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HARYANA VIDHAN SABHA
COMMITTEE
ON
PUBLIC UNDERTAKINGS
(1984-85)
(SIXTH VIDHAN SABHA)
EIGHTEENTH REPORT
ON THE
GENERAL WORKING OF
HARYANA HARIJAN KALYAN NIGAM LTD



Presented to the House on 29 MAR 1985

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
FEBRUARY, 1985



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COMPOSITION
OF

THE COMMITTEE ON PUBLIC UNDERTAKINGS (1984 85)

CHAIRMAN

*1 Shri Sagar Ram Gupta

2 Shri Kanwal Singh

MEMBERS

**3 Shri Amar Singh

4 Shri Amir Chand Makkar

5 Shri Bahadur Singh

6 Shri Hari Chand Hooda

7 Shri Nihal Singh

***8 Shri OmParkash Mahajan

Shri Mahendra Pratap Singh

9 Shri Ram Singh

SECRETARIAT

1 Shri G L Batra, Secretary

2 Shri Chander Parkash, Deputy Secretary

*Shri Sagar Ram Gupta M L A resigned from Chairmanship of the Committee w e f 30 11 1984 on his appointment as Minister and Shri Kanwal Singh M L A a member of the Committee was appointed Chairman of the Committee w e f 2 1 1985

** Shri Amar Singh M L A resigned from the Committee w e f 14 9 84 on his appointment as Minister

*** Shri OmParkash Mahajan M L A resigned from the Committee w e f 8 5 1984 and Shri Mahendra Pratap Singh M L A was elected member of Committee w e f 4 9 1984

INTRODUCTION

1, the Chairman of the Committee on Public Undertakings, having been authorised by the Committee in this behalf, present this EIGHTEENTH REPORT on the general working of the Haryana Harijan Kalyan Nigam Ltd Chandigarh

2 During oral evidence the Committee examined the representatives of the Department/Nigam concerned. A brief record of the proceedings of each meeting of the Committee during the year 1984-85 has been kept in the Haryana Vidhan Sabha Secretariat.

3 The Committee place on record their appreciation of the valuable assistance given to them by the Accountant General Haryana and his staff and are thankful to the Secretary to Government Haryana, Finance Department including his representatives and the representatives of the Department/Nigam who appeared before them from time to time. The Committee are also thankful to the Secretary and the staff of the Haryana Vidhan Sabha for the whole hearted co-operation and unstinted assistance given in preparing this report.

CHANDIGARH
the 15th February, 1985

KANWAL SINGH
CHAIRMAN

REPORT

HARYANA HARIJAN KALYAN NIGAM LIMITED

I Introductory

Haryana Harijan Kalyan Nigam Limited was incorporated on 2nd January 1971 under Companies Act 1956 for the socio economic upliftment of the Scheduled Castes in Haryana. The main objects of the Nigam are as follows —

- 1 To do and undertake the task of socio economic uplift of the Scheduled Castes in the State
- 2 To advance loans to such members of Scheduled Castes who want to start the professions of Doctors Engineers Lawyers Architects Chartered Accountants or such other profession upto a limit of Rs 10,000 to each individual on his personal security
- 3 To advance loans in cash or kind stand guarantee or surety to assist in getting on hire purchase or otherwise on easy terms to the members of the Scheduled Castes for Tempo Scooter Cycle Rickshaw Taxi or some other vehicle used for or as business by an individual upto Rs 10 000/ on his personal security as well as pledging of the vehicle purchased
- 4 To advance loans to members of Scheduled Castes upto Rs 10 000/ individually and upto Rs 50 000/ collectively for the industrial agricultural trades business, commerce profession or other skills etc
- 5 To plan promote and undertake on its own or in collaboration with Scheduled Castes organisations or any members of the community such programmes and projects of agricultural development and operations connected therewith marketing processing supply and storage of agricultural produce small scale industries building construction transport any industrial activity and such other business trade or activity as may be deemed fit

Apart from the above objects the Nigam has been running the following production units —

- 1 Shoe Production Centre Karnal
- 2 Harkalyan Packages Murthal
- 3 Harkalyan Binders and Printers Panchkula

In its written reply the Management of the Nigam stated that the Nigam is not providing assistance to the students for higher and technical education as they are provided necessary financial assistance by way

of stipend etc under various schemes by the Department. The Nigam also does not provide any financial assistance for the non bankable schemes such as purchase of land or redemption of land etc. The direct loaning was completely stopped from January 1982 and margin money component was introduced at the instance of Government of India. Under this arrangement 75 per cent of the total requirement of the beneficiaries was arranged as loan from the Commercial banks and the remaining 25 per cent amount was provided as margin money by the Nigam. It was further stated by the management that the Nigam does not propose to take up other functions for the time being and will concentrate in providing financial assistance only for the bankable schemes.

II Capital Structure

The authorised capital of the Nigam was Rs 2 crores which was raised to Rs 5 crores on 2nd April 1980 and was further enhanced to Rs 10 crores on 7th March 1983. The paid up capital of the Nigam as on 31st March 1984 was Rs 639.17 lacs which includes contribution of Rs 218.65 lacs from the Government of India.

(ii) The Nigam has taken loans amounting to Rs 107.40 lacs from Government upto 31st March, 1984 as detailed below —

Year	Amount in lacs
1970 71	—
1971 72	5 00
1972 73	5 00
1973 74	10 00
1974 75	9 30
1976 77	9 30
1977 78	9 40
1978 79	10 00
1979 80	9 40
1980 81	10 00
1981 82	10 00
1982 83	10 00
1983 84	10 00
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These loans are free of interest for the first five years and thereafter interest is chargeable at the rate of 3 per cent per annum. In case of default in repayment on due dates 2 per cent penal interest is chargeable.

It was noticed that the Nigam was having cash balance of Rs 229.62 lacs in the shape of bank deposits (including Rs 27 lacs in fixed deposit) as on 31.3.1983.

In its written reply the management of the Nigam has stated that the repayment of the principal and interest have been made to Government strictly according to the terms and conditions of the loans and Rs 11.35 lacs and Rs 4.53 lacs have been repaid in the shape of principal and interest respectively to the Government.

III Working Results

The Nigam has got audited its annual accounts up to 1978-79. The Nigam has yet to get its accounts audited for the years 1979-80 to 1983-84. The Statutory Auditor for auditing the accounts for the years 1979-80 and 1980-81 had been appointed by the Company Law Board on 12 August 1983 but the accounts for these two years are yet to be got audited. As per provisional accounts prepared by the Nigam upto 1982-83 it has incurred an accumulated losses of Rs 14.38 lacs since inception. The working results of the Nigam since inception i.e. 1971-72 to 1982-83 are as under —

Sr. No	Year	Expenditure	Income/ Receipts	+ Profit/Loss (—)	
1	1971-72	2 45 949 01	2 19 212 24	+	1 178 13
2	1972-73	2 39 184 38	2 94 165 95	—	8 035 95
3	1973-74	6 93 915 01	5 88 243 93	—	31 864 77
4	1974-75	12 77 170 00	9 16 334 00	+	44 210 00
5	1975-76	19 65 791 12	18 82 612 73	+	76 944 22
6	1976-77	47 24 039 59	34 09 878 36	+	2 84 970 52
7	1977-78	50 00 504 56	39 72 003 24	—	3 31 953 77
8	1978-79	46 27 645 69	47 92 597 52	—	4 179 92
9	1979-80	52 13 815 38	50 05 917 46	+	85 995 26*
10	1980-81	44 21 485 64	43 83 468 94	—	2 35 261 40*
11	1981-82	56 43 531 55	52 40 343 87	—	7 77 555 86*
12	1982-83	50 06 422 50	44 97 959 19	—	5 42 153 69*
*un audited			Total	—	1437 707 23

It was noticed that the interest income of the Nigam from the funds in deposits with the banks was to the extent of Rs 7.80 lacs 3.29 lacs and 5.05 lacs respectively during the three years upto 1982-83. This shows that the losses incurred by the Nigam in its working would have been much more if the interest income from bank deposits is excluded.

The Nigam is running three production units viz, (i) Shoe Production Centre Karnal (ii) Harkalyan Packages Murthal and (iii) Harkalyan Binders and Printers, Panchkula

The Centre wise working results of the Nigam from the year 1978 79 to 1982 83 are detailed below —

S No	Year	S P C Karnal	H B P Panchkula	P Mu thal	Head quarters	Total
1	1978 79	(—) 2 68 931 83 (+)	24 407 09 (—)	15 379 04 (+)	2 55 723 86 (—)	4 179 92
2	1979 80	(—) 1 80 878 36 (—)	63 659 69 (—)	42 981 01 (+)	3 75 514 32 (+)	85 995 26
3	1980 81	(—) 1 89 248 68 (—)	84 197 01 (—)	3 75 589 38 (+)	4 13 773 67(—)	2 35 261 46
4	1981 82	(—) 3 24 787 60 (+)	49 601 02 (—)	74 233 64 (—)	4 28 135 64(—)	7 77 555 86
5	1982 83	(—) 5 66 490 59 (+)	61 866 56 (—)	99 723 72 (+)	62 194 06(—)	5 42 153 69

The above table shows that the Shoe Production Centre Karnal and Harkalyan Packages Murthal have continuously been incurring losses. In the case of Shoe Production Centre Karnal there was steep increase in losses from 1.81 lacs in 1979 80 to Rs 5.66 lacs in 1982 83.

In its written reply the Management of the Nigam stated that the losses occurred mainly due to heavy overheads and administrative charges. The Management further stated that steps have now been initiated to reduce the losses to make the Centres more viable and profit giving viz —

- The purchase of raw material etc for all the units have been streamlined and every purchase is made through the Purchase Committee
- Revolving funds have been created for each unit for the purchase of raw material etc
- Efforts are being made to improve the quality of the products to ensure their acceptability among the consumers
- Efforts are being made to secure the orders from Government organisations/agencies at personal level
- The rates of shoes have been upwardly revised keeping in view the rise in the cost of raw material
- Necessary tie ups have been made with the Haryana Government Printing Press to get the work allotted to the Printing Press of the Nigam
- D P I Haryana has been requested to allot maximum quota of paper to Harkalyan Binders and Printers Panchkula for the fabrication of note books for supply to the students in the State

- (h) Supervision has been tightened to plug all loop holes to improve the quality of the products
- (i) Shortages of finished goods have been detected and recoveries have been made from the persons responsible for such shortages
- (j) The Marketing wing of the Nigam is being strengthened. It has been ordered to prepare the monthly trial balance of each unit/District office
- (k) Targets for all units for the year 1984 85 have been fixed in respect of production sale recoveries and expenditure
- The Nigam is taking action to set up the following new Projects
- 1 Programme for the development of Tilla Zari Shoes in and around Rewari to help the artisans in the area in procuring raw material on competitive rates and for marketing their products
 - 2 Installation of Common Facility Centre at Karnal for providing employment and training facilities to the Scheduled Castes
 - 3 Footwear cum Common Facility Centre at Ambala Cantt for providing training to Scheduled Castes in shoe making

In its written reply the Management of the Nigam stated that—

- (i) in the case of Tilla Zari Shoe a provision of Rs 20 lacs has been made for the purpose in the year 1984 85 and 2 shops have started functioning at Rewari to provide quality leather and tilla zari to the artisans
- (ii) regarding installation of common facility centre at Karnal the acquisition of land is under process
- (iii) regarding footwear cum common facility centre at Ambala Cantt the foundation stone was laid on 6th December 1983 and the project is expected to provide employment to about 200 Scheduled Castes

IV Loan Operations

(a) The Nigam had not fixed any targets for providing loan as instance to the Scheduled Castes since inception till 1981 82. Only from the year 1982 83 the Nigam has started fixing some targets. The targets fixed for the number of beneficiaries and the amount to be disbursed and the achievements there against since inception of the Nigam upto

1983 84 are given below —

Sr No	Year	Targets		Achievements	
		Beneficiaries	Amount	Beneficiaries (Rs in lacs)	Amount
1	1970 71	—	—	21	1 81
2	1971 72	—	—	565	22 86
3	1972 73	—	—	209	5 44
4	1973 74	—	—	442	12 27
5	1974 75	—	—	482	12 60
6	1975 76	—	—	305	5 68
7	1976 77	—	—	356	7 53
8	1977 78	—	—	442	12 83
9	1978 79	—	—	815	18 50
10	1979 80	—	—	656	15 61
11	1980 81	—	—	3589	76 51
12	1981-82	—	—	6640	187 54
13	1982 83	43 000	149 50	10 578	88 56
14	1983 84	25 085	Not fixed	2 6 220	336 21
				51 320	803 95
including Subsidy of Rs 316 93 lacs					

The above table shows that the achievement in the activity was very poor till 1979 80 and assistance to the beneficiaries has shown increase thereafter only

(b) The loan assistance and subsidy disbursed by the Nigam under its objectives to Scheduled Castes for various categories of trade since inception till 1983 84 is detailed below —

Sr No	Name of Trade	Number of Beneficiaries	Amount disbursed		Total
			Loan	Subsidy (disbursed in 1983 84) (Rupees in lacs)	
1	2	3	4	5	6
1	Higher studies	32	0 63	—	0 63
2	Dairy farming	29 624	230 09	196 33	426 42
3	Sheep and Goat	5 250	49 14	26 17	75 31
4	Piggery	2,493	26 92	8 08	35 00

1	2	3	4	5	6
5	Poultry farming	162	3 04	0 10	3 14
6	Purchase of Rickshaw	432	3 84	—	3 84
7	Purchase and development of - agriculture land	144	8 95	—	8 95
8	Leather	3 846	46 55	16 16	62 71
9	Purchase of Tractor Tempo and Taxi	62	6 08	—	6 08
10	Miscellaneous (other trade viz opening of small shop workshop installation of Madani Bhatta flour mill etc)	9 275	111 78	70 09	181 87
Total		51 320	487 02	316 93	803 95

The above table shows that the maximum disbursement of loan/subsidy was for dairy farming and the number of beneficiaries and the loan disbursed to them for poultry farming purchase and development of agricultural land purchase of rickshaw and higher studies was not significant

V Recovery of Loans

The table on page 8 shows the yearwise amount of loan due

recovered outstanding and percentage of recovery from 1972 73 to 1983 84—

Year	Due		Recovery		Outstanding		Percentage of recovery
	Principal	Interest	Principal	Interest	Principal	Interest	
1972 73	4 38 697 73	2,14 486 14	1,35,784 65	1 42 501 58	3 02 913 09	71 984 55	42 60
1973 74	9 90 869 80	3,84 024 72	4 47 273 60	2 87 379 90	5 42 596 20	96 642 82	53 47
1974 75	16,98 050 78	5 65 225 18	8,65 815 88	4 84,221 68	8 32 234 90	81 003 50	59 64
1975 76	25 07,048 63	7 41 777 74	14 21 982 96	6,59,975 85	10 85 065 67	81 803 89	64 08
1976 77	34,00 781 08	8 97 708 52	19 59 670 36	8 19 144 03	14,41 110,72	78 564 49	64 64
1977 78	42 38 493 12	17 13 636 42	25 54 411 03	9,90 786 26	16 84 082 09	7 22 850 16	59 36
1978 79	50 98 035 68	20,42 367 65	33,28,822 38	12 70 763 14	17 69 213 30	7 71 604 51	64 08
1979 80	68 16,004 62	30 59 310 93	41 31 869 58	15 55,467 45	26 84 135 04	15 03 843 48	57 39
1980 81	78,83,528 56	35,44 646 16	47 89 502 66	18 38,963 28	30,93 945 50	17,05 682 88	58 00
1981 82	97,64 560 01	45,48 122 27	60 95 868 83	22 74 598 14	36 68 691 18	22 73,524 13	58 48
1982 83	1,25 16,895 58	56,42 772 97	74 65 165 83	28 21,287 90	50 51 729 75	28 21 485 07	56 64
1983 84	1 72,62,074 70	70,99 727 62	87,51 208 82	32 63 080 69	85 10,865 88	38 36 646 93	49 53

The above facts show that the percentage of recovery was not encouraging and has come down from 64 64 per cent in 1976 77 to 49 53 per cent in 1983 84

VI Budgetory Control

The Nigam has not prepared its annual budget for any of the years since inception in the absence of which it was not in a position to exercise effective control over its working

During the course of oral examination the representatives of the Nigam stated that Nigam did not prepare its annual budgets upto 1983 84 and that for the first time the budget has been prepared (1984 85) and the Nigam will continue the preparation of the budgets in the years following —

VII Suspension Cases

The following table shows some of the suspension cases and their latest position —

Sr No	Name	Designation	Date of suspension	Charges in brief	Latest position
1	Darshan Lal	Unskilled Helper HBP Panchkula	10 12 81	He was charge sheeted for misconduct un authorised absence from duty without leave application and creating obstructions in smooth working of the unit	He was reinstated on 22 5 84 Sh S P Sharma Ex Sr A O conduct ed enquiry The enquiry report has been received which is under examination
2	Baldev Singh	Supervisor Shoe Emporium Rohtak	3 12 82	Embezzlement of Rs 1 17 739 90 p	Charge sheet could not be served to him as he has been absconding A FIR No 323 dated 11 12 82 has been lodged in Police Station Rohtak Police is making enquiries
3	Suresh Chand	Supervisor SPC Karnal	22 2 84	He was charge sheeted for tempering with job cards shortage of shoes worth Rs 65 612 58 and guilty of not issuing the bills against the supply of shoes	A chargesheet has been issued His reply is awaited

The above facts show that inordinate time is taken by the Nigam in finalising the suspension cases with the result that the Nigam is put to the financial burden in the shape of payment of subsistence allowance,

VIII Observations/Recommendations of the Committee

I The Committee observed that the Nigam stopped providing assistance to the Scheduled Castes for the purchase and development of agricultural land since 1980-81 on the ground that the assistance is provided by the Nigam only for bankable schemes. The Nigam also stopped providing assistance to the Scheduled Castes students for higher and technical studies since 1980-81 on the ground that the students are provided necessary financial assistance by way of stipends by the Department.

The basic objective of the Nigam is the socio economic upliftment of the Scheduled Castes in Haryana. The Committee therefore feel that in order to stop migration of the Scheduled Castes from villages to cities for jobs, it is necessary that they are provided assistance for the purchase and development of agricultural land in villages where they live. The Committee also feel that it is the utmost duty of the Nigam to provide assistance to the students of the Scheduled Castes community for higher and technical education as this is the most important factor contributing to the socio economic upliftment of this community.

The Committee strongly recommend that the Nigam should provide assistance to the Scheduled Castes for the purchase and development of Agricultural land and for higher and technical education to the students of this community. The Committee further recommend that for the overall socio economic development of the Scheduled Castes in the State, it is imperative that the Nigam should also undertake the other functions provided under its objectives.

II Capital Structure

The Nigam obtained loans amounting to Rs 107.40 lacs from Government upto 31st March 1984 in spite of the fact that it was having sufficient funds with it lying in bank deposits.

The Committee feel that the Nigam obtained the loans without thought and adequate planning for the utilisation of the funds already with it which was not proper on its part in view of the State Government's dependence on overdraft.

The Committee recommend that the management of the Nigam should formulate plan./schemes for the utilisation of the funds before these are drawn from the State Government, instead of drawing the funds in anticipation of requirement and keeping them in bank deposits.

The Committee further recommend that the Management should prepare long term planning to achieve the various objectives of the Nigam for which it was set up.

III Working Results

(a) The Nigam has got audited its annual accounts upto 1978-79 only. The Accounts for the years 1979-80 to 1983-84 are in arrear in

spite of the fact that the Statutory Auditors for auditing the accounts for the years 1979 80 and 1980 81 had been appointed by the Company Law Board on 12th August 1983 But even the accounts for these two years are yet to be got audited

The Committee feel that the accounts organisation of the Nigam is not functioning properly and it should be strengthened so that the accounts could be finalised and got audited upto date at the earliest

The Committee recommend that Nigam should strengthen its accounts organisation and make concerted efforts to bring the accounts upto date and get them audited at the earliest and the Committee be intimated of the progress achieved in this regard

(b) The Nigam has incurred losses amounting to Rs 14 38 lacs since inception to 1982 83 The losses during 1980 81 1981 82 and 1982 83 were to the tune of Rs 2 35 lacs Rs 7 78 lacs and Rs 5 42 lacs respectively These losses occurred in spite of the fact that the Nigam had earned interest amounting to Rs 7 80 lacs Rs 3 29 lacs and Rs 5 05 lacs respectively from bank deposits during these three years This shows that the working of the Nigam was far from satisfactory and needed concerted efforts on the part of the Management to improve its working

The Committee recommend that the Management should analyse the working of the Nigam to locate the reasons for the continuous losses and effective steps should be taken to improve the working of the Nigam

IV Production Units

A review of the working of the three production units of the Nigam viz Shoe Production Centre Karnal Harkalyan Packages Murthal and Harkalyan Binders and Printers Panchkula revealed that the Karnal and Murthal units were continuously running in losses In the case of Karnal unit the losses have gone up from Rs 1 81 lacs in 1979 80 to Rs 5 66 lacs in 1982 83 and in the case of Murthal unit the losses have gone up from Rs 0 15 lac in 1978 79 to Rs 1 00 lac in 1982 83 The losses are stated to have occurred mainly due to heavy overheads and administrative expenses

The Committee feel that the management of the Nigam should have taken effective steps long ago to arrest the increasing trend of losses by containing the expenditure on overheads

In its written reply the management of the Nigam stated that the steps have now been initiated to reduce the losses and to make the units viable and profit earning The Committee fail to understand as to why these steps were not taken by the management of the Nigam in all these years when these units were running in heavy losses

The Committee recommend that the working of these units should be investigated by the management and the responsibility for the losses fixed

The Committee further recommend that effective measures should be taken by the management to improve the working of these units by increasing production and making adequate arrangements for the marketing of the products

V New Projects

The Nigam is setting up three new projects i.e. (i) Tilla Zari Shoe in and around Rewari to help the artisans in the area in procuring raw material on competitive rates and for marketing their products (ii) Installation of Common Facility Centre at Karnal for providing employment and training facilities to the Scheduled Castes and (iii) Footwear cum common Facility Centre at Ambala Cantt for providing training to Scheduled Castes in Shoe making

Regarding Installation of Common Facility Centre at Karnal the acquisition of land is stated to be under process and for Footwear cum Facility Centre at Ambala Cantt the foundation stone was laid on 6th December 1983. For the Tilla Zari Shoes two shops are stated to be functioning at Rewari from 1984 %5

The Committee recommend that the Nigam should expedite the installation of Common facility Centre at Karnal and Footwear-cum-Common facility Centre at Ambala Cantt so that training and employment could be provided to the Scheduled Castes at the earliest

VI Loan Operations

(a) The main objective of the Nigam is to provide loan assistance to the persons belonging to the Scheduled Caste Community. The Committee observed that till 1981-82 the Nigam did not fix any targets regarding number of beneficiaries and the amount of loan assistance to be provided to them. The number of beneficiaries and the amount of loan assistance provided was not substantial till 1979-80. The Nigam since 1970-71 have provided loan assistance amounting to Rs 115.13 lacs to 4,293 beneficiaries upto 1979-80. As against this during 1980-81 to 1982-83 the Nigam provided loan assistance amounting to Rs 352.61 lacs to 20,807 beneficiaries. The loan assistance was not provided to the beneficiaries in spite of the fact that sufficient funds were available with the Nigam.

The Committee recommend that the reasons for not fixing the targets and also the non covering of adequate number of beneficiaries by the Nigam under the loan assistance schemes since its inception be investigated and results intimated to the Committee.

(b) The Nigam disbursed loans amounting to Rs 487.02 lacs and subsidy amounting to Rs 803.95 lacs (disbursed during 1983-84) to 51,320 beneficiaries upto 1983-84. Out of this the maximum amount of loan/subsidy amounting to Rs 426.42 lacs disbursed to 29,624 beneficiaries was for dairy farming. Loans for higher studies were disbursed only to 32 persons amounting to Rs 0.63 lac for poultry farming only Rs 3.14 lacs was given to 162 persons for

the purchase and development of agricultural land loans amounting to Rs 8 95 lacs were provided only to 144 persons. The number of persons receiving loans for purchase of Rickshaw was only 432 and the amount disbursed was Rs 3 84 lacs. The Committee feel that the coverage of schemes of poultry farming purchase and development of agricultural land higher studies purchase of Rickshaw etc. was not adequate and require effective action to increase assistance under these categories.

The Committee recommend that for the economic uplift of the Scheduled Castes, concerted efforts should be made by the Nigam to give adequate coverage in its loan/subsidy assistance to the trades which are not adequately covered under the schemes so far. The Committee further recommend that the Nigam should motivate, guide and assist the Scheduled Castes in starting non traditional trades by giving the required financial assistance.

VII Recovery of Loans

The Committee observed that the recovery of outstanding loan and interest was very poor and has come down from 64 64 per cent in 1976 77 to 49 53 per cent in 1983 84.

The Committee feel that the loans have been provided to beneficiaries without verifying their antecedents with the result that the Nigam is not in a position to recover the amount of principal and interest.

The Committee recommend that the entire loan operation should be examined by the management and the lapses in the recovery of principal and interest due should be enquired into and responsibility fixed. The Committee also recommend that effective steps should be taken by the management to recover the amount of loan due from the beneficiaries so that these funds could be further utilized for advancing loans to other Scheduled Castes beneficiaries.

VIII Budgetary Control

The Committee note with concern that the Nigam has not prepared annual budgets since inception in the absence of which it was not in a position to exercise effective control over its working. Even the budget prepared for the year 1984 85 was not in proper form and cannot in strict sense be called a Budget. The Committee feel that non preparation of annual budgets is one of the main reasons that the Nigam could not utilise the large amount of funds lying with it in Bank deposits.

The Committee recommend that the management should start in right earnest the preparation of its annual budgets in proper form and monitor follow up action in order to have effective control over its various activities.

IX Suspension Cases

The Committee observed that inordinate time is taken by the Management of the Nigam in finalising the suspension cases

(a) Shri Darshan Lal Unskilled Helper at Panchkula was suspended on 10th December 1981 for mis conduct and unauthorised absence from duty. He was reinstated in service on 22nd May 1984 and still the enquiry report against him was under examination. It is not clear why 2½ years were taken for his reinstatement that too without finalising the enquiry report against him.

The Committee recommend that reasons for keeping Shri Darshan Lal under suspension for such a long time without taking action against him resulting in payment of subsistence allowance for 2½ years should be investigated and responsibility for delay be fixed.

(b) Shri Baldev Singh Supervisor Shoe Emporium Rohtak was placed under suspension on 3rd December 1982 for embezzlement of Rs 1.18 lacs. The management of the Nigam stated that charge sheet could not be served on him as he had absconded and F I R was lodged against him with the Police on 11th December 1982.

The Committee desire to know whether the antecedents of the Supervisor were verified before taking him in service and whether any surety bond was obtained from him.

The Committee recommend that the case against the defaulting employee should be got expedited by the Nigam through the Police Department and all efforts should be made to recover the amount.

(c) Shri Suresh Chand Supervisor Shoe Production Centre Karnal was suspended on 22nd February 1984 for shortages of shoes worth Rs 0.66 lac. He was also found guilty of not issuing the bills against the supply of shoes. The management stated that a charge sheet has been issued and his reply is awaited.

The Committee feel that immediate steps should have been taken by the management to recover the amount of shortages from the defaulting official and if necessary the case should have been reported to the Police.


The Committee recommend that immediate steps should be taken by the management to recover the amount of shortages from the defaulting official and strict action including registration of a police case should be taken against him.

X General

The Committee were of the opinion that due to lack of proper planning follow up action initiative and publicity the Nigam has not been able to achieve its objective of socio economic upliftment of

the Scheduled Castes in Haryana though the Nigam was set up as early as in January 1971. The Committee feel that specific emphasis should be given by the Nigam for providing assistance to Scheduled Castes for setting up tubewells for making available water for irrigation and drinking purposes in rural areas.

The Committee recommend that effective steps be taken by the management of the Nigam to give due publicity to its schemes so that maximum persons belonging to Scheduled Castes community, particularly those living in rural areas may derive benefit of the assistance provided by the Nigam under its various schemes, to improve their socio-economic condition.



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