

19
**HARYANA VIDHAN SABHA
COMMITTEE**

ON

**PUBLIC UNDERTAKINGS
(1984-85)**

(SIXTH VIDHAN SABHA)

NINETEENTH REPORT

ON THE

GENERAL WORKING OF

**HARYANA STATE SMALL INDUSTRIES AND
EXPORT CORPORATION LIMITED
CHANDIGARH**



Presented to the House on 29th March, 1985

**HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
MARCH, 1985**

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(iii)

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 Amr Chand Makkar

5 Shri Bahadur Singh

6 Shri Hari Chand Hooda

7 Shri Nihal Singh

***8 Shri Om Parkash 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 Om Parkash 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 the Committee w e f 4 9 1984

INTRODUCTION

I the Chairman of the Committee on Public Undertakings having been authorised by the Committee in this behalf present this NINETEENTH REPORT on the General Working of the Haryana State Small Industries and Export Corporation Limited, Chandigarh

2 During oral evidence the Committee examined the representatives of the Department/Corporation 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/Corporation 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 wholehearted co-operation and unstinted assistance given in preparing this Report.

Chandigarh
the 1st March, 1985

KANWAL SINGH
CHAIRMAN



REPORT

THE HARYANA STATE SMALL INDUSTRIES AND EXPORT CORPORATION LIMITED, CHANDIGARH

1 Introductory

The Haryana State Small Industries and Export Corporation Limited was set up in July 1967 as a Government Company under Section 617 of the Companies Act, 1956. The main objects of the Company are—

- I Supply of scarce raw materials to the Small Scale/R I units in the State
- II Marketing the products of Small Scale/R I units through —
 - (i) A chain of emporia
 - (ii) Through participation in tenders floated by various Government and Semi Government Organisations
 - (iii) Marketing the products of RI units through Distt Marketing Centres
- III Exports
- IV Rural Industries Scheme
- V Establishing complexes to develop cluster growth industry in the State

2 Capital Structure

The authorised capital of the Company is Rs 15 crores divided into 150 lacs equity shares of Rs 100/ each. The paid up share capital of the Company is Rs 53.75 lacs as detailed below —

Name of the Share holder	Total No of shares held	Total value (Rs)
— Governor of Haryana (Haryana Govt)	43 750 equity shares of Rs 100/ each	43 75 000
All India Handicrafts Board New Delhi	10 000 equity shares of Rs 100/ each	10 00,000
		53,75,000

During the year 1983-84, the State Government has further invested a sum of Rs 7 lacs in the share capital of the Company thereby raising the share capital of the Company to Rs 60.75 lacs.

The Company obtained loan of Rs 22 lacs from the State Government in April 1979 for the construction of Sheds for Entrepreneurs at Murthal Panchkula and Radaur through Haryana State Industrial Development Corporation. The terms and conditions of the loan has not yet been finalised by the State Government. Further the Company has made arrangements for cash credit limit to the extent of Rs 1.25 crores from Canara Bank Chandigarh against hypothecation of stocks which is being utilised as and when required.

3 Working Results

The working results of the Company from 1967 to 1982 depicting the turn over and the net profit are detailed below —

Year	Turnover	Profit as per P & L A/c
	<i>(Figures in Lacs of Rs)</i>	
1967-68	36.46	0.83
1968-69	117.17	5.21
1969-70	187.02	6.23
1970-71	345.86	14.86
1971-72	431.32	15.34
1972-73	561.57	16.27
1973-74	761.23	27.75
1974-75	717.87	12.06
1975-76	623.20	0.32
1976-77	974.02	12.65
1977-78	1044.16	18.02
1978-79	1700.19	23.86
1979-80	1826.66	22.30
1980-81	2356.45	53.49
1981-82	2167.25	40.77
1982-83	1836.63	14.98
Total	15687.06	284.94

The above table shows that there were wide fluctuations in the profits earned by the Company as compared to the turnover during the respective years. Further the turn over of the Company has come down from Rs 2356.45 lacs in 1980-81 to Rs 2167.25 lacs in 1981-82 and Rs 1,836.63 lacs in 1982-83.

4 Distribution of Raw Materials

The major activity of the Company is the distribution of scarce raw material such as iron and steel pig iron paraffin wax cement coal non ferrous metals etc to Small Scale and Rural Industrial units in the State About 80 per cent of the total yearly turn over of the Company is from distribution of iron and steel items to the Small Scale and Rural Industrial units These raw materials are procured by the Company from the Government/ Government agencies and distributed to SSI/RI units through the raw material depots of the Company opened at various places in the State The position of profits earned by the Company on the distribution of raw materials during 1978 79 to 1982 83 is detailed below —

Year	Raw materials distributed	Profits earned from distribution of raw materials	Overall profits of the Company
<i>(Rs in lacs)</i>			
1978-79	1 527 17	21 11	23 86
1979-80	1,541 42	22 65	22 30
1980-81	1,963 13	55 65	53 49
1981-82	1 661 19	47 43	40 77
1982-83	1 419 64	16 91	14 98

The above table shows that the entire earnings of the Company during all these years were from the distribution of iron and steel items and the performance of the Company in other activities was far from satisfactory

5 Emporia

The Company has opened emporia at various places in the State and also at Chandigarh Lucknow Agra and Bombay for marketing mainly the products of SSI and RI units of the State The performance of these emporia including Sales of Dolls and Toy making Centre and Leather Depots during 1978 79 to 1982 83 is given

below —

Year	Turn over	Net profit/loss
	<i>(Rs in lacs)</i>	
1978-79	132 48	—0 71
1979-80	113 53	1 91
1980-81	153 34	—1 03
1981-82	163 85	1 76
1982-83	171 04	4 41

The above table shows that the performance of the emporia organisation was not satisfactory and much was desired to be done to improve the turn over and the profits

6 Setting up of Complexes

The Company had undertaken the setting up of the following projects/complexes

- 1 Sports Goods Complex Murthal
- 2 Sewing Machine Parts Complex Panchkula
- 3 Nutan Stove Unit Panchkula
- 4 Artistic Pottery Centre Jhajjar
- 5 Shoe Fabrication Centre Jhajjar

Out of the above projects, the Sewing Machine parts Complex Panchkula has been dropped by the Management. The Artistic Pottery Centre Jhajjar which was to be started by November 1982 is yet to be completed and many sheds in Sports Goods Complex Murthal are yet to be allotted. The working results of Nutan Stove Manufacturing unit Panchkula for the years 1980 81 to 1982 83 are as under —

Year	Turn over	Net loss
	<i>(Rs in lacs)</i>	
1980-81	—	—1 02
1981-82	0 59	—6 41
1982-83	6 07	—3 13

The above table shows that the manufacturing of Nutan Stove Unit Panchkula was not at all viable and the Company has been continuously incurring heavy losses

7 Assistance to R I Units

One of the main objects of the Company is to provide assistance in setting up of Rural Industrial units in the State and marketing their products through its various outlets. The Company has been able to provide assistance in setting up 16843 R I units since 1977-78 to 1984-85 (upto 30th June 1984) as detailed below —

Year	No of R I units set up
1977-78	92
1978-79	578
1979-80	1555
1980-81	2812
1981-82	3745
1982-83	3859
1983-84	3883
1984-85(upto 30 6 84)	319

As per the information provided by the management 46821 persons were employed in these units. The marketing assistance provided to these units by the Company since 1979-80 to 1984-85 (30th June 1984) was to the extent of Rs 9.56 crores which works out less than rupees one hundred per unit in a month. The district wise break up of these 16843 R I units is as under —

Ambala	1651
Bhiwani	995
Faridabad	1331
Gurgaon	1843
Hissar	1341
Jind	943
Panipat	1341
Kurukshetra	1028
Narnaul	1531
Rohtak	2391
Sirsa	1013
Sonepat	1415

However, neither the management of the Company nor the Industries Department of the State Government was having any information as to how many units out of the above were functioning and how many were closed and the reasons thereof. They were also not having any information about the turn over of these units.

8 Exports

The exports made by the Company during 1967-68 to 1983-84 are detailed below —

Year	Amount
	(Rs in lacs)
1967-68	0 60
1968-69	26 40
1969-70	36 19
1970-71	12 65
1971-72	12 54
1972-73	12 71
1973-74	8 49
1974-75	16 61
1975-76	7 43
1976-77	12 13
1977-78	4 03
1978-79	15 66
1979-80	14 33
1980-81	8 74
1981-82	2 15
1982-83	2 56
1983-84	2 39

The above table shows that the inroad by the Company in the exports was not significant and the exports have come down

from 15 66 lacs in 1978 79 to Rs 2 39 lacs in 1983 84 This was in spite of the fact that the Officers of the Company were paying frequent visits to foreign countries for export promotion and survey of the foreign markets The details regarding names of the officers and countries visited period and purpose of visit amount spent on such visits and date upto when the Officers concerned remained with the Company are given in Annexure A

9 Foreign visits by officers of the Company

The Officers of the Company were paying frequent visits to the foreign countries for export promotion and survey of the the foreign markets During the course of their visits they booked orders for exporting the goods by the Company The name and designation of the Officers who visited foreign countries period of visit amount spent on their visit value of orders booked by them value of the orders executed by the Company for the years 1978 79 to 1983 84 are detailed below —

Sr No	Name and Designation of the Officer	Period of visit	Amount spent	Value of order booked	Value of order executed
1		2	3	4	5
1	Sh S S Mehta Managing Director	16-9-78 to 2-10-78	32,874 27	3 12,227 50	14,227 50
2	Sh R C Anand Manager (Emporia)	14-9-78 to 30-9-78	12,605 90	2 50 000 00	1,29,761 61
3	Sh N Malhotra Manager (Exports)	28-9-78 to 30-10-78	39,532 78	1,09 375 00	57,548 20
4	Sh R N Dutt General Manager (Exports)	7-10-78 to 5-11-78	46 642 20	2 29 441 41	66 934 34
5	Sh R N Dutt General Manager (Exports)	20-5-79 to 20-6-79	30 000 00	6 59 704 00	66 934 34
6	Sh N Malhotra Manager (Exports)	24-6-79 to 26-6-79	4 346 00	Nil	Nil

	1	2	3	4	5
7	Sh R N Dutt General Manager (Exports)	29-6-79 to 21-7-79	39 781 70	1,58 650 00	1,12 739 00
8	Sh R N Dutt General Manager (Exports)	16-9 79 to 3 11 79	1 24 822 17	7,47 725 00	2,21,594 39
9	Sh S P Mittal IAS Managing Director	29-2-80 to 19-3-80	37,465 43	4 20 250 00	1,20 752 50
10	Sh R N Dutt General Manager (Exports)	29-2-80 to 14-4-80	68,500 00	10 46 224 00	2,71 910 61
11	(i) Sh P R Kaushik IAS Mana ging Director	14-1-81 to 11-2-81	42,240 00	12,26 761 87	4 63 761 87
	(ii) Sh R C Anand, Manager, Exports	12-1-81 to 11 2 81	32,747 00		
12	Sh B L Joshi Dy Manager (Exports)	24-3-81 to 19 4 81	34,254 47	Nil	Ntl
13	Sh V K Sharma Dy Manager (Exports)	25-9-81 to 2-11-81	47 887 60	Nil	Nil
14	Sh N N Kaul General Manager (Exports)	18-5-82 to 18-6-82	52 221 55US\$ Stg £	28,436 80 406 50	1,51,921 13
15	Sh N Malhotra General Manager (Exports)	14-8-83 to 27-8-83	6,182 73FF US\$	30 250 00 2 850 00	37 718 20

The Management expressed its inability to furnish information for the years prior to 1978 79 though the Officers were undertaking

foreign tours for export promotion and market survey since May 1968. As per the information furnished by the Management the amount spent on such visits to foreign countries by the Officers of the Company upto August 1983 worked out to Rs 7 14 lacs.

10 Suspension Cases

The following table gives the details of disciplinary cases where the Management has taken inordinate time in taking decision —

Sr No	Name	Designation	Period of Suspension	Remarks
1	Sarvshri M L Sachdeva	Accounts Assistant	28-2-81 to 6-3-83	A punishment of warning with a copy in his A C Rs file was imposed
2	A K Mittal	Distt Marketing Officer	25-3-81 to 20-6-83	Disciplinary action is under process
3	Sham Sunder Sharma	Accounts Assistant	4-11-81 to 17-11-81	Disciplinary action is under process
4	S K Dhawan	Incharge Leather Depot Karnal	8-4-82	Disciplinary action is under process
5	Charan Singh	Peon	7-10-80 to 3-6-81	Disciplinary action under process
6	Jai Pal	Peon	7-10-80 to 3-6-81	Disciplinary action under process
7	Ram Kishan	Peon	7-10-80 to 3-6-81	Disciplinary action under process
8	N K Goyal	Distt Marketing Officer	30-6-81 to 6-1-82	Disciplinary action under process
9	Ved Parkash	Accounts Assistant	19-6-80	Disciplinary action under process
10	Subash Chand	Clerk	25-6-82	Disciplinary action under process
11	Om Parkash Kathuria	Clerk	10-10-78 to 22-3-79	Case has been finalised. He has been warned to be careful in future. Suspension period has been counted as duty period.
12	Mohan Lal S/o Shri Kanwar Bhan	Clerk	7-10-80 to 4-6-81	Disciplinary proceedings under process

No reasons for the inordinate delay in finalising these cases were furnished by the Management

11 Observations/Recommendations of the Committee

The Haryana State Small Scale Industries and Export Corporation Limited was set up in July 1967 with the main objects of supply of scarce raw material to the Small Scale/Rural Industrial units marketing their products through its chain of emporia and District Marketing Centres etc making exports providing assistance in setting up of rural industries and establishing of Complexes/projects

The Company after more than 17 years of its establishment had not been able to make significant achievements for accomplishing the objectives for which it was set up

The Company mainly confined itself in the procurement of iron and steel items from Government/Government agencies and its distribution and little attention was paid on achieving the other objectives

The Committee observed that the turn over of the Company which was Rs 2 356 45 lacs during 1980 81 came down to Rs 2 167 25 lacs in 1981 82 and further declined to Rs 1 836 63 lacs in 1982 83 Similarly the profits of Rs 53 49 lacs of the Company in 1980 81 decreased to Rs 40 77 lacs in 1981 82 and further decreased to Rs 14 98 lacs in 1982 83

The Committee feel that the turn over and profits of the Company had declined because the Company was mainly depending upon the procurement and distribution of iron and steel items and proper attention was not paid to increase the turn over and profits under other activities

The Committee recommend that concerted efforts should be made by the Management of the Company to improve the turn over and profits of the Company by giving proper attention, formulating plans and fixing targets and monitoring achievements under other activities of the Company and also the Committee be informed about the progress made in the matter

Distribution of Raw Material

The Company is distributing the scarce raw materials such as, iron and steel pig iron paraffin wax cement coal and non ferrous metals etc to small scale and rural industrial units through its Raw Material Depots in the State The major item of raw material distributed by the Company is the iron and steel

The value of the raw materials distributed by the Company profits earned on it and the overall profits of the Company for

the last 3 years upto 1982-83² is as under —

Year	Raw materials distributed	Profit earned from distribution of raw materials	Over all profit of the Company
(Rs in lacs)			
1980-81	1,963 13	55 65	53 49
1981-82	1,661 19	47 43	40 77
1982-83	1 419 64	16 91	14 98

The Committee observed that the distribution of scarce raw materials to the Small Scale and Rural Industrial units was declining from year after year and accordingly the earnings of the Company were also decreasing. The overall profits of the Company depend upon the distribution of raw materials alone as in other activities the Company was not earning profits.

The Committee feel that when the number of SSI/RI units are increasing in the State there should not be any decrease in the distribution of scarce raw materials to these units.

The Committee recommend that effective steps should be taken by the management of the Company to procure more raw materials from Government/Government agencies for distribution to SSI/RI units so that the production of these units do not suffer for want of raw materials.

During on the spot inspection of raw material Depots of the Company at Faridabad and Rohtak the Committee observed that the Depots were not keeping effective liaison with the RI units regarding the nature and quality of raw materials needed by them with the result the Depots had not been able to meet the requirements of RI units. The Committee was told that against the allocation of 42,000 tonnes to Faridabad Depot only 7,000 tonnes was received by it with the result the Depot could meet only 17 per cent of the requirement of raw materials of RI units in the area. The Committee observed that the Depots were stocked with items which were readily available in the market at competitive rates and the scarce raw materials needed by the RI units were not available with them in adequate quantity which affected adversely the production of these units.

The Committee recommend that the raw material Depots of the Company should keep effective liaison with the RI units in their respective area in order to assess the nature, quality and quantity of raw materials needed by these units and take effective steps to store and supply the same to them at reasonable rates.

Emporia

The Committee feel that the performance of the emporia organisation including Dolls and Toys Making Centre and Leather Depots was not encouraging. Even though there was some improvement in the turn over of the emporia organisation. The emporia organisation on a turn over of Rs 153.34 lacs incurred a loss of Rs 1.03 lacs during 1980-81. Although during 1981-82 and 1982-83 the emporia organisation earned a meagre profit of Rs 1.76 lacs and Rs 4.51 lacs over a turn over of Rs 163.85 lacs and Rs 171.04 lacs, respectively. Much more was wanting on the part of the management to improve turnover and profits of emporia organisation.

The Committee recommend that concerted efforts should be made by the management of the Company to improve the turnover and profits of the emporia organisation by popularising and giving publicity to the goods marketed through these emporia and also by introducing the sale of new products manufactured by SSI and RI units in the State of Haryana.

During an on the spot inspection of Hissar, New Delhi and Agra emporia of the Company in October 1984 the Committee observed that concerted efforts were not made by the management to improve the sales of these emporia and the Committee recommend that alongwith other steps for improving sales effective advertising system i.e. display of slides in cinema houses etc. should be adopted to popularise and improve the marketing of goods of emporia. A portion of Agra emporium has been given on lease by the Management to a private person for selling handicraft items which are not manufactured in Haryana. In Agra emporium the goods manufactured in Haryana did not form major part of the goods being sold through the emporium. The Committee recommend that the Agra emporium should prominently display famous handloom and handicraft items manufactured in Haryana to popularise and boost up the sales of goods manufactured in Haryana.

Setting up of Complexes

The Committee note with concern that the Management of the Company was not able to establish the complexes conceived by them successfully. The sewing Machines parts Manufacturing Complex which was to be set up at Radaur was shifted to Panchkula and was ultimately dropped. The Nutan Stove Unit is continuously running in loss. The completion of Artistic Pottery Centre Jhajjar which was to be completed by November 1982 has inordinately been delayed and many sheds at Sports Goods Complex Murthal are yet to be allotted.

The Committee observed that the Nutan Stove Unit incurred a loss of Rs 6.41 lacs over a turn over of Rs 0.59 lac during the year 1981-82 and a loss of Rs 3.13 lacs in 1982-83 over a turn over of Rs 6.07 lacs. The Committee feel that the performance of the unit was far from satisfactory and the losses incurred were very heavy. The Committee desire that the reasons for such heavy losses be investigated and report submitted to the Committee.

The Committee recommend that expeditious steps should be taken by the Management of the Company to start the Artistic Pottery Centre at Jhajjar and for allotment of all the sheds at Sports Goods Complex, Murthal and that all efforts should be made to improve the working of Nutan Stove Unit Panchkula by increasing production and turn over and by controlling expenditure so that the unit becomes viable

Assistance to Rural Industrial Units

The Company has been able to provide assistance in setting up of 16843 RI units during 1977-78 to 1984-85 (30th June 1984) and the assistance provided by the Company in marketing the goods produced by these units during these years was only to the extent of Rs 9.56 crores which works out to Rupees one hundred per unit per month. The marketing assistance was not only inadequate but also very insignificant keeping in view the number of units involved. Neither the Management of the Company nor the Industries Department of the State Government was having any information as to how many units out of 16843 units were functioning and how many had been closed and for what reasons. They were also not having any information about the production made by these units.

The Committee feel that in the absence of the vital information about the functioning of the units the items produced by them the Company and the Industries Department are hardly in a position to help these units in marketing their goods and in solving their other problems.

The Committee strongly recommend that the Management of the Company and the Industries Department of the State Government should work out an effective system to monitor as to how many RI units are functioning and what items and in what quantity they are manufacturing, how many units are lying closed and for what reasons, and take effective steps to revive the closed units by solving their problems and provide adequate marketing assistance to existing units. The Committee further recommend that long term planning for providing assistance in setting up of new RI units should be drawn by the Management/Government and annual targets should be fixed for achieving the same and the performance monitored and reviewed constantly by Management/Government.

The Committee direct that a report regarding the progress made in this regard be submitted to the Committee within three months.

During on the spot inspection of some of the RI units in the State in October 1984 the Committee discussed the problems faced by the entrepreneurs in the presence of the representatives of the Company and the Industries Department of the State Government. On the basis of on the spot inspection and discussion the Committee make the following recommendations:

- (1) Many units were facing difficulty in getting finances from the banks due to procedural difficulties in some cases.

absence of their capacity to provide security/guarantee as desired by banks. This difficulty could be solved to a considerable extent if loans to Rural Industrial units are granted by the Haryana Financial Corporation.

The Committee recommend that the Management of the Company and the Industries Department of the State Government should have discussion and try to make tie up arrangements with the Haryana Financial Corporation in this regard so that the R I units in the State do not suffer for want of finances

- (2) Certain units are facing problems in marketing their products as they had to face competition from the big units and needed help in marketing their products which could be done if the goods manufactured by R I units in the State are declared as reserved items or given preference for the purchases made by the State Government Department/Government organisations Companies Corporations Autonomous bodies etc

The Committee recommend that the Management of the Company and the Industries Department should consider this aspect and take up the matter with the Government so that the goods manufactured by R I units are given preference/reserved for purchases by the Government departments/Organisations, Companies, Corporations and Autonomous bodies etc

- (3) Certain units were having difficulty about the availability of water though the village had the facility of piped supply of drinking water but the water was not being supplied for the use of the R I units

The Committee recommend that the Management of the Company/Industries Department should take up the matter with the Public Health Department for extending the facility of supply of water to the R I units

- (4) The units were not getting adequate power with the result that their production was adversely affected

The Committee observed that certain units which were having manually operated machines were running successfully and were employing more workers than those units which were operated by power

The Committee recommend that keeping in view the difficulty of power more emphasis be laid on such units which are run on manually operated machines so that more persons could be provided employment and production is not interrupted due to non availability of power

The Committee further recommend that the Management of Company/Industries Department should consider this aspect and formulate policies and draw plans to give this scheme a concrete shape and implement it and the progress report be submitted to the Committee

- (5) During on the spot inspection of handloom units in village Ferozepur Nimak in Gurgaon District the Committee was told that there were 39 handloom units in the village out of which 17 were lying closed for want of raw material

The Committee observed that there was no service centre in the area to supply the raw material to these units

The Committee recommend that the management of the Company/ Industries Department should discuss and make arrangements with Haryana Handloom and Handicrafts Corporation limited for opening of a service Centre in the village so that the raw material could be made available to these units and if it is not possible to open a new service centre in the village immediately, some nearest service centre should be directed to meet the requirements of raw material of these handloom units

- (6) During on the spot inspection of Haryana Sports Goods Complex Murthal the Committee observed that the entrepreneurs who have set up their units in Complex are facing difficulties in getting raw material and marketing their products. As many sports goods manufacturing units have come up in the complex it is necessary that arrangements are made for the supply of raw material to these units

The Committee recommend that the management of the Company should take expeditious steps to open a raw material depot in the complex so that the raw material of good quality could be supplied to these units at reasonable rates

The Committee further recommend that the quality sports goods manufactured by these units should be placed in the reserved list for purchases by the Government Departments/organisations so that these units do not face marketing problems for their products

- (7) The Committee observed during on the spot inspection and discussions with the officers of the Industries Department and representatives of the Company in the field that there was no effective co ordination and clear demarcation of duties and functions between the two agencies for assisting the R I Units with the result the rural industrial programme is suffering

The Committee recommend that both the Company and the Industries Department should have effective liaison and clear demarcation of duties and responsibilities regarding providing assistance to R I units, in their setting up, supply of raw materials, financing, marketing their products and solving their other problems, to have a healthy, gainful and effective growth of rural sector which will afford gainful employment to women in rural areas and arrest their migration towards cities

Exports

The performance of the Company in the export field was disappointing and inspite of more than 17 years of existence the Company had completely failed to develop the export market. The exports of the Company have come down from Rs 15.66 lacs in 1978-79 to Rs 2.56 lacs during 1982-83 and further decreased to Rs 2.39 lacs in 1983-84. This was in spite of the fact that the Company officers were paying frequent visits to the foreign countries ostensibly for export promotion and survey of the foreign markets.

The Committee recommend that the management of the Company should formulate plans, chalk out programmes, fix targets for exporting the goods manufactured in Haryana and take effective steps to implement the same so that the exports of the Company could be improved.

Foreign Visits by Officers of the Company

The officers of the Company were going on foreign visits for export promotion and survey of foreign markets since May 1968 and expenditure on such visits incurred by the Company upto August 1983 was Rs 7.14 lacs. The details regarding names of officers, countries visited, period and purpose of visit, amount spent on such visits and date upto which the officer concerned remained with the Company are given in Annexure A.

The management was asked to supply information about the value of orders booked on such visits and the value of orders executed there against. But the information supplied by the management was from September 1978 to August 1983 only. Out of the orders of the value of Rs 55.03 lacs booked during the foreign visits by the officers during September 1978 to August 1983, orders amounting to Rs 16.73 lacs only were executed by the management. The reasons for not executing the balance orders given by the management were not convincing.

The Committee observed that an order of the value of Rs 3.12 lacs booked by Shri S.S. Mehta, the then Managing Director during foreign visit in September-October 1978, export amounting to Rs 0.14 lacs could only be effected as against the expenditure of Rs 0.33 lac incurred on the visit.

During the foreign visits of Shri R.N. Dutt, the then General Manager (Exports) during October-November 1978, orders valuing Rs 2.29 lacs were booked against which export of Rs 0.24 lac only was made, whereas the expenditure on the visit was amounting to Rs 0.47 lac. Again on one of the foreign visits of Shri R.N. Dutt during May-June 1979, against orders valuing Rs 6.60 lacs, booked supplies were made to the extent of Rs 0.67 lac and the expenditure on the visit was Rs 0.30 lac. Again on the foreign visit of Shri R.N. Dutt during September-November, 1979, orders valuing Rs 7.48 lacs were booked against which exports made were only amounting to Rs 2.22 lacs and the expenditure incurred on the visit was

Rs 1 25 lacs On the foreign visits of Shri B L Joshi and Shri V K Sharma the then Deputy Managers (Exports) Rs 0 34 lac and Rs 0 48 lac respectively were spent during March April 1981 and September November 1981 but no orders were booked by them

The Committee observed that the foreign trips were made without making proper planning and programmes to boost exports by booking orders for exporting the goods by the Company and the expenditure incurred on such visits was not fruitful The Committee are also of the view that the orders booked on such visits were not genuine as in most of the cases L C were not opened by the parties

The Committee recommend that the entire export deals made by the Officers of the Company during their foreign visits and the expenditure incurred on such visits being not fruitful should be investigated and responsibility for the lapses be fixed and report submitted to the Committee

The Committee further recommend that in future before making any foreign visits by any officer(s) of the Company proper planning, programme and targets for getting business should be fixed and the achievements on such visits should be evaluated and assessed there against and in case of non fulfilment of the targets/orders booked on such foreign visits responsibility of the officer(s) should be fixed for such failure

Suspension Cases

The management of the Company had been taking inordinate time in finalising the cases against the officials put under suspension with the result that the Company was burdened with the payment of subsistence allowance without deriving any benefit of the services of the officials Some of the cases of inordinate delays are listed in paragraph 10 of this Report

The Committee recommend that the reasons for delays in finalising these cases should be investigated by the management and the responsibility for the lapses be fixed under intimation to the Committee

The Committee further recommend that the finalization of action in these cases be expedited and a report of the progress made in this regard be submitted to the Committee

The above recommendations are in addition to the detailed recommendations of the Committee included in the separate report given on the basis of comprehensive review on the working of the company prepared by the Comptroller and Auditor General of India and included in his Report (Civil) 1981 82—Government of Haryana

ANNEXURE 'A'

HARYANA STATE SMALL INDUSTRIES & EXPORT CORPORATION LTD CHANDIGARH

List of Officers of the Corporation Visited Abroad

Sr No	Name of the Officer	Designation	Countries visited	Period	Purpose	Amount spent for visit	Date upto which remained/attached with the Corpn
1	2	3	4	5	6	7	8
1	Sh L R Mago	Managing Director	Hungary Iran Iraq Libya Kuwait Leba non Aden	12th May to 2nd July 1968	Export Pro motion Survey of the foreign market	15,460 65	Upto 16 8 1968
2	Sh K G Varma IAS	Managing Director	Poland Chechoslovakia France	6th June to 1st July 1973	Do	18 826 80	Upto 15 8 1974
3	Sh R C Anand	Manager (Emporia)	Hongkong Singapore Kuala lampur Bankok & Japan	2nd Jan to 20th Jan , 1977	Do	21 624 00	Still working in the Cor poration as General Manager (Marketing)
4	Sh S S Mehta	Managing Director	W Germany Netherland Italy & Kuwait	16th Sept to 2nd Oct 1978	Do	32 874 27	Upto 30 6 1979

1	2	3	4	5	6	7	8
5	Sh R C Anand	Manager (Emporia)	Netherland	14th Sept to 30th Oct 1978	Do	12,605 90	As per Sr No 3 above
6	Sh N Malhotra	Manager Exports	Iraq & Kuwait	28th Sept to 30th Oct 1978	Do	39,532 78 (Including partici pation fee of Rs 10 000)	Still working in the Corpn as General Manager (Exports)
7	Sh R N Dutt	General Manager (Exports)	W Germany Belgium Sweden, Denmark, UK & France	7th Oct to 5th Nov 1978	Do	46 642 00 (Including partici pation fee of Rs 4 500)	Upto 10 7 1980
8	Sh R N Dutt	Do	Do	20th May to 20th June 1979	Do	30 000 00	Do
9	Sh N Malhotra	Manager Exports	Bangladesh	24 6 1979 to 26 6 1979	Export Pro motion & Survey of Foreign Market	4,346 00	Still working with the Corp'n as General Manager (Exports)
10	Sh R N Dutt	General Manager Exports	Tanzania	29 6 79 to 21-7 79	Do	39,781 70 (including participa-	Upto 10 7 1980

1	2	3	4	5	6	7	8
11	Sh R N Dutt	Do	Berlin W Germany	16 9 79 to 3 11 1979	Do	tion fee Rs 10 000) 1 24 822 17 (including partici pation fee Rs 54 798 52)	Do
12	Sh S P Mittal IAS	Managing Director	Birmingham (UK)	20 2 80 to 19 3 1980	Do	37 465 43 (including partici pation fee Rs 11 000)	Upto 16 4 1980
13	Sh R N Dutt	General Manager Exports	W Germany Denmark Sweden Belgium Holland France, Italy, Switzerland & Finland	29 2 80 to 14 4 1980	Do	68 500 00	Upto 10 7 1980
14	Sh P R Kaushik IAS	Managing Director	W Germany France Holland, UK and Italy	14 1 81 to 1 2 1981	Do	42,240 70	Upto 7 7 1982

1	2	3	4	5	6	7	8
15	R C Anand	Manager Exports	W Germany & U K	12 1 81 to 11 2 1981	To attend Inter national Trade Fair at Frank furt (W Germany) & Export Promotion)	32 747 00	Still working
16	Sh B L Joshi	Dy Manager Exports	Singapore	24 3 81 to 19 4 1981	To attend Singapore Exhibition India 81	34,254 47	Upto 9 12 81
17	Sh B L Joshi	Do	Bangladesh	20 9 81 to 22 9 1981	To submit quotation for tender floated by Govt of Bangladesh for supply of woollen blankets	5 584 00 (tentative)	Do
18	Sh V K Sharma	Do	USA and Canada	25 9 81 to 2 11 1981	To participate in Buyer Seller Meets held at Toronto (Canada) and Atlanta (USA)	47 887 60	Upto 13 11 82

1	2	3	4	5	6	7	8
19	Sh N N Kaul	General Manager Exports	Italy UK Holland W Germany & Switzerland	18 5 82 to 8 6 1982	To attend the Milan Trade Fair Star 82 held at Milano (Italy) and also to visit adjoi ning countries for export promotion	52 221 55	Upto 31 1 1983
20	Sh N Malhotra	Do	Netherland France and UK	14 8 83 to 27 8 1983	Export pro motion on behalf of the Suppliers M/s Hilton Rubbers Ltd Sonepat and to settle the out standing case of M/s Millpine Wells Ltd UK	6,182 73	Still working in the Cor- poration

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