss
G) 1) Products of Mills : Bed sheets, shirting, long cloth, poplin, sheets, Cotton/Blended yarn
2) Channels of Marketing : Direct supply to Govt., agents, brokers
3) No. of show room of the mills : Nil
4) Availability of infrastructure to manufacture Readymade Garments : yes
5) Ability to Export : yes

**Unit - 6 : SAVATRAM MILL - AKOLA**

**Introduction :**

The Mill was established in year 1912. The Mill was owned and managed by E.D. Sassoon. Later the Mill was taken over by Ramprasad Goenka, renowned Goenka family of Akola till taken over by Govt. in year 1974. The unit is grey composite with commissioned capacity of 14464 spindles and 164 looms and fiber-cotton dyeing facilities.

**Profit and Loss :**

The Mill is one of the best mills having Laxmi Rieter blow room and ring frame with compact and new building situated exactly in the heart of city incurring loss of Rs.50 months/months. The cumulative loss till march 2001 is - Net loss - Rs.626.22 months, cash loss - Rs.603.84 months, gross loss - 187.84 months.
Surplus land - Mill has got 9.3 acres of land out of which approximately 3.5 acres is surplus valued Rs 4 core.

Modernisation NTC (MN) has spent 287 Laces. Rs. on Modernisation so far.

Manpower

OFFICER/STAFF - 58
Workers - 530
Total - 588

1) Year of Establishment : In the year:1912
2) Location : AKOLA
3) Share Capital (Rs.in crores)
   i) Authorised Capital : Rs.60.00 (Combine for NTC(MN))
   ii) Paid up Capital : Rs.3.20

A) Present Capacity :

1) Spinning(Spindle) : 14464
2) Weaving(looms) : 164
3) Processing mtr/day :

F) Net accumulated Loss : upto 31-3-2005 – Rs.626.22 lacs loss

G) 1) Products of Mills : Mazri, long cloth, poplin, sheets, Cotton and Blended yarn

2) Channels of Marketing : Direct supply to Govt., agents, brokers

3) No. of show room : One of the mills

4) Availability of infrastructure : yes
to manufacture Readymade Garments :

5) Ability to Export : yes
3.7.1 Organisational set up of National Textile Corporation (MN) Ltd.

**Chart No. 1:**

**Organisation Set Up of National Textile Corporation (MN) Ltd.**

```
Managing Director

Director
Director
Director
Director
Finance
Mktg/Com.
Technical
Personnel

General Manager of respective Units/Mills

Manager


Clerical Staff
Sales Off.
L/W Off.

Clerical Staff

Clerical Staff

Clerical Staff


Clerks

Shift Incharge

Shift Incharge

Foreman

Foreman

Semi Clerk

Foreman

Foreman

Jobbers

Asst. Foreman

Jobbers

Jobbers

Workers

Workers

Workers

Workers
```

Group the following text under the relevant heading:

**Managing Director:**

- Director
- Director
- Director
- Director
- Finance
- Mktg/Com.
- Technical
- Personnel

**Manager:**

1. Prodn.
2. Mktg
4. Material
5. A/c
6. Costing

**Clerical Staff:**

Clerical Staff

Clerical Staff

Clerical Staff

**Spinning Master:**

Dy. Spg. Master

Dy. Wvg. Master

Shift Incharge

Dy. C. Eng.

**Weaving Master:**

Shift Incharge

**Processing Master:**

Shift Incharge

**Chief Eng.:**

Clerks

**Folding Master:**

**Jobs:**

- Workers
- Workers
- Workers
- Workers

**Asst. Foreman:**

**Workers**
All Directors are in-charge of concerned activities of all units as well as member of the Board of Directors to take important decisions as per provision of the Rules of National Textile Corporation Ltd Ltd. The National Textile Corporation (MN) Ltd. is controlling the mills situated at different places in Maharashtra. The subsidiary is having existing commissioned capacity of 3.79.299 spindles, 3842 looms and processing of 2,20,000 mtr/day.

3.6 Administration

The administration of the National Textile Corporation (MN) Ltd. has been controlled & administrated by the Board of Directors and based on the guidelines issued by the Ministry of Textile, Govt. of India through NTC Holding Co., New Delhi. The local administration of National Textile Corporation (MN) Ltd. is controlled under the supervision of Managing Director through various Directors e.g. Director (Finance), Director (Technical), Director (HRD), Director (Commercial). These directors are assisted by specialized officers of respective fields.

There are difference categories of employees divided into workers, staff, sub staff, technical staff and managerial staff who are well versed with their fields. To maintain the discipline code of conduct for each every categories are framed based on the different Acts like, Bombay Industrial Act, Industrial Dispute Act 1947, Model Standing Orders, Conduct Discipline Rules of Govt. of India. To deal with the misconduct

9 Source Page 72 Ibid
of the employees the rules of NTC (MN) Ltd. are developed which are approved by Board of Directors. These rules are developed out of Model Standing Order, Code & Conduct Discipline Rule of Govt. of India.

3.7 Management 10:

In the present market scenario any commercial organization has to complete globalization environment. All the manufacturers market always try to minimize the production cost so that can stand in the market but generally union interfere in day to day working of the organization, instigate the workers for agitation for a petty cause which subsequently become the reason for loss of production as well as corporation. The management of National Textile Corporation (MN) Ltd is also based on the policy of commercial organization being a public sector enterprise it's motto is not to make the profit but to provide the employment to the citizens of India that too those who are semi literate. It’s basic aim to provide the cloth at the price affordable to the common man, which indirectly prevent private textile players in marketing from selling their products at the higher cost. Even Government give the subsidy to National Textile Corporation (MN) Ltd For providing the cheaper cloth to the poor people those who do not having purchasing power for their essential clothing.

Based on the above aim Govt. of India frame the policy, issue the guidelines time to time and keep indirect control over the Board of

10 Source Page 72 Ibid
Directors who are the supreme authority for managing the business of National Textile Corporation (MN) Ltd. While appointing member of the Board who represent the Govt. of India and a Director who belong to financial institution of Govt. of India also appointed on the Board to take care of financial position of National Textile Corporation (MN) Ltd. Below the Board of Director there are different four directors who represent finance, commercial, technical and respectively human resources. The each unit mill is headed by managerial cadre in the rank of General Manager who is an incharge and sole responsible for manufacturing, marketing, purchase and administration for their respective units. He works under the control / directives of National Textile Corporation (MN) Ltd. They manage day-to-day working of their respective departments with the help of specialized officers who manage with the help of workers, staff, sub staff, technical supervisory staff and managerial category. To mange the huge number of employees there are certain rules and regulations framed by National Textile Corporation (MN) Ltd. To prevent the employees from interference in day-to-day working adversely. On violation of these rules employees are punished according to their offence based on Conduct & Discipline Rules, Model Standing Order whichever rule is applicable to concerned employee / officer.