

International Multidisciplinary
Research Journal

*Indian Streams
Research Journal*

Executive Editor
Ashok Yakkaldevi

Editor-in-Chief
H.N.Jagtap

Indian Streams Research Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial board. Readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

Regional Editor

Dr. T. Manichander

Mr. Dikonda Govardhan Krushanahari
Professor and Researcher ,
Rayat shikshan sanstha's, Rajarshi Chhatrapati Shahu College, Kolhapur.

International Advisory Board

Kamani Perera Regional Center For Strategic Studies, Sri Lanka	Mohammad Hailat Dept. of Mathematical Sciences, University of South Carolina Aiken	Hasan Baktir English Language and Literature Department, Kayseri
Janaki Sinnasamy Librarian, University of Malaya	Abdullah Sabbagh Engineering Studies, Sydney	Ghayoor Abbas Chotana Dept of Chemistry, Lahore University of Management Sciences[PK]
Romona Mihaila Spiru Haret University, Romania	Ecaterina Patrascu Spiru Haret University, Bucharest	Anna Maria Constantinovici AL. I. Cuza University, Romania
Delia Serbescu Spiru Haret University, Bucharest, Romania	Loredana Bosca Spiru Haret University, Romania	Ilie Pintea, Spiru Haret University, Romania
Anurag Misra DBS College, Kanpur	Fabricio Moraes de Almeida Federal University of Rondonia, Brazil	Xiaohua Yang PhD, USA
Titus PopPhD, Partium Christian University, Oradea,Romania	George - Calin SERITAN Faculty of Philosophy and Socio-Political Sciences Al. I. Cuza University, IasiMore

Editorial Board

Pratap Vyamktrao Naikwade ASP College Devrukh,Ratnagiri,MS India	Iresh Swami Ex - VC. Solapur University, Solapur	Rajendra Shendge Director, B.C.U.D. Solapur University, Solapur
R. R. Patil Head Geology Department Solapur University,Solapur	N.S. Dhaygude Ex. Prin. Dayanand College, Solapur	R. R. Yalikal Director Managment Institute, Solapur
Rama Bhosale Prin. and Jt. Director Higher Education, Panvel	Narendra Kadu Jt. Director Higher Education, Pune	Umesh Rajderkar Head Humanities & Social Science YCMOU,Nashik
Salve R. N. Department of Sociology, Shivaji University,Kolhapur	K. M. Bhandarkar Praful Patel College of Education, Gondia	S. R. Pandya Head Education Dept. Mumbai University, Mumbai
Govind P. Shinde Bharati Vidyapeeth School of Distance Education Center, Navi Mumbai	Sonal Singh Vikram University, Ujjain	Alka Darshan Shrivastava Shaskiya Snatkottar Mahavidyalaya, Dhar
Chakane Sanjay Dnyaneshwar Arts, Science & Commerce College, Indapur, Pune	G. P. Patankar S. D. M. Degree College, Honavar, Karnataka	Rahul Shriram Sudke Devi Ahilya Vishwavidyalaya, Indore
Awadhesh Kumar Shirotriya Secretary,Play India Play,Meerut(U.P.)	Maj. S. Bakhtiar Choudhary Director,Hyderabad AP India.	S.KANNAN Annamalai University,TN
	S.Parvathi Devi Ph.D.-University of Allahabad	Satish Kumar Kalhotra Maulana Azad National Urdu University
	Sonal Singh, Vikram University, Ujjain	



IMPACT OF REFORMS IN PUBLIC UNDERTAKINGS OF TEXTILE SECTOR : IN SPECIAL REFERENCE OF NTC (WBABO) LTD.

Dr. Rashmi Kumar

Department of Economics, Shaheed Bhagat Singh College (E.), New Delhi.

ABSTRACT

NTC mills of Bihar and West Bengal for collection of primary data for analysis of reasons of decline in productivity/efficiency, management approach and impact of government policies. A study was conducted in these mills. The paper aims to present the major findings and also to have an insight of the path forward.

KEYWORDS :Public Undertakings , analysis of reasons , management approach .

INTRODUCTION

National Textile Corporation Limited, (NTC) is a schedule "A" public sector company under the ambit of Ministry of Textile, Government of India, engaged in production of yarn and fabric through its 23 mills in operation, located all over India, which produces around 200 lac meters of fabric per annum. NTC also manufactures garments through its Joint Venture Companies and has established retail network throughout the country with its 92 retail stores.

NTC the production which was 116.4 million kg of yarn in 1992-93 declined to 43.1 million kg of yarn in 1997-98 but this further improved to 66.00 million in 2000-2001. The production of cloth which was 306.24 million m in 1992-93 declined to 56.88 million meters in 1997-98. The value of exports went down from 41.57 crores in 1992-93 to Rs 28.25 crores in 1997-98. In this background a study was conducted with the objective of the analysis of reasons of decline in productivity/efficiency, management approach, impact of government policies. This study is further carried in present context to examine the impact of



government revamping steps in NTC mills.

METHODOLOGY FOR FIELD STUDY:

The study focused NTC mills of Bihar and West Bengal for collection of primary data for analysis of reasons of decline in productivity/efficiency, management approach and impact of government policies. For examination of impact of reforms secondary data was used. Total 16 mills were covered for primary data which included total 16 mills under NTC West Bengal, Bihar, Assam, Bihar and Orissa (WBABO) Limited, respectively 12 and 4 mills from west Bengal and Bihar state. The data was obtained through questionnaire.

DECLINE IN PRODUCTIVITY:

As per the analysis of the secondary

data it was found that in West Bengal (WB) during 1973-78 the average total percentage of spinning were 74.68% and in Bihar 75.91% . On other side the weaving capacity were 51.55% and 37.91% in WB and Bihar. During 1978-83 the capacity utilization of spinning and weaving both went down. In WB spinning were 67.78% and in Bihar it was 68.77%. Similarly weaving capacity also goes down to 49.18 % and 43.56 % in WB and Bihar respectively. During 1983-88 spinning capacity were found to have a dip further. Thus it was considered important to examine the reasons pertaining to productivity. Due to continuous decreasing trend in all parts of production the mills under study were nationalized and put to modernization. So the reasons of low productivity were studied in light of this abrupt change. In the survey respondents were asked to indicate the reasons of low productivity. From 16 selected mills 50 respondents stated Partial Modernization and Compatibility Issues, Lack of Training to match Modernization, Lack of defined operating procedures and other minor reasons like low maintenance, over expenditure and high maintenance cost of the system. The weightage of these attributes is shown in figure 1.

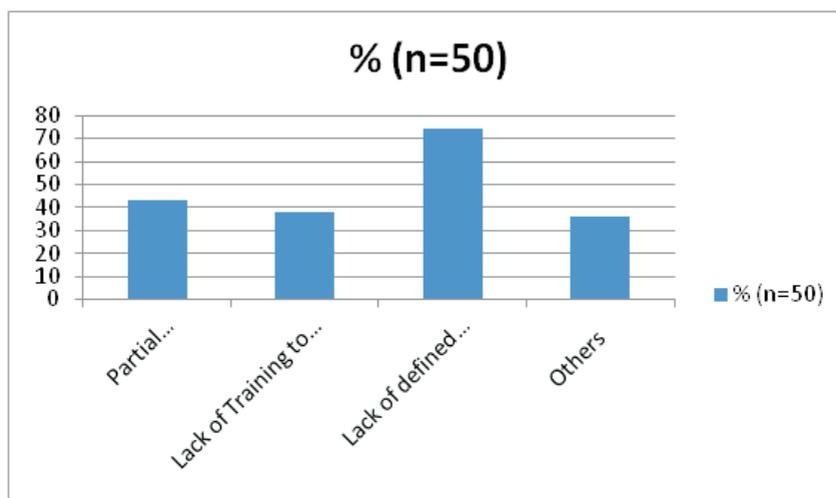


Fig 1: Productivity issues and their weightage

DECLINE IN LABOUR EFFICIENCY:

Labour is one of the major factor of production and without labour production is not possible. Under WBABO it was observed that labour efficiency was higher in the production of yarn than cloth. The labour efficiency in yarn production was 2.97 average total man days and 2.31 in cloth during 1973-78. Further it went to 0.76 in cloth during 1993-98 and 1.04 in case of yarn during 1998-2000. There after the mills were shut down. A closure status in WB and Bihar is given in table 1.

Table 1: Closure status as during 2014

Mill Name	State	Date of Closure
Mokameh	Bihar	05.02.2009
Gaya Cotton & Jute Mills Gaya	Bihar	06.05.2002
Bangasri Cotton Mills Sonepore	Bihar	06.05.2002
Bengal Fine Spg. & Wvg. Mills No.1 Konnagar	West Bengal	25.10.2003
Bengal Fine Spg. & Wvg. Mills no.2 Katagunj	West Bengal	06.05.2002
Bengal Laxmi Cotton Mills Serampore	West Bengal	25.10.2003
Manindra B.T.Mills Cossimbazar	West Bengal	06.05.2002
Rampooria Cotton Mills Rishra	West Bengal	25.10.2003

Major reason of low labour efficiency included low production, surplus manpower etc. Frequent break down in machinery was one of the widely asserted reasons of low efficiency.

STYLE AND APPROACH OF MANAGEMENT

Under managerial approach Size of Mills is of utmost importance for the efficiency of any mill. It is true that, a large-sized cotton textile mill cannot have much advantage over a small one in the matter of consumption of raw cotton and stores per unit of production which accounts for 51 per cent of the total works cost. So is the case with labour. The Tariff Board which enquired into the industry in 1932 said, " It is under power, supervision and office-establishment and rent, rates and taxes representing in all 12.5 per cent of the total works cost that the larger size of a mill will result in a correspondingly smaller cost per unit of output." The cost of power according to the Tariff Board was most important.

OTHER LESSONS LEARNT

In 1992, just a year after economic reforms were introduced, the Narasimha Rao government brought out a notice to stop production in several the GOI mills of WBABO without officially closing it. As they were declared 'sick' units. The workers were encouraged to take voluntary retirement with inadequate compensation. Most of the GOI-run and the privately-run mills were declared non-viable. The viable ones were sent to the newly formulated Board of Industrial and Financial Reconstruction (BIFR) for a financial package for revival. Many textile workers have lost hope and have been forced to return to their native villages or started working in the unorganized sector as labourers. It was also observed in a national survey that almost all central public sector enterprises including ailing units of National Textile Corporation (NTC), hold as much as 2.38 lakh acres of land. This is land that the companies did not require for their operations even when they were alive and kicking. The textile industry should have focused on all major sectors right from fibre to fashion and planned for an organized growth across the supply chain so as to compete better. Instead, the industry had put majority of its stock in the spinning sector. This is clearly evident in the utilization of Technology Upgradation Fund Scheme effectively by the spinning sector. Although it is a positive outcome, the industry turned a blind eye on value-adding sectors such as weaving and finishing. Indian powerloom sector, which enables value-addition is a highly unorganized industry and needs major upgradation still on date. Not only India does not have world quality indigenous shuttleless looms, but also investments are not adequate to cope with the quality and quantity to cater to the export market. The weak links in the Indian weaving and finishing have to be strengthened. A major thrust here is to have consolidated efforts by Indian Textile Machinery Manufacturers Association, end-users and the Government to undertake a come-up with alternatives to European Machinery, which the weaving sector can afford.

This should be doable, if dedicated efforts are undertaken with the financial support for R & D by the Government through its various schemes. Further attention is also needed in the non-commodity textile sector, i.e., technical textiles sector. Although the awareness on the broad-based technology know-how and end products has been created, equally important would be marketability of non-commodity textile products.

CONCLUSION AND RECOMMENDATION OF THE STUDY:

There was lack of long term vision for the development of the NTC mills and subsidiary companies and mills depended solely on Government budgetary support and other policy supply in the form of process preference policy/purchase preference policy. They never planned for a long term to stand at their own support. There was also lack of long term foresighted fiscal policy which could have envisaged planning for sustained generation of surplus and ploughing back surplus for modernization for the development of the company.

Financial mismanagement or lack of financial discipline was observed as the fund meant for modernization was utilized non-productive purposes. Modernization was taken in part and pieces but not as unified action. Reason of closure was also indicated product mix was not modified over the time.

REFERENCES:

1. Administrative Reforms Commission., Report On Personal Administrative. New Delhi, Govt. Of India Press, 1969.
2. Barra, S., Straws In the Wind, Business India No. 588, 2000) pp 49-52.
3. Burange, L.G., Growth And Structure of Manufacture of Textile Products in India An analysis of Four Major Industrial States Review of Development And Change, Vol 5(1) 2000, pp 81-98.
4. Bremen, Jan., Informalised Labour System End of Labour Market Dualism, Economic And Political Weekly Vol. 36(52) 2001, pp 4804-21.
5. Bhowmilk, Sharit K., Coping With Urban Poverty Ex- Textile Mill Workers In Central Mumbai. Economic And Political Weekly, Vol. 36(52) 2001, pp 4822-27.
6. Bandyopadhyan, K., Petroleum Industry New Modes of Survival, Economics Times, 3rd August, 1999.
7. Boyce, J.K., Jute , Polypropylene, and the Environment : A Study in International Trade and Market Failure, The Bangladesh Development Studies, Vol. 33(1-2) 1995.
8. Chakraborty, Chandan, What Awaits Jute Growers In Bengal, New Age, Vol. U5(29) 1997, pp 13.
9. Chakraborty, Chandan, Jute Industry On Way To Recovery From Technological Stagnation. New Age, Vol 46(12), 1998 pp 65-72.
10. Dhanraj, P. Prince, Impact of Trade Unions, Employment And Technology on Wages A Study Of The Cotton Textile Mills In Madurai District. Economic And Political Weekly Vol. 36(52) 2001, pp 4846-50.
11. Dutta, Ruddar, New Textile Policy Anti SSI. New Age Vol. 48(53) 2000, pp 8.
12. Dhindsa, K.S. And Amritpreet., - Analysis Of Trade on Cotton Textiles During 1970-1990. Indian Economic Journal, Vol. 43(2) 1995, pp 70-85.
13. Datta, R.C , Management, Production System And Labour Case Study Of A Textile Mill. Economics And Political Weekly, (Suppl) Vol. 31(8) 1996. pp L-2-L-6.
14. Doshi, Harish, Working And Living Conditions Of The Surat Textile Workers. Surat, Gujarat University, 1984.
15. Economic Survey of India, Ministry of Finance, Economic Division, Govt. of India, New Delhi.
16. Excuelis, B. K. Krishna Raj, Textiles In Doldrums. Kisan World. Vol. 25(8) 1998. pp 23-
17. Roy, Abbigit, Worker Stuggle In Perspective Mainstream, Vol. 32(29) 1994, pp 23-29.

- 18.Raja, Ramasubramaria P.R., Cotton Mill Industry Maladies Remedies, Kisan World, Vol. 26(5) 1999, pp 7-8 .
- 19.Rising Cost Of Input, Sluggish Demand And Its Textile Units Badly. Monthly Commentary On Indian Economic Conditions, Vol. 41(5) 1999, pp 37-39.
- 20.Reddy, T Chandramohan And Gayathri , Organisational Structure, Communication And Effectiveness In Textile Industry. Indian Journal Of Industrial Relations, Vol. 35(3) 2000, pp 327-46.
- 21.Raoot, B.G, Environmental Aspects And Textile Exports, Yojana, Vol. 41(6) 1997, pp 19-22.
- 22.Tandon, Rameshwar, Managed Trade The 1980 Implications Of The Textile Arrangements, Asian Journal Of Economies And Social Studies, Vol. 3 (4) 1984, pp 73-83.
- 23.Textile Industry, The Number One Fore Earner, Yojana, Vol. 37(5) 1993, pp 21.
- 24.Verma, M.S, Indian Textile Industry Environmental And Occupational Health Issue. Standards India, Vol. 13(2) 1999, pp 4-9.
- 25.Verma, M.S, Noise Pollution In Textile Industry Impact And Controls. Standards India, Vol. 14(6) 2000, pp 12-14.
- 26.Vasudeva, P.K, Textile Will Gain A Lot With Strategy. Indian Management, Vol. 39(8) 2000, pp 38-42.
- 27.Vyas, Mamta, Higher Cost of Production of And Its Jute Industry. Monthly Commentary On Indian Economic Conditions, Vol. 40(7) 1999, pp 30-32.

Publish Research Article

International Level Multidisciplinary Research Journal For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper, Summary of Research Project, Theses, Books and Book Review for publication, you will be pleased to know that our journals are

Associated and Indexed, India

- * International Scientific Journal Consortium
- * OPEN J-GATE

Associated and Indexed, USA

- Google Scholar
- EBSCO
- DOAJ
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Database
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database
- Directory Of Research Journal Indexing

Indian Streams Research Journal
258/34 Raviwar Peth Solapur-413005, Maharashtra
Contact-9595359435
E-Mail-ayisrj@yahoo.in/ayisrj2011@gmail.com
Website : www.isrj.org