

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1707

ANSWERED ON:30.07.2015

Losses to NTC Mills

Chudasama Shri Rajeshbhai Naranbhai;Tripathi Shri Sharad

Will the Minister of TEXTILES be pleased to state:

- (a) whether National Textiles Corporation (NTC) is incurring continuous losses for the last five years;
- (b) if so, the reasons for incurring such losses continuously, Mill-wise;
- (c) whether the Government has formulated any revival plan for NTC; and
- (d) if so, the details thereof?

Answer

(a) & (b): No Madam. The details of Profit and Losses in NTC for the last 5 years is as under:-

Year Amount (Rs. in Crores)

Profit Loss

2010-11 1304.24 ---

2011-12 130.15 ---

2012-13 85.12 ---

2013-14 --- 175.71

2014-15 --- 316.25

The Mill- wise details of cash Profit & Loss for the last five years i.e. from 2010-11 to 2014-15 is enclosed as Annexure-1. During 2010-11 to 2014-15, NTC incurred losses due to various reasons including the following :-

1. Lack of modernization- Present modernization index of NTC Mills is 50% which has the adverse effect on Productivity and Quality of the Products.
2. High Wage/Shortage of Skilled Labour – Skilled Labour shortage is ranging from 3% to 7%. resulting into lower capacity utilization.
3. Non availability of power supply by State - It is more specifically Southern region, loss of utilization due to Power Shortage has been 4.52%, resulting in higher Power Cost due to use of diesel generator.
4. High wages cost- Against standard of 10%-12% of the Value of Production the actuals in NTC Mills is in range of 20%-25%.

(c) & (d): NTC with the assistance of Northern India Textiles Research Association (NITRA) has prepared NTC-Future revival Plan-2015, to be implemented in 2 phases. The 1st Phase of revival plan approved by the NTC Board consists of the following constituents –

- a) Setting up Amravati Spinning unit consisting of consolidation and relocation of 4 Maharashtra Mills, with addition of 4-open end spinning and 8-vortex machines.
- b) Setting up Amravati Weaving & Processing unit with a weaving capacity of 250 looms, wider width process house of 1,00,000 meters per day capacity with coating machine, 5 ton/day yarn dyeing capacity and automated sheet manufacturing line for 70,000 meters.
- c) Alagappa mills to be merged at the land of Kerala Lakshmi mills.
- d) Addition of 84 automatic looms at Finlay Mills Achalpur with technological gap filling.
- e) Addition of 24 looms and yarn dyeing with technological gap filling at New Minerva Mills Hassan.
- f) Technological gap to be filling in Rajnagar, Cannanore Spinning and Weaving Mill, Kannur and Vijaya Mohini Mills Trivandrum.