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HARYANA VIDHAN SABHA
COMMITTEE

ON
PUBLIC UNDERTAKINGS
(1987-88)
TWENTYSEVENTH REPORT
ON THE
GENERAL WORKING OF
Haryana State Industrial Development
Corporation Limited



Presented to the House on **29 MAR 1988**

HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
1988

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COMPOSITION
OF
THE COMMITTEE ON PUBLIC UNDERTAKINGS
(1987 88)
CHAIRMAN

*1 Shri Nar Singh Dhanda

2 Ch Shiv Lal

MEMBERS

**3 Shri Dhir Pal

***4 Dr Maha Singh

5 Shri Mangal Sen

***6 Ch Mange Ram

***7 Dr Raghuvir Singh

8 Shri Raghu Yadav

9 Rao Ram Narain

****10 Ch Siri Krishan

11 Shri Tayyab Hussain

12 Shri Yogesh Chand Sharma

SECRETARIAT

1 Shri G L Batra, Secretary

2 Shri Surinder Kumar, Under Secretary

*Shri Nar Singh Dhanda, M L A, resigned from Chairmanship and membership of the Committee w e f 29 1987 on his appointment as Minister of State and Ch Shiv Lal M L A, a member of the Committee, was appointed Chairman of the Committee w e f 19 11 1987

**Shri Dhir Pal, M L A, resigned from the Committee w e f 16 1 1988 on his appointment as Chief Parliamentary Secretary

***Dr Raghuvir Singh M L A resigned from the Committee w e f 11 8 1987 on his appointment as Minister of State

****The Hon'ble Speaker, having been authorised by a motion moved and passed by Haryana Vidhan Sabha, in its sitting held on 13 7 1987, to nominate the members of Committee on Public Undertakings for the year 1987 88, nominated Ch Mange Ram, M L A, and Ch Siri Krishan M L A, w e f 19 11 1987 and Dr Maha Singh, M L A w e f 25 1 88 as members of the Committee for the remaining period of the year 1987 88

INTRODUCTION

1, the Chairman of the Committee on Public Undertakings, having been authorised by the Committee in this behalf present this Twenty Seventh Report on the General Working of the Haryana State Industrial Development Corporation Limited

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 held during the year 1987-88 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 Financial Commissioner & 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 Under Secretary and the Staff of the Haryana Vidhan Sabha Secretariat for the whole hearted co operation and unstinted assistance given in preparing this Report.

Chandigarh
the 10th February 1988

SHIV LAL
CHAIRMAN

REPORT

HARYANA STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED, CHANDIGARH

BRIEF HISTORICAL BACKGROUND

The Haryana State Industrial Development Corporation Limited was set up on the 8th March 1967, for promoting industrial growth in the State, primarily in the medium and large sectors. Since then it has been playing the role of an Institutional Entrepreneur as well as a Development cum Financial Institution. It also provides infrastructure facilities to the entrepreneurs by setting up industrial estates at various places in the State.

The authorised share capital as on 31st March 1987 was Rs 1 600 00 lakhs and paid up share capital was Rs 1 452 58 lakhs. The entire share capital is held by the Haryana State Government.

ACTIVITIES

2 The activities of the Corporation are grouped under the following main heads —

- (i) equity participation and underwriting of preference shares,
- (ii) term lending to industrial units under the Refinance Scheme of IDBI,
- (iii) setting up of industrial units in the Public/Joint/Assisted Sector, and
- (iv) development of industrial Complexes/Estates and Ancillary Industrial Estates

As per the written material supplied to the Committee the Corporation since its inception extended assistance to 35 units aggregating Rs 281 32 lakhs out of which shares of the companies, amounting to Rs 39 48 lakhs have been sold/redeemed leaving a net balance of Rs 241 84 lakhs. Details of the units assisted through underwriting of preference shares/equity participation as on 30th June, 1987 and the yearwise investments made are given at Annexure I.

Under the term lending activity the Corporation has sanctioned

loans aggregating Rs 4757.71 lakhs (gross), to 89 units, upto 30th June 1987. Details about the yearwise sanctions and disbursement of Term Loan are given in Annexure II.

The Corporation also operates Seed Capital scheme as an agent of IDBI. The details of sanctions and disbursements of seed capital are given in Annexure III.

The Corporation started providing loans under the equipment refinance scheme during the year 1985-86. Under the scheme an existing unit with a good track record can avail of assistance for replacement/marginal expansion/diversification. The loan under the scheme is required to be availed within four months of sanction and is to be repaid within five years. A loan of Rs 30.00 lakhs was sanctioned to a unit in the year 1985-86 and Rs 194.82 lakhs have been sanctioned in the year 1986-87 to three units.

The Corporation has set up upto the year 1983-84 six projects, namely (1) Haryana Breweries Limited (2) Haryana Concast Limited (3) Haryana Matches Limited (4) Haryana Minerals Limited, (5) Haryana Television Limited, and (6) Haryana Tanneries Limited in public sector and one project namely Haryana Detergents Limited, in joint sector. During the year 1985-86 three more projects namely H.P. Cotton Textile Mills Limited, Haryana Petrochemicals Limited and United Pharma International Limited have been set up in the assisted sector. Another project for the manufacture of Front and Rear Wheel Hubs has gone into commercial production in the year 1986-87. The capital investment in these projects is of the order of Rs 42.12 crores.

SETTING UP OF INDUSTRIAL COMPLEXES/ESTATES

3. The Haryana State Industrial Development Corporation Limited undertakes development of infrastructure facilities comprising acquisition of land, development of industrial areas/estates, construction of factory sheds etc etc so as to achieve systematic and expeditious industrial growth in the State. Haryana State Industrial Development Corporation Limited has developed industrial complexes/estates at Murthal, Gurgaon, Yamunanagar, Ambala, Kundli, Jind, Kalka, Samalkha and Dundaheera. As per the terms of agreement an allottee of the plot had to start the construction of units within six months, complete it within two years and commence production within three years of the allotment of the plot failing which the plot was liable to be resumed. The Committee however noticed during oral evidence and during on-the-

spot study that a number of plots/sheds were lying unallotted and in some cases though the allottees had defaulted to keep the above schedule their plots had not been resumed for which no reasons were found forthcoming

The Committee desire that complete details of the plots/sheds developed by the Corporation upto 31st March, 1988, together with the number of plots/sheds as remained unallotted with reasons for their non allotment may be furnished to them. The Committee also desire that a list of all those allottees, who defaulted in keeping the schedule prescribed in the agreement, together with the details of those in whose cases plots/sheds had not been resumed by the Corporation for the violation of the terms of agreement and the reasons for not doing so, may be furnished to the Committee at the earliest

ALLOTMENT OF INDUSTRIAL PLOTS

4 The Committee observe that the basic objective of various schemes of the Corporation is to promote industrialisation in the State particularly in the backward region so that the people of this State who are basically agriculturists could be diverted to become an industrially advanced community. During the oral evidence on 12th October 1987 it was however revealed that in the matter of allotment of Industrial plots in various Industrial Estates entrepreneurs from Haryana were not given any special preference/weightage and as a consequence their number amongst the allottees at most of the places presented a dismal picture as is evident from the following table —

Name of the Industrial Estate	Total number of Industrial Plots	Number of Plots allotted to people from Haryana	Percentage
Kalka	70	10	14.2
Gurgaon	62	14	22.6
Murthal	40	14	35.0
Kundli	83	16	19.3
Sambhalkha	27	9	33.3
Sheds			
Faridabad	31	17	54.8
Murthal	19	6	31.6
Roz Ka Meo	5	1	20.0

Like wise under the term loans scheme, it was revealed during oral evidence on 29th September 1987 that out of 52 units, for which term loans had been granted, only 17 entrepreneurs belonged to the State

The Committee, therefore, recommend that the Corporation should frame a clear cut policy so as to encourage the people of Haryana to take full advantage of the industrial upsurge by providing them unique opportunity to take brisk strides on the industrial path. The Committee believe that agro based Industry has a vast scope and there is tremendous potential waiting for the right entrepreneur. The Committee would, therefore, like that the Corporation should endeavour to offer best facilities and attractive incentives to the genuine entrepreneur from the State so that the great human resources available with the State can be put to productive use

EMPLOYMENT OPPORTUNITIES FOR HARYANA PEOPLE IN VARIOUS UNITS ESTABLISHED IN HARYANA

5 Industrialization in the State should have come as boon to its people with more and more job opportunities becoming available. The Committee were however dismayed to find that the percentage of the people from Haryana amongst the employees working in various units/companies, financed/assisted by the Haryana State Industrial Development Corporation Limited was extremely low. To quote an example in one of such units viz H P Cotton Mills Hisar which the Committee visited during the on the spot study tour on 13th October 1987 out the 717 employees working only 172 (constituting less than 24%) belonged to Haryana. The over all percentage of employees from Haryana working in various units financed or assisted by the Haryana State Industrial Development Corporation Limited ranged between 30-35 as revealed during oral evidence on 30th September 1987. Such a ridiculously low percentage of Haryanis amongst the employees is despite the fact that the agreement which is entered into while sanctioning the loans contains a clause as revealed during oral evidence on 30th September 1987, that the Borrower shall as far as possible recruit staff especially at the lower level from within the State of Haryana

The Committee observe that very concept of promoting industries in the backward areas is to help and improve the lot of the people of those areas by providing them maximum job opportunities. The industrialists who establish their units are given

financial assistance/subsidy and other concessions e.g exemption in Sales Tax electricity duties etc etc, with the hope that these measures will ultimately benefit the people of the area and usher in a bountiful era of prosperity and well being. The Committee however feel that the development of Industries in those areas while, on the one hand has failed to achieve this objective, it has, on the other hand created more problems, more pollution and more slum like conditions for the people living in those areas whose lands had been acquired for setting up such industries. To see the magnitude of this problem the Committee visited Dundahera and Roz ka Meo in the backward areas and were distressed to notice that in most of the cases the industrialists were showing no inclination to employ the local people. Rather they preferred to employ the people from far flung areas in other States presumably because such people being without any local support/influence, could be more easily exploited by the industrialists. Indifferent and listless attitude of the industrialists towards their workers has been discernible as no systematic/planned residential colony had been established/constructed by any of the units for their workers. No area/plot had been reserved for social infrastructure. It was also noticed that other basic facilities like health education etc for their workers and their families were also lacking. The Labour Department had also failed to enforce provisions of Labour Laws like ESI Dispensary housing facility etc.

The Committee are of the considered view that improving the lot of people of the backward areas which is the basic objective of industrialisation in the State stands defeated, if the people of those areas are not provided with employment opportunities and other basic necessities/amenities.

The Committee would, therefore, like to impress upon the need for taking effective measures to ensure that the industrialists, who set up industries in the State, employ maximum number of the people from the State, particularly those living in the local areas and recommend that the relevant clause, relating to recruitment of staff, as incorporated in the agreement which is entered into while sanctioning the loan, equity and other assistance, may be suitably amended to make it incumbent, to the extent legally possible, upon the entrepreneurs to recruit staff from within the State. The Committee also recommend that suitable steps be also taken to ensure that workers and their families are provided basic facilities.

of residence, education, health etc by giving legal shape to this provision while- granting loans, equity, grants or subsidy or at the time of acquiring land on the ground of public purposes

The Committee further recommend that stress be laid on setting up rural units for providing more jobs to the rural people so as to arrest the trend of migration to cities

IDENTIFICATION OF PROJECTS

6 An important activity of the Corporation is identification of viable projects and setting them up in the Public / Joint/ Assisted Sector Seven projects were set up upto the year 1983 84 i.e six projects namely, Haryana Breweries Limited Haryana Concast Limited Haryana Matches Limited, Haryana Minerals Limited Haryana Television Limited and Haryana Tanneries Limited in public sector and one project, namely Haryana Detergent Limited in the Joint Sector During the year 1985 86, three more projects namely, H P Cotton Textile Mills Limited Haryana Petro Chemical Limited and United Pharma International Limited have been set up in the Assisted Sector Another project for the manufacture of Front and Rear Wheel Hubs has gone into commercial production in the year 1986 87 The capital investment in these projects is of the order of Rs 42 12 crores

The Committee observe that the National Capital Region offers good potential for setting up of various projects particularly in the field in which the State is lacking The Committee believe that the State has a lot of scope for the establishment of Chemical Industry as there is enough demand for paints varnishes perfumes and cosmetics etc There is also scope for the expansion of Forest Based Industry Sports Goods Industry which is already established could be further expanded The Committee also feel that Haryana is quite important for the production of Oil Seeds especially for ground nut rice bran and cotton seeds offering ample scope for the development of oil extracting industry The establishment of Cotton Seed oil extracting plant seems quite feasible in order to utilise available Cotton Seed in the State Similarly, rice bran and ground nut oil extracting plant can be established in the areas which are rich in the production of rice and ground nut

The Committee recommend that identification of projects should be given due importance and this job be entrusted to the officers of calibre drawn from various disciplines of engineering and technology

who should remain engaged on a continuing basis in exploring the new ideas about the projects. The above observations of the Committee should be duly kept in view.

WORKING RESULTS OF SUBSIDIARY UNITS OF THE HARYANA STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

7 One of the major activities of the Haryana State Industrial Development Corporation Limited is to promote projects in Public/Joint Assisted sectors. The Corporation has set up six projects in the Public sector so far with the following financial outlay —

Name of Company	Total paid up capital as on 31st March 1985	H S I D C s share holding in equity	H S I D C investment in loans
(Rupees in lakhs)			
1 Haryana Breweries Limited	120 08	66 48	52 27
2 Haryana Minerals Limited	24 04	24 04	0 04
3 Haryana Matches Limited	12 48	12 50	6 65
4 Haryana Tanneries Limited	126 00	53 40	22 77
5 Haryana Concast Limited	310 85	185 80	8 15
6 Haryana Television Limited	A sum of Rs 112 27 lakhs which includes Corporation equity and loan in Haryana Television Limited is stated to have been transferred to Haryana State Electronics Development Corporation Limited		

The financial record of the three companies, viz Haryana Concast Limited, Haryana Tanneries Limited and Haryana Television Limited reveals that these are undergoing huge losses. The

position of cumulative losses suffered by these units as on 31st March, 1985 is as under —

- (i) Haryana Tanneries Limited — Rs 373 15 lakhs
- (ii) Haryana Television Limited — Rs 103 61 lakhs, and
- (iii) Haryana Concast Limited — Rs 349 34 lakhs—

Since it is the function of this Committee to throw light on the activities and policies of the Public Undertakings and to discover whether such undertakings are functioning with a reasonable degree of efficiency the Committee undertook in October 1987, an on the spot study of the above mentioned three subsidiary Companies of Haryana State Industrial Development Corporation Limited. It was not the intention of this Committee to undertake any detailed examination or to give any detailed account about the functioning of these three units because during a short visit it was neither possible to undertake any in depth examination nor was it desirable to do so without asking for detailed written information from these Companies. However what the Committee saw while having a bird eye view of the functioning of these three units was a picture of total distress as briefly stated here under —

(i) Haryana Tanneries Limited

This Company was incorporated on 12th September, 1972, as a subsidiary of the Haryana State Industrial Development Corporation Limited with the main objects to carry on business as dealers importers, manufactures and processors of hides skins foam leather and other leather articles and to take up business as dealers and manufacturers of rexine foam rubber furs plastics human and animal hair and articles made therefrom. The Company started its production from December 1976. The actual production has always remained far below the installed capacity. During their visit, the Committee noticed that practically no work was being done in this Company and the staff strength being proportionately more than the actual production there was gross under utilisation of labour. The management of the Company has not been circumspective as at no stage any effort seems to have been made to increase the production or if that was not possible to reduce installed capacity. The Committee noticed during their visit that some of the machinery, installed in the Tanneries, had never been used and no effort was made at any stage to dispose of the same with the result that most of the

costly machinery stands reduced as a junk. The Committee was informed that though there was a great demand of upholstery leather from the Australian Government such leather could not be produced for want of funds. The Committee believe that the additional funds could be mopped up to an appreciable extent simply by disposing of the costly surplus machinery lying idle in the Tanneries.

The Company seems to have never made any serious efforts to generate its own internal resources and no effort seems to have ever been made to diversify its business to compensate for losses by starting profitable activities and this unit continues to be in a serious state of sickness primarily due to managerial inadequacies and gross negligence on the part of the holding company i.e. HSIDC.

(ii) Haryana Television Limited

This Company was set up in December 1973 by Haryana State Industrial Development Corporation Limited in joint sector. As the unit was incurring losses year after year the collaboration agreement with the co promoter was terminated and the Haryana State Industrial Development Corporation Limited took over the concern in March, 1977. The Company has been continuously incurring losses every year and cumulative losses upto the year 1986-87 are stated to more than Rs 277.00 lakhs as revealed during on the spot study tour on 14th October 1987.

Though the performance of this Company has been very poor from its very inception the present state of the Company presents an extremely hopeless picture. The Company is being treated as nobody's baby. The Haryana State Industrial Development Corporation Limited is stated to have transferred the Company to Haryana State Electronic Development Corporation Limited but it was noticed that neither Haryana State Industrial Development Corporation Limited nor Haryana State Electronics Development Corporation had taken any initiative to improve the state of health of this Company. Capacity utilization has been at the lowest ebb and though the sale of TV Sets manufactured by the Company has been minimal, no efforts were ever made to diversify its activities.

During on the spot study it was revealed that the record of accounts for the previous 10-12 years involving Rs 46 lakhs was missing. There was no accounting system and no financial control.

which count for as the major contributory factors to the poor performance of the Company. Presently the Company is not carrying out any business worth the name

The Committee were surprised that though this unit was set up in the year 1973 when other similar units in the private sector were doing a roaring business this Company continuously incurred losses year after year. Reckless negligence was noticeable not only from the fact that the record involving Rs 46 lakhs was reported missing but also from the fact that fraudulently issued Bank drafts were received which were dishonoured but for which no serious notice was taken and no case was registered against any one. The Committee feel that the holding Company i.e. HSIDC can not be absolved from responsibility of this sorry state of affairs of this Company.

(iii) Haryana Concast Limited

This Company was incorporated on 29th November, 1973 as a Joint Sector venture by Haryana State Industrial Development Corporation Limited in collaboration with M/s Poly Steel India Limited. Later the collaboration/agreement was terminated in January 1976 by forfeiting the shares of the collaborator which were subsequently allotted to Haryana State Industrial Development Corporation Limited thereby making it a subsidiary of Haryana State Industrial Development Corporation Limited.

The Company has been incurring losses since its inception except for a couple of years.

The main reason for the losses was stated to be inadequate supply of power and delay in setting up of Roller Mill on which an expenditure of more than Rs 15 lakhs was stated to have already been incurred while an additional amount of Rs 40 lakhs was required for its installation. Since it was quite late in the evening the Committee could not spend sufficient time to understand the problems of this Company. None the less the Committee feel that in view of the heavy inventory with the Company shortage of power could not be the main factor responsible for its chronic malady and indepth study needs to be made to unearth the real causes for the malfunctioning of this unit.

Generally speaking the Committee feel that rehabilitation scheme is a very vital solution for restoring the health of the above mentioned Companies and expeditious steps need to be taken in this direction.

The Committee have no hesitation to observe that while the functionaries of the above mentioned Companies, undoubtedly failed in the diligent and efficient discharge of their duties and functions the Haryana State Industrial Development Corporation Limited the State Industries Department and the Public Enterprises and Investment Cell of the Finance Department could also not escape responsibility for their complacent attitude in having failed to exercise due care and supervision over the working of these units. As a consequence, the things seem to have drifted away to a point from where it seems to be difficult to retrieve. The Committee firmly believe that these units have failed to live up to the expectations of the people of the State and are proving to be a drain on its resources a luxury which the State can ill afford.

The Committee, therefore, recommend that the Haryana State Industrial Development Corporation Limited, the Department of Industries and the Public Enterprises & Investment Cell of Finance Department should regularly and effectively monitor the working of all such units and where they notice that a particular unit is not functioning properly, they should initiate timely steps/action to bring the matter to the notice of the Government for taking immediate remedial measures.

The Committee further recommend that a High Level Committee should be set up by the Government to go into the working of such units as are incurring financial losses and to suggest improvement in their working so that they can become commercially viable and can earn profits. Such sick units, as show no sign of improvement, should be closed down as a last resort. The Committee also recommend that the High Level Committee should, while going into the causes of losses, also specifically bring out the cases of fraud, cheating, forgery, embezzlement, misappropriation and improprieties, particularly in regard to Haryana Television Limited and Haryana Tanneries Limited so that the delinquent officers/officials found indulging in such malpractices are not only punished departmentally but criminal cases are also registered against them. The Committee also recommend that the performance of the Managing Directors and other senior officers should be judged from the functioning of the Companies under their charge, which should be suitably reflected in their Annual Confidential Reports. This step, the Committee believe, would go a long way in improving the lot of those public sector units as are found to be suffering from inefficiency and inadequacies due to the lack of effective control.

TERM LOANS

8 The Corporation started its term loan activity in the year 1978-79 under the Refinance Scheme of IDBI. The loans are Refinanced by IDBI to the extent of 75% to 85% for projects located in non backward areas and B&C categories of backward areas respectively. The Corporation has sanctioned loans of Rs 4757.71 lakhs to 89 units upto 31st March, 1987 out of which Rs 2333.40 lakhs have been sanctioned to 39 units in backward areas.

As per the written material submitted to the Committee the Corporation sanctioned the loans to the extent of only Rs 534.84 lakhs during the year 1984-85 against the target of Rs 950 lakhs. Target for the sanction of term loans during the year 1985-86 was reduced to Rs 900 lakhs and in the year 1986-87 it was further reduced to Rs 830 lakhs.

The position of years wise targets, sanctions and cancellations during the years 1978-79 to 1986-87 is as under —

Year	Actual targets	Amount sanctioned	Amount cancelled during the year
1978-79	—	4.50	—
1979-80	—	259.79	—
1980-81	—	320.00	114.67
1981-82	600.00	673.15	65.00
1982-83	850.00	764.49	239.60
1983-84	850.20	618.50	179.60
1984-85	950.00	534.84	131.00
1985-86	900.00	754.80	531.00
1986-87	830.00	827.64	173.60

It is mentioned in the written material that the targets could not be achieved due to substantial decrease in the inflow of loan

applications The main reason for substantial reduction in the receipt of applications was stated to be disturbed conditions in the Northern Region and due to acute shortage of power

The Committee observe that rapid industrialisation is the key note for an appreciable rise in the standard of living of the people The Committee would, therefore, like that the disturbed conditions in the neighbouring State should not be allowed to come in the way of planned and rapid development of industries in the State The Committee, therefore, recommend that the Corporation should undertake a special advertisement campaign and mass contract programme for attracting and educating the prospective entrepreneurs

Power is an essential ingredient of modernisation Prosperity in the State through industrialisation is possible only if high priority is given in the matter of accelerated growth of power generation Though the power generation has enhanced manifold yet the position is far from satisfactory The Committee noticed during their on the spot study that there was an over whelming demand from the entrepreneurs for improvement in the power supply position

The Committee are aware that the State Government is already alive to this problem and no efforts are being spared to achieve additional power supply to cater to growing needs of industrial and other sectors The Committee however, feel that there is tremendous scope for tapping the right entrepreneurs which is possible only if we can ensure adequate supply of power Till we are in a position to make adequate improvement in our generating capacity the Committee would recommend that subsidies/loans, on liberal terms, be given to the entrepreneurs for setting up their own generating sets

TIME LAG BETWEEN THE SANCTIONS AND DISBURSEMENTS

9 As per the information supplied to the Committee the Corporation has issued upto 31st March 1987 cumulative sanctions for term loans amounting to Rs 47 57 crores out of which Rs 25 33 crores have been disbursed to 52 units and a sum of Rs 22 24 crores which works out for more than 46% remained undisbursed

The Committee desire that the reasons for declining trend in the disbursement be investigated and all out efforts be made to ensure that the time lag between the sanctions and disbursements is minimised

AMOUNT OF REPAYMENTS DUE

10 Statement giving information about the names of units loans sanctioned disbursed amount due amount received and the amount in default with brief reasons given in the remarks column is at Annexure IV Examination of this statement reveals that as on 30th September 1987 a sum of Rs 275 14 lakhs (Rs 129 84 lakhs principle and Rs 145 30 lakhs interest) was outstanding against various industrial units and in the cases of some the units default continued to persist even after re scheduling of the loans

The Committee do not subscribe to the too lenient policy followed by the Corporation in the case of defaulters and recommend that the position of those units as are in default be regularly reviewed their working revamped and vigorous efforts be made to effect the outstanding recoveries The Committee desire that the latest position of outstanding dues, as on 31st March 1988, alongwith the reasons for accumulation and the steps taken to effect the recovery be intimated to them

The Committee further recommend that the Corporation should introduce the system of visiting defaulting units and those showing tendency of sickness so as to discuss the problems with the entrepreneurs with the view to rendering financial/other support to the extent possible to avoid the problem of chronic sickness

RECOVERY OF PRINCIPAL AND DIVIDEND/INTEREST ON INVESTMENTS MADE BY HARYANA GOVERNMENT THROUGH HSIDC IN THE SHARE CAPITAL OF INDUSTRIAL COMPANIES

11 The HSIDC acting as an agent of the State Government is providing assistance to the industrial companies through under writing of preference shares and participation in their equity share capital The investments are made on the basis of appraisal reports prepared by the term lending institutions

Two statements showing the amount invested in various companies (one for investment in equity shares and the other for investment in preference shares) year of investment amount due on account of dividend/interest and that recovered by the Corporation as well as realisation of the principal amount of investment made, are at Annexure V and VI

The Corporation improved upon the draft agreement in 1980 by incorporating the following additional clauses in the buy back agreement —

The guarantors further undertake to purchase the shares and to pay the Corporation immediately on demand by it the full price of the aforesaid shares calculated as above in any of the following events —

- (a) if the company commits a breach of any of the terms and conditions of the underwriting agreement OR
- (b) if the company is wound up OR
- (c) if the company stops the main business for which it was established OR
- (d) if the company fails to achieve the projected results, OR
- (e) if the company sells transfers, leases out or otherwise alienates its any of the fixed assets or rights

It is further agreed that the decision of the Corporation in this behalf shall be final and binding on the guarantors

However at the time of accepting the guarantees the personal assets of the guarantors were not verified. As a consequence serious difficulties have arisen in effecting the recoveries in certain cases

The Committee, therefore, recommend that before accepting the guarantees in future the Corporation should obtain full details about the property/assets and credit worthiness of the guarantors to ensure that they are sufficient to cover the guaranteed amount so that no difficulties arise in effecting the recovery in cases of default in payment

The Committee further observe that the pace of effecting the recoveries from the defaulting units has been rather slow and as a result huge recoveries continue to remain outstanding. In the case of Messrs Priestlite of India Limited the Committee observed that though the Director of Industries was requested as early as in the year 1974 to effect the recovery the same had not been effected for one reason or the other, even after the lapse of a period of 14 years

The Committee, therefore, recommend that the process of effecting the recoveries be streamlined and pace accelerated so that the outstanding recoveries are effected without any avoidable delay. The progress made in this behalf be reported to the Committee

STAY ORDER GRANTED BY THE CALCUTTA HIGH COURT CASE OF M/S CABLE WORKS (INDIA) LIMITED, FARIDABAD

12 / M/s Cable Works (I) Limited, a company set up for the manufacture of Electrical Resistance Wires approached for participation in/underwriting of its preference shares, during the year 1970 71 and preference shares of the value of Rs 4 lakhs were sanctioned inter alia, on the condition that the Company shall redeem the shares at the end of a period of 12 years from the date of allotment of the shares in one lot and that the share shall carry 9 5% per annum cumulative dividend. An amount of Rs 2 lakhs was released to the Company in March 1971 and the balance amount of of Rs 2 lakhs in May, 1971

After expiry of the moratorium period of first three years, the guarantors were called upon on 29th March 1974 to pay the arrears of dividend. On their failure to comply with the same the recovery action was initiated against the guarantor and the Collector Chandigarh issued Certificate of Recovery against Shri P K Singh and others to Collector 24 Pargana Alipur Calcutta (where the guarantors resided) for recovery of the amount. However Shri P K Singh, Shri R C Jain Shri M C Jain and Shri B K Mitter filed three separate C R Petitions before the Calcutta High Court in 1979/1980 for restraining the Certificate Officer from taking recovery proceedings against them and obtained stay orders by effecting service on one of the Respondents namely Certificate Officer, 24 Pargana, Calcutta. The said proceedings are still pending and stay order has not so far been vacated.

The Committee observe that the litigation going on at Calcutta, which necessitated several visits of the officers of the Corporation to Calcutta, could have been obviated if the agreement, entered into with the company, had contained a jurisdiction clause. The Committee recommend that the form of agreements, executed in such cases, be suitably amended so as to incorporate therein a clause that all disputes shall be settled in Haryana/Chandigarh. Such a provision in the agreement will, the Committee believe, go a long way in obviating litigation in other States. The Committee also recommend that vigorous efforts be made to get the stay granted by the Calcutta High Court vacated and to effect the recovery of the outstanding amount as early as possible. The Committee also desire that legal opinion be obtained whether the jurisdiction of Calcutta High Court can be challenged in this case and if so appropriate further action be taken accordingly.

SALE OF PREFERENCE SHARES OF M/S PROMAIN LIMITED

13 M/s Promain Limited a company engaged in the business of manufacture of Wire Drawing Machines approached HSIDC for under writing of issue of its preference shares and preference shares of Rs 4 lakh were subscribed by HSIDC in November 1970

In accordance with the terms and conditions of underwriting the company had furnished personal guarantee of Shri B M Patel the then Promoter/Director of the company for payment of 10% per annum dividend on the shares in the event of failure of the Company to earn profits and to declare/pay the dividend A joint guarantee/undertaking was also furnished by the Company from Shri B M Patel and Smt B M Patel for buy back of such shares as were not redeemed by the company after expiry of 12 years The Promoter Director Shri B M Patel and guarantor to HSIDC stealthily passed over the control and management of the company to Modis without bringing it to the notice of the Corporation The share holding of Shri Patel and his group was transferred and approved by the Share Transfer Committee in violation of the terms and conditions of underwriting The Directors associated with Patel Group resigned from the Company

After expiry of moratorium period of three years Shri Patel was called upon on 7th December 1973 to pay the dues on account of arrears of dividend on the shares failing which the same shall be recovered as arrears of land revenue This letter was received back undelivered with a cover note from the Company that Shri B M Patel was no more associated with the Company The recovery could not be effected as Shri B M Patel had left the country to settle in Tehran

In the circumstances there were no hopes whatsoever of realisation of any amount of arrears of dividend from the guarantor or buy back of shares by him at the expiry of 12 years Thus to save the investment of Rs 4 lakhs made by the Corporation in the Company the sale of shares at par ex past dividend was approved and only the amount of investment made by the Corporation realised retaining a right to recover the past arrears of dividend from the Company as and when declared or from the guarantor Shri B M Patel

The Committee are surprised to observe that the recovery in this case could not be effected as Shri B M Patel had withdrawn from the Company and after passing on his share holding and management

of the Company to Modis had left the country to settle in Tehran During oral evidence on 30th September 1987 when enquired as to why such an important event could not be noticed by the Directors nominated by the Corporation from time to time on the Board of Directors of the Company no satisfactory reply was furnished

The Committee observe that it was the basic duty of the Directors nominated by the Corporation on the Company from time to time, to watch the interest of the Corporation and their failure to do so resulted in a loss of interest/dividend to the tune of about Rs 3 lakhs The Committee, therefore, recommend that responsibility for negligence be fixed and appropriate disciplinary action be taken against the concerned officer(s) under intimation to the Committee The Committee further recommend that in future Directors nominated on such Companies be required to submit a report to Government/Corporation about similar important event and a close watch be kept on the working of such Companies so that the interests of the Corporation are fully and properly safeguarded

BOARD OF DIRECTORS

14 The management of the Corporation vests in the Board of Directors In term of its Memorandum and Articles of Associations the Corporation can have not more than 11 Directors all of whom except one nominated by I D B I are appointed by the State Government The Directors excepting the Chairman Managing Director and I D B I nominee retire from office at every Annual General Meeting According to the information furnished to the Committee the Corporation held one Annual General Meeting and six Board Meetings during the year 1986-87 During the year 1986-87 the Board of Directors of Haryana State Industrial Development Corporation Limited was re constituted as under —

1	Shri Ashok Pahwa I A S	Chairman
2	Shri A N Mathur I A S	Director
3	Shri Vivek Mehrotra I A S	
4	Shri Balwant Rai Chaudhri	
5	Shri Krishan Kumar Chharia	
6	Shri Rattan Lal Sarraf	
7	Shri A Lahiri	
8	Smt Umesh Nanda I A S	Managing Director

Since then Sh Ashok Pahwa, IAS on his transfer has been replaced by Sh RS Malik IAS as Chairman. The names of the non official directors i.e. Sh Balwant Rai Chaudhri, Shri Krishan Kumar Chharia and Shri Rattan Lal Sarraf and Sh K K Sudhir MD/HFC have since been withdrawn. Shri M L Tayal IAS the present MD/HFC and Shri S K Saxena IAS Jt Secretary Finance, Govt Haryana have been inducted into the Board.

Names of the Managing Directors with duration are given below —

1	Shri P N Sahni IAS	8 3 1967	—	3 6 1968
2	Shri J D Sharma IAS	1 7 1968	—	18 3 1969
3	Shri L C Gupta IAS	18 3 1969	—	31 7 1970
4	Shri J D Sharma IAS	31 7 1970	—	7 10 1972
5	Shri Trilochan Singh IAS	7 10 1972	—	6 12 1972
6	Shri S G Sundram IAS	6 12 1972	—	7 2 1974
7	Shri L M Jain IAS	7 2 1974	—	30 6 1974
8	Shri J D Gupta, IAS	1 7 1974	—	12 11 1974
9	Shri L M Jain, IAS	13 11 1974	—	10 1 1975
10	Shri J D Gupta IAS	10 1 1975	—	10 3 1976
11	Shri R L Sudhir IAS	10 3 1976	—	26 8 1976
12	Shri K K Sharma, IAS	27 8 1976	—	20 6 1978
13	Shri M G Devasahayam, IAS	28 6 1978	—	2 11 1978
14	Shri A N Mathur, IAS	2 11 1978	—	15 9 1982
15	Shri Dhinendra Kumar IAS	11 6 1982	—	10 1 1983
16	Shri J K Duggal, IAS	10 1 1983	—	20 5 1983
17	Shri P R Kaushik	20 5 1983	—	**

**Since Shri P R Kaushik IAS proceeded on training to England Shri J K Duggal IAS was given additional charge as Managing Director HSIDC from 5 5 1986 till 16 6 1986. Presently Smt Umesh Nanda is holding charge as Managing Director, HSIDC.

The governing body in any Public Undertaking occupies a position of crucial importance. The success or failure of such an undertaking is indeed likely to depend more on the quality and composition of the Board directing the Public Corporations than on any other single factor as all decisions on policy and administration flow from it.

The Committee are therefore of the view that though permanency of tenure of members of the Board and of the Managing Director neither can nor should be guaranteed yet the members of the governing Board should enjoy security of tenure for a limited period and frequent changes should not be resorted to unless there are compelling reasons to do so. The Committee, therefore, recommend that the desirability of laying down guidelines, as per the above observations of the Committee, may be considered by the Government for taking appropriate decision.

ORGANISATIONAL SET-UP

15 The chart showing the organisational set up of the Corporation is given in Annexure VII.

The Committee noticed from the material furnished that the Corporation had appointed M/s Price Waterhouse & Co., to study the functioning of Estate Division for suggesting reorganisation and measures to increase its effectiveness/efficiency.

The Committee desire that a copy of the study report submitted by M/s Price Waterhouse & Co., together with details of the action taken on the measures suggested and improvement achieved, be furnished to the Committee.

PROFIT & LOSS ACCOUNT

16 Summarised Profit and Loss Account of the Corporation since its inception is as under —

Year	Profit (Rs in lakhs)	
1967-68	(+)	0 65
1968-69	(+)	0 26
1969-70	(+)	0 15
1970-71	(+)	0 09

Year	Profit (Rs in lakhs)
1971-72	(—) 1 31
1972-73	(—) 2 40
1973-74	(+) 2 37
1974-75	(+) 1 30
1975-76	(+) 2 99
1976-77	(+) 2 54
1977-78	(—) 1 06
1978-79	(+) 2 96
1979-80	(+) 6 47
1980-81	(+) 10 12
1981-82	(+) 18 34
1982-83	(+) 37 41
1983-84	(+) 28 84
1984-85	(+) 64 97
1985-86	(+) 65 36
1986-87	(+) 66 15

With effect from financial year 1983 84, the Corporation switched over from mercantile system of accounting to cash system of accounting. This measure was stated to have been adopted to avoid payment of income tax on income which had accrued but was not actually received by the Corporation.

Interest on loans advanced to the assisted units, service charges from industrial units and commission from underwriting of shares are the main sources of income of the Corporation.

Balance sheet (provisional) as on 31st March, 1987 is at Annexure VIII and profit and loss account for the year ending 31st March, 1987 at Annexure IX.

In the written memoranda submitted to the Committee it has been stated with regard to investments in subsidiaries that the

audited accounts are not available and no dividend has been declared or received and the losses incurred by the subsidiary companies have not been reflected in the value of unquoted investments

The Committee regretfully observe that even though the position of most of the subsidiary units of the Corporation is extremely depressing and these units are incurring heavy losses, the Corporation is showing brighter financial position in its own accounts. The Committee, therefore, recommend that the profit & loss position of each such unit should be duly reflected in the balance sheet of the Corporation so that the functioning of the Corporation and its units can be viewed in a perspective manner

SUSPENSIONS AND ENQUIRIES

17 In reply to a question of the Committee the Corporation in their written memoranda supplied the following details about the persons suspended during the last 5 years —

Sr No	Name and Designation	Date of suspension	Reinstated on
Sarvshri—			
1	O P Kapoor Section Officer	7-12-1984	14-8-1985
2	O S Kaushik, Estt Officer	9-4-1986	16-4-1986
3	R K Gupta Sr Tech Manager	10-12-1984	7-1-1985
4	N D Srivastava Asstt General Manager(Accounts)	16-4-1982	30-4-1982
5	Hamvir Singh, Manager(Civil)	4-11-1984	2-4-1986
6	R K Wadhwa, Sr Manager(IA)	28-1-1986	Still under suspension
7	Vinod Kaushik Manager(Fin)	8-10-1984	17-10-1984
8	Mrs Kum Kum Gupta, Personal Asstt	20-1-1986	23-1-1986
9	Pawan Kumar Manager(Accounts)	16-4-1982	30-4-1982
10	Mrs Usha Rani, Jr Scale Stenographer	24-2-1984	24-2-1984

Sr No	Name and Designation	Date of suspension	Reinstated on
	Sarvshri		
11	Ravinder Kumar, Steno Typist	6-7-1984	Orders with drawn on 12-7-1984
12	S C Gupta, Tubewell Operator	30-7-1984	4-4-1985
13	Jagdish Ram Tubewell Operator	16-10-1985	31-10-1985
14	Sher Singh, Peon/Chowkidar	23-12-1982	6-5-1983
15	Sukhwinder Singh Peon/Chowkidar	27-6-1983	22-12-1983
16	Baljit Singh Peon/Chowkidar	17-4-1986	28-5-1986
17	Garibu Ram, Driver	23-12-1982	19-5-1983
18	Rajinder Sapra Clerk/Typist	24-2-1984	Removed from service w e f 16-5-1985
19	Hawa Singh, Peon/Chowkidar	3-9-1985	13-5-1986
20	Devender Singh Sr Accounts Clerk	16-10-1985	28-5-1986

The detail of encuries being conducted by Corporation in respect of irregularities committed by the employees were given as under —

Sr No	Name of the employee and designation	Date of appointment of enquiry officer	Latest position of the case
	Sarvshri—		
1	O P Kapoor Section Officer	18-6-1985	Report received and is being processed
2	R K Gupta, Sr Tech Manager	1-7-1985	Do
3	Bhagat Ram Driver	26-3-1985	Do
4	Hawa Singh Peon/Chowkidar	26-11-1985	Enquiry report awaited
5	Y K Bhatia Technical Manager	25-4-1986	Do
6	R K Wadhwa, Sr Manager(IA)	1-7-1986	Enquiry officer has been requested to submit the report by 15 8 86
7	Bhagmal, Manager (Civil)	1-7-1986	Do
8	S P Mehta, Asstt Manager(Civil)	1-7-1986	Do
9	D V Raghav Asstt Manager(Civil)	8-5-1986	Report awaited

The Committee observe that inordinate time is taken by the management of the Corporation in finalising suspension - cases and enquiries. In the case of Shri R K Wadhwa Sr Manager, who was placed under suspension on 28th January, 1986, no decision had been taken even after the lapse of the period of over two years.

The Committee recommend that the reasons for prolonged suspension of Shri R K Wadhwa, without finalising the case resulting the payment of subsistence allowance for prolonged period, be investigated and responsibility for abnormal delay in this and other such cases be fixed. The Committee further recommend that the cases of all the defaulting employees be expedited and final decision be taken without any avoidable delay. The progress made in this regard be intimated to the Committee.

ANNEXURE—

Statement showing companies assisted through

Year	Sr. No.	Name of the Company	Location	Under-writing commitments
1	2	3	4	5
1968-69	1.	Nuchem Plastics Ltd.	Faridabad	600000
1969-70	2.	Prestolite of India Ltd.	Do	500000
	3.	Bharat Carpets Ltd.	Do	400000
1970-71	4.	Panipat Foods Ltd.	Panipat	226000
	5.	Curewell India Ltd.	Faridabad	600000
	6.	Promain Ltd.	Do	400000
	7.	De ro Foods Ltd.	Sonepat	360000
	8.	Cable Works India Ltd.	Faridabad	400000
1971-72	9.	Haryana Steel & Alloys Ltd.	Sonepat	1500000
	10.	Hada Steel Products Ltd.	Faridabad	300000
1972-73	11.	Jotindra Steel & Tubes	Do	500000
1973-74	12.	Haryana Breweries Ltd.	Sonepat	2250000
	13.	Tiber Locks Ltd.	Gurgaon	750000
1974-75	14.	Delton Cables Ltd.	Faridabad	1000000
	15.	Dabriwala Steel & Engg. Ltd.	Do	500000
1975-76	16.	Mohta Electro Steel Ltd.	Bhiwani	1000000
	17.	Haryana Concast Ltd.	Hisar	—
1976-77	18.	Haryana Oxygen Ltd.	Do	600000
	19.	Sehgal Papers Ltd.	Dharuhera	—
1977-78	20.	Century Tubes Ltd.	Bhiwani	500000
1978-79	21.	Haryana Tanneries Ltd.	Jind	—
	22.	Indo Swiss Time Ltd.	Gurgaon	—
	23.	Tirupati Woollen Mills Ltd.	Nathupur	1000000
1980-81	24.	Bareja Knipping Fastners	Udyog Vihar	—
	25.	Rama Fibers Ltd.	Bhiwani	—
1981-82	26.	East India Syntex	Dharuhera	—
	27.	Passupati Spinning and Weaving Mills Ltd.	Do	—
	28.	Hindustan Instruments Ltd.	Udyog Vihar	—

I

underwriting of preference shares/equity participation.

Equity participation commitments	Face value of shares	Shares actually subscribed (in Value)	Remarks
6	7	8	9
—	100	576500	Shares redeemed
—	100	500000	
—	100	395600	
—	100	226000	
—	100	587300	Shares redeemed
—	100	400000	Shares sold.
—	100	339000	
—	100	400000	
—	100	1289000	Shares redeemed.
—	100	299700	
—	100	498500	Shares redeemed.
—	100	1114500	
—	100	750000	
—	100	1000000	
—	100	499500	
—	100	999500	
1000000	100	1000000	
200000	100	395000	}
2500000	10	200000	
200000	100	2500000	
500000	10	500000	Shares sold
1500000	10	1500000	
—	100	997500	
250000	10	245000	Shares sold.
1950000	10	1950000	
2000000	10	1540000	
2000000	10	2000000	
150000	100	150000	Shares sold.

1	2	3	4	5
	29	Om Steel Tubes Ltd	Dharuhera	—
	30	Victor Cables Ltd	Faridabad	—
1982-83	31	Sidharth Papers Ltd	Dharuhera	—
1983-84	32	Batra Handling & Process Engg Ltd	Udyog Vihar	—
1984-85	33	Uni Products Ltd	Dharuhera	—
	34	Continental Valves Ltd	Roz ka Meo	—
1986-87	35	Omax Auto Ltd	Dharuhera	—

6	7	8	9
250000	100	250000	
1275000	10	1275000	
300000	10	300000	
300000	100	300000	
1900000	100	1900000	
945000	10	945000	
1700000	10	1700000	

ANNEXURE—

Finance division working performance of term loans sanc —

Year	No of units		
	Backward	Non back ward	Total
1978-79	—	1	1
1979-80	3	3	6
1980-81	3	4	7
1981-82	4	10	14
1982-83	7	10	17
1983-84	6	7	13
1984-85	7	3	10
1985-86	3	6	9
1986-87	6	6	12
1987-88	—	—	—
Total	39	50	89

Year	Investment		
	Backward	Non back ward	Total
1978 79	—	63 44	63 44
1979 80	307 13	307 73	614 86
1980 81	390 35	372 27	762 62
1981 82	491 53	1214 14	1705 67
1982 83	906 83	1054 00	1960 83
1983 84	803 20	896 62	1699 82
1984 85	788 28	395 02	1183 30
1985 86	898 32	950 51	1848 83
1986 87	1231 20	699 63	1930 83
1987 88	—	—	—
Total	5816 84	5953 56	11770 20

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tioned under IDBI's normal and equipment refinance scheme upto 30 6 87

(Amt Rs in lakhs)						
Amount sanctioned			Amount disbursed			
Backward	Non back ward	Total	No	Backward	Non back ward	Total
—	4 50	4 50	1	—	3 00	3 00
131 00	128 79	259 79	3	—	41 50	41 50
142 00	178 00	320 00	8	84 00	136 21	220 21
227 35	445 80	673 15	15	101 68	212 28	313 96
366 67	397 82	764 49	21	89 75	131 65	221 40
275 25	343 25	618 50	30	247 54	143 16	390 70
385 91	148 93	534 84	38	239 23	95 50	334 73
327 80	427 00	754 80	43	313 00	52 75	365 75
477 42	350 22	827 64	50	287 98	241 04	529 02
—	—	—	51	62 28	7 00	69 28
2333 40	2424 31	4757 71	260	1425 46	1064 09	2489 55

Employment Potential			Expected Sales		
Backward	Non backward	Total	Backward	Non back ward	Total
—	60	60	—	63 70	63 70
618	494	1112	389 79	630 13	1019 92
303	365	668	505 20	412 01	917 21
714	1678	2392	3626 38	7326 27	10952 65
1203	1378	2581	5006 34	4170 90	9177 24
757	1049	1806	4035 47	3089 66	7125 13
788	291	1079	2782 41	902 25	3684 66
764	513	1277	6792 93	1954 67	8747 60
900	547	1447	5557 56	2784 62	8342 18
—	—	—	—	—	—
6047	6375	12422	28696 08	21334 21	50030 29

Effective sanctions		Backward		Non backward		Total	
No	Amt	No	Amt	No	Amt	No	Amt
29	1775 12	33	1543 98	62	3319 10		

ANNEXURE—III
Seed Capital Assistance

As on 30 6 87
(Amt Rs in lakhs)

Year	No of units	Amount sanctioned			Amount disbursed		
		Backward	Non backward	Total	Backward	Non backward	Total
1981-82	3	8 34	11 30	19 64	8 34	—	8 34
1982-83	1	—	7 50	7 50	—	9 46	9 46
1983-84	2	—	18 40	18 40	—	1 84	1 84
1984-85	2	21 00	9 50	30 50	5 00	13 00	18 00
1985-86	5	14 43	42 50	56 93	16 00	11 50	27 50
1986-87	—	—	—	—	6 78	12 00	18 78
1987-88	1	—	6 40	6 40	—	—	—
Total	14	43 77	95 60	139 37	36 12	47 80	83 92

Effective sanctions	=	Units	Amount
		12	128 47

Central Subsidy

1981-82	2	12 53	—	12 53	7 96	—	7 96
1982-83	1	32 26	—	32 26	4 56	—	4 56
1983-84	3	40 26	—	40 26	30 67	—	30 67
1984-85	4	38 51	—	38 51	25 86	—	25 86
1985-86	4	34 82	—	34 82	16 52	—	16 52
1986-87	1	15 00	—	15 00	59 97	—	59 97
1987-88	—	—	—	—	1 02	—	1 02
Total	15	173 38	—	173 38	146 56	—	146 56

Effective sanctions	=	Units	Amount
		14	128 47

None of the units whom HSIDC disbursed central subsidy have gone out of production after commencement of commercial production

ANNEXURE

Position regarding Term

Sr No	Name of the unit	Loan sanctioned (effective)	Loan disbursed	Amount due		
				Prin	Intt	Total
1	2	3	4	5	6	7
1	M/s Bareja Knipping Fastners Ltd Udyog Vihar	4 50	4 50	4 50	8 34	12 84
2	M/s Indian Sulphacid Industries Ltd Shahabad	49 50	49 50	24 00	41 73	65 73
3	M/s New Allenberry Works Ltd Faridabad	55 00	55 00	37 00	38 15	75 15
4	M/s J B Paper Mills Ltd Dharuhera	60 00	60 00	6 00	48 84	54 84
5	Hindustan Instrument Ltd Udyog Vihar	22 58	22 58	22 58	9 61	32 19
6	Lakshmi Precision Screws Ltd Rohtak	38 00	38 00	38 00	16 81	54 81
7	Jagdamba Papers Inds Ltd Sirsa	83 00	83 00	26 20	50 30	76 50
8	Parkash Pipes Inds Ltd Hisar	44 00	44 00	37 00	20 18	57 18

—IV

Loans disbursed upto 30-9-1987

Amount received			Amount in default if any			Remarks
Prin	Intt	Total	Prin	Intt	Total	
8	9	10	11	12	13	14
—	1 09	1 09	4 50	7 25	11 75	After the default the loan was recalled and the court appointed liquidator for liquidation of the company in Oct 83. The liquidator has initiated steps for sale of assets of the company.
24 00	41 73	65 73	—	—	—	Due to losses suffered by company because of severe power cuts and recession in the Sulphuric Acid Industry Corporation had rescheduled the loan. Company is regular after the reschedulement.
37 00	38 15	75 15	—	—	—	Due to recession in tractor industry the loan of the co was rescheduled in 1982, 1984 and 1986. The company is regular in payments after reschedulement.
—	39 69	39 69	6 00	9 15	15 15	In view of over run and recession in paper industry the loan was rescheduled. Despite reschedulement since the co continued to make default notice for recall of loan was issued on But this being a seed/capital case IDBI advised us not to take legal action without their prior permission. A consortium meeting was held on 15.7.87. Corporation bank which has also extended term loan is of the view that a study should be got down by Haricon to assess viability of the unit before taking a final decision.
22 58	9 61	32 19	—	—	—	Entire loan has been repaid by the co in time.
38 00	16 81	54 81	—	—	—	Entire loan has been repaid by the company.
26 20	50 36	76 56	—	—	—	Due to severe power cuts co suffered production loss in 1983. Loan was rescheduled in April 84. Co is regular in payment after that.
37 00	20 18	57 18	—	—	—	Co is regular in making payment of its dues.

1	2	3	4	5	6	7
9	Om Steel Tubes Ltd- Dharuhera	44-58	44-58-	19-58-	40-43-	60 01-
10	A S Indl Gases Ltd Panipat	60 00	52 00	44 88	33 16	78 04
11	Sidharth Papers Ltd Dharuhera	60 00	60 00	28 00	43 72	71 72
12	Hem Lehmann India Ltd Faridabad	30 00	30 00	22 50	14 16	36 66
13	Ameteeep Machine Tools Ltd Faridabad	40 00	40 00	33 82	20 38	54 20
14	Indian Aluminium Cables Ltd Faridabad	60 00	60 00	60 00	27 05	87 05
15	Flovel Pvt Ltd	26 20	26 20	26 20	16 33	42 53
16	M/s Prakash Tube Ltd Bahadurgarh	50 00	50 00	50 00	20 92	70 92
17	M/s Corslie Electronics (P) Ltd Udyog Vihar	30 00	30 00	6 00	27 89	33 89

8	9	10	11	12	13	14
—	9 87	9 87	19 58	30 56	50 14	In view of problems faced by the unit in Export of its product the loan was rescheduled. But since the company did not make payment as per reschedulement the loan was recalled and recovery certificate issued on 29-4-86. The unit has been jointly financed with HFC. RBI recently conduct a meeting and suggested that a study be conducted regarding potential viability of the unit through HARICON and study is to be assigned shortly. R C has how ever not been withdrawn as yet
44 88	33 16	78 04	—	—	—	The loan was rescheduled in Nov 84 due to heavy power cuts and recession. Company is regular since then
28 00	43 72	71 72	—	—	—	Due to delayed implementation and delay in approval by RBI for its MICR paper production was affected and the loan was rescheduled in Sept 85. Company is regular since then
22 50	14 16	36 66	—	—	—	Because of increase in manufacturing cost company's sales had comedown and the Corpn rescheduled its loan in Aug 87. Company is regular since then
33 82	20 38	54 20	—	—	—	Company is regular in its payments
60 00	27 05	87 05	—	—	—	Company has repaid its entire loan in Sept 87
23 60	15 87	39 47	2 60	0 46	3 06	Company has promised to clear the last instalment in Oct 87
50 00	20 92	70 92	—	—	—	Entire loan has been repaid in time
—	13 66	13 66	6 00	14 23	20 23	Unit was set up by technical entrepreneur to manufacture Nickel Cadmium Batteries which is a high-tech product. It has taken a long time for the Defence and other authorities to test and approve the product. In view of problems faced by the unit the loan was rescheduled in Nov 84 and Dec 85. Since default continued it was felt by HSIDC and Vyva Bank that before extending any further relief a study being conducted by HARICON regarding viability of the unit. HARICON

1	2	3	4	5	6	7
---	---	---	---	---	---	---

18	Dinesh Tubes Ltd Dharuhera	55 00	55 00	26 62	24 47	51 09
19	Jindal Strips Ltd Hisar	130 00	130 00	65 00	26 16	91 16
20	M/s Ashoka Alloys Ltd Ambala	37 00	37 00	25 50	22 99	48 49
21	M/s Mehta Electro Steels Ltd Bhiwani	42 00	42 00	27 00	14 18	41 18
22	M/s Weston Components Ltd Dharuhera	101 00	101 00	50 20	32 26	82 46
23	M/s Century Tubes Ltd Bhiwani	60 00	60 00	32 34	25 52	57 86
24	Gurera Gas Cylinders(P) Ltd Faridabad	41 35	41 35	17 25	21 37	38 62
25	Rukmini Enterprises (P) Ltd Dharuhera	24 67	24 67	8 20	18 70	26 90

8	9	10	11	12	13	14
						has submitted a report suggesting extension of reliefs and further reschedulement of loan A ntee will be put up to the Board giving recommendations of HARICON for final decision
26 62	24 47	51 09	—	—	—	Due to delay in sanction of working capital by the bankers cash generation affected and the loan was rescheduled in July 87 Co is regular since then
65 00	26 16	91 16	—	—	—	Co has repaid its first loan in full in time
3 70	13 01	16 71	21 80	9 98	31 78	This is a power intensive unit Despite the reschedulement done in view of acute power crisis Co s operations were adversely affected The Co therefore decided to shift its operations to H P The financial institutions of H P have sanctioned loan and have also agreed to repay the dues of HSIDC and HFC out of the loans to be disbursed by them It is expected that the entire loan will be repaid during the current year
27 00	14 18	41 18	—	—	—	Co s loan was rescheduled to fall in line with IFCI the lead institution Co is regular since then
50 20	32 26	82 46	—	—	—	Co is regular in payment of its dues
32 34	25 52	57 86	—	—	—	Co is regular in payment of its dues
17 25	21 37	38 62	—	—	—	The loan was rescheduled in June 85 because the unit had stoped production in the absence of orders for LPG Cylinders by the oil companies The company is regular after re schedulement
—	1 33	1 33	8 20	17 37	25 57	The company had defaulted in payment and loan was reschedule The company subsequently applied for additional loan to HSIDC & HFC and our Board decided to constitute a Committee comprising representatives from HSIDC HFC and D I s office to go into viability of the unit Report of the Committee was considered by the board when it was decided that in view of project not being

1	2	3	4	5	6	7
26	M/s Bhanu Industries Pvt Ltd Hisar	52 83	52 83	36 00	24 01	60 01
27	M/s Autometers Ltd Faridabad	60 00	60 00	42 18	23 36	65 54
		(1/5)				
28	M/s Rexor India Ltd Faridabad	15 00	15 00	15 00	8 16	23 16
29	M/s Tirupati Resayan Udyog Ltd Hisar	16 15	16 15	7 51	5 47	12 98
30	M/s Akay Sintered Products Ltd Faridabad	20 68	20 68	6 90	17 25	24 15
31	M/s ICL Towers Ltd Jind	48 90	48 90	18 40	12 68	31 08
32	M/s Elixir Pharmaceuticals Ltd Dharuhera	73 25	69 51	—	17 51	17 51
33	M/s Batra Handling & Process Engg Pvt Ltd Udyog Vihar	33 25	33 25	1 95	11 25	13 20

8	9	10	11	12	13	14
						viable, steps be taken for recovery of dues of Corporation Accordingly Recovery Certificate issued on 4 9 87
36 00	24 01	60 01	—	—	—	Company is regular in making payment of its dues
42 18	23 36	65 34	—	—	—	Due to adverse profitability in 1984 and only marginal profit ability in 1985 Company faced extremely tight liquidity position Loan was rescheduled in June 1986 Company is regular after reschedulement
6.05	8 12	14 17	8 95	0 04	8.99	Due to persistent default recovery certificate was issued on 19 8 85 It was returned by Collector once on some technical grounds However a fresh recovery certificate has been issued on 8 7 1987
7 51	5 47	12 98	—	—	—	Company is regular in making its payments
0 38	2 17	2 55	6 52	15 08	21 60	This unit was promoted by entrepreneurs from Calcutta As the unit started incurring loss they sought our permission for change of management HSIDC had also separately received a proposal for taking over of the unit by another party A series of meeting held with both parties The request for transfer of management in favour one of the party is under active consideration of the corporation However the RC issued on 19 12 85 after the unit defaulted is still not been withdrawn
18 40	12 68	31 08	—	—	—	Company is regular in making its payment
—	17 51	17 51	—	—	—	Due to delay in commercial production there were no sufficient cash accruals to repay the instalment originally fixed Corporation therefore rescheduled the loan and instalments, are now due from June 88 Co is regular in making interest payments
1 95	11 25	13 20	—	—	—	Due to initial liquidity constraints company could not pay its instalments after Dec 86 It has been allowed monthly payments of the June 87 instalment Co is regular in paying its interest

1	2	3	4	5	6	7
34	M/s Universal Comtronics Ltd Udyog Vihar	86 00	10 00	10 00	5 96	15 96
35	M/s R P Hydro Oils (P) Ltd Jind	12 25	12 25	5 10	4 25	9 35
36	M/s Associated Distilleries (P) Ltd Hisar	88 00	88 00	16 81	27 99	44 80
37	M/s Galaxy Power Cables Ltd Dharuhera	90 00	90 00	—	16 42	16 42
38	M/s Haryana Milk Foods Ltd Pehowa	29 40	29 40	29 40	1 62	31 02
39	M/s Haryana Oils Pvt Ltd Jind	38 26	38 26	11 00	11 25	22 25
40	M/s Gtandlay Plastics Ltd Sonapat	47 69	47 69	21 85	23 70	45 55
41	M/s Chhater Chemicals (P) Ltd Karnal	40 75	40 75	8 73	10 27	19 00
42	Haryana Auto Castings Ltd Roz Ka Meo	90 00	44 32	—	5 36	5 36
43	Surindra Enterprises (P) Ltd Rewari	32 00	32 00	9 30	9 12	18 42

8	9	10	11	12	13	14
—	2 94	2 94	10 00	3 02	13 02	Project was not being implemented as per approved scheme and further disbursement of loan was withheld. Company did not make payments of over dues and after discussing with IDBI (since it is a seed capital case and their prior approval is a must) RC was issued on 22 7 87
5 10	4 25	9 35	—	—	—	The company is regular in making its payments
16 81	27 99	44 80	—	—	—	The company is regular in making its payments
—	12 37	12 37	—	4 05	4 05	The loan was rescheduled because of an over run and also because brokers for public issue did not honour the underwriting commitments and company faced liquidity problems. Company's request for further reschedule ment is under consideration
29 40	1 62	31 02	—	—	—	Company has pre paid its loan within one year of availment
5 50	7 64	13 14	5 50	3 61	9 11	Unit committed default for the first time after there was a fire in its factory in August 1986. Since company despite reminders did not submit information sought by us for reschedulement of loan RC was issued on 8 7 1987. Company has since paid Rs 3 07 lakhs and also given a proposal on 16 9 87 for repayment of entire loan within the original repayment schedule and the same is being considered
5 47	10 43	15 90	16 38	13 27	29 65	Company has defaulted and RC issued on 27 7 87. Company has submitted a proposal for reschedulement which is under consideration. RC not with drawn yet pending final decision of reschedulement
8 73	10 27	19 00	—	—	—	Company is regular in making its payments
—	5 36	5 36	—	—	—	The company is regular so far
3 10	6 20	9 30	6 20	2 92	9 12	Company defaulted in Sept 85 and March 86. RC was issued on 28 4-86. Company cleared the default in June 86 and gave an undertaking not to commit default again. RC was with drawn. However it again com

1	2	3	4	5	6	7
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44	M/s Enterpress Publishers (P) Ltd Udyog Vihar	84 00	84 00	5 60	14 06	19 66	?
45	M/s Q'H Talbros Ltd Udyog Vihar	85 86	85 86	—	9 84	9 84	
46	M/s Verma Trafag Instruments Ltd Bawal	30 30	30 30	1 20	4 33	5 53	
47	Haryana Callipers & Regulator Valves Ltd Dharuhera	52 96	27 56	3 31	5 09	8 40	
48	Passupati Spinning Ltd Dharuhera	100 00	100 00	10 00	6 36	16 36	
49	Dev Papers P Ltd Jind	76 50	76 50	—	8 14	8 14	
50	M/s Sanchem Processing Ltd Jind	52 30	52 30	4 00	12 45	16 45	
51	M/s Haryana Flour Mills (P) Ltd Gurgaon	81 67	56 50	—	1 34	1 34	
52	M/s Baker Oil Tools India (P) Ltd Gurgaon	88 00	31 00	—	0 24	—	
Total Rs		2766 38	2533 39	1002 61	961 19	1963 80	

8	9	10	11	12	13	14
						mitted default in Sept 86 Fresh RC was issued in Dec 86- The Tehsildar Rewari is recovering Rs 25 000 per month from the party and send- ing to us though we had made it clear many times that this amount is not sufficient even for our interest
5 60	14 06	19 66	—	—	—	Company is regular in pay- ments
—	9 84	9 84	—	—	—	Due to delay in implementation company suffered liquidity con- straints and defaulted in June 87 and Sept 87 On its request the loan has been rescheduled and Sept 87 interest is to be re- covered in three monthly instal- ments from Nov 87
						The June 87 and Dec 87, instalments are also to be re- covered in monthly instalments from April 1988
0 90	2 45	3 35	0 30	1 88	2 18	The Company has recently gone into production and is facing liquidity problems It is being pursued to clear the Sept 87 default immediately
—	0 61	0 61	3 31	4 48	7 79	This unit has been promoted by two entrepreneurs Sh Anil Sharma and Pardeep Verma During implementation still due to differences amongst the promoters project came to stands still Notice for recall of loan was given on 30-4 87 Parties have now written that their differences have been patched up and they would submit a detailed proposal for revival diversification of the unit
						Co has paid the dues in time
10 00	6 36	16 36	—	—	—	
—	8 14	8 14	—	—	—	Co has paid the dues in time
—	4 50	4 50	4 00	7 95	11 95	Operations of the unit were adversely affected because of delay in sanction of working capital Problem faced by the unit being genuine proposal for reschedulement is under our consideration
—	1 34	1 34	—	—	—	Loan disbursed partly and company has paid interest due on it
—	0 24	0 24	—	—	—	Loan disbursed partly and company paid the interest due on it

872 77 815 89 1688 66 129 84 145 30 275 14

Note —Amounts due have been indicated after taking into account amounts resche-
duled, wherever reschedulements have been done

ANNEXURE—

Statement showing investments made by the State Govt in the preference shares

Sr No	Name of the company	Location	Year of investment	Amount invested
1	2	3	4	5
1	Nuchem Plastics Ltd	— Faridabad	— 1968 69	5,76 500
2	Prestolite India Ltd	Do	1969 70	5 00 000
3	Bharat Carpets Ltd	Do	1969 70	3 95 600
4	Pan Foods Ltd	Panipat	1970 71	2 26 000
5	Curewel India Ltd	Faridabad	1970 71	5 87 300
6	Promain India Ltd	Do	1970 71	4 00 000
7	Cable Works (I) Ltd	Do	1970 71	4 00 000
8	Depro Foods Ltd	Rai (SNP)	1970 71	3 39 000
9	Haryana Steel & Alloys	Murthal	1971 72	12 89 000
10	Hada Steel Products Ltd	Faridabad	1971 72	2 99 700
11	Jotindra Steel Tubes	Do	1972 73	4 95 00
12	Haryana Breweries Ltd	Murthal	1973 74	11 14,500
13	Tiger Locks Ltd	Gurgaon	1973 74	7 50 000
14	Delton Cables Ltd	Faridabad	1974-75	10 00 000
15	Dabriwala Steel & Engg	Do	1974-75	4 99,500
16	Mohta Electro Steel	Bhiwani	1975 76	9,99,500
17	Haryana Oxygen Ltd	Hissar	1976 77	3 95 000
18	Century Tubes Ltd	Bhiwani	1977 78	4 99 500
19	Tirupati Woollen Mills	Sonepat	1978 79	9 97 500

of Industrial companies through HSIDC and interest dividend accrued thereon and received

Dividend accrued upto the financial year ended on or before 31 3 1987	Amount received on A/c of		
	Dividend	Principal	Total
6	7	8	9
6 45 973 00	6 45 973 00	5,76 500	12 22 473 00
7 89 945 00	1 87 445 00	—	1 87 445 00
6 39 872 15	3 01 634 15	—	3 01 634 15
3 40 647 52	2 57 708 63	—	2 57 708 63
8 24 228 25	8 24 228 25	5 87 300	14 11 528 25
3 19 155 00	—	4 00 000	4 00 000 00
6 00 611 00	—	—	—
4 92 011 00	—	—	—
18,24 636 17	16 77 075 17	12 89 000	29 66 075 17
4 26,481 00	4 16 890 25	—	4 16 890 25
6 65 042 40	6 65 042 40	4 98 500	11 63 542 40
14 12 588 60	—	—	—
7 83 750 00	23 327 00	—	23 327 00
11 92 915 00	10 98 247 00	2 50 000	13 48 247 00
6 10 945 00	6 10 945 00	35 101	6 46 046 00
11 56 822 00	11 56 822 00	—	11 56 822 00
4 77 155 00	—	—	—
5 21 854 62	5 21 854 62	—	5 21 854 62
7 68 075 00	4 35 941 00	—	4 35 931 00

ANNEXURE—

Statement showing investments made by the State Govt through HSIDC in the dividend, interest etc

Sr No	Name of the Company	Location	Year of investment
1	2	3	4
1	Haryana Concast Ltd	Hissar	1975 76
2	Haryana Oxygen Ltd	Hissar	1976 77
3	Sehgal Papers Ltd	Dharuhera	1976-77
4	Century Tubes Ltd	Bhiwani	1977 78
5	Haryana Tanneries Ltd	Jind	1978 79
6	Indo Swiss Times Ltd	Gurgaon	1978 79
7	Bareja Knipping Fastners Ltd	Gurgaon	1980 81

-VI

-Equity Share Capital of Industrial companies and amount received towards principal, from Companies /Guarantors

Amount invested	Amount received if any towards principal or dividend Interest to date	Remarks
5	6	7
10 00 000	—	—
2 00 000	—	Shri P K Chowdhary Shri Arvind Chowdhary and Smt Mohini Chowdhary of Kothi Shekhupur Distt Hissar had given their personal guarantee and undertaking to buy back the share holding after 10 years. The guarantors were called upon to do so on 6 10 87 and 15 1 87 and on their failure to do so the DI Haryana was requested on 23 2 87 to effect the recovery of the amount alongwith interest there on upto the date of realisation from the guarantors as arrears of land revenue
25 00 000	—	Shri M M Sehgal and Smt Anjali Sehgal had given their personal guarantee/undertaking to buy back the shares after 10 years. The guarantors were called upon to do so on 31 3 87 and on their failure to pay the amount the DI was requested on 1 5 87 to effect the recovery of the amount with interest upto the date of realisation from the guarantors as arrears of land revenue
2 00 000	2 56 000	Shri G K Hada and Shri M L Khemka had furnished their personal guarantee/undertaking to buy back the shares after 10 years. The guarantors however purchased the shares at par plus 12% per annum interest from the date of investment upto the date of purchase on 17 9 79. Sum of Rs 56 000/ was received as return on the investment
5 00 000	—	—
15 00 000	90 000	The company declared 6% maiden dividend during 1982 83 and paid Rs 90 000/. The shares are to be purchased back by the guarantors namely Shri P C Gupta and Shri S M Aggarwal after 10 years from the date of investment at par plus 12% per annum minus dividend already paid by the company
2 45 000	2 50 000	In view of the past experience with other companies the draft of the personal guarantee undertaking was modified to provide that the same could be invoked before expiry of 10 years if the company stopped working went under liquidation etc. As the company had stopped its operations the guarantee was invoked before expiry of 10 years and Shri L M Bareja who had furnished his personal guarantee was called upon to buy back the shares immediately. The guarantor challenged our action in the

1	2	3	4
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8	Rama Fibres Ltd	Bhiwani	1980 81
9	East India Syntex Ltd	{ Dharuhera	1981 82
10	Passupati Spinning Mills Ltd	Dharuhera	1981 82
11	Hindustan Instruments Ltd	Gurgaon	1981 82
12	Om Steel Tubes Ltd	Dharuhera	1981 82
13	Victor Cables Ltd	Faridabad	1981 82
14	Sidharath Paper Ltd	Dharuhera	1982-83
15	Batra Handling & Packaging Ltd	Gurgaon	1983 84
16	Continental Valves Ltd	Roz ka Meo	1984-85
17	Universal Products Ltd	Dharuhera	1984 85
18	Omex Auto Ltd	DG	1986 87

5

6

7

High Court The case was ultimately dismiss but during the course of proceedings the High Court got us a payment of Rs 50 000 on 12 10 83 Shri Vareja then filed an appeal before the Supreme Court The Court admitted the appeal on the condition that the party deposited Rs 2 lakhs or a Bank Guarantee of Rs 2 lakh with the Corporation The case was dismissed by the Court and the Bank Guarantee of Rs 2 lakh was encashed by the Corporation on 2 4 85 Thus the total amount of Rs 2 5 lakh has been realised against investment of Rs 2 45 lakh The Corporation initiated proceedings for recovery of Rs 1 26 lakh as interest on investment as arrears of land revenue This has been again challenged by Shri Bareja in the Civil Court at Chandigarh and the same is being contested

19 50 000

15 40 000

1 54 000

The company paid 10 % maiden dividend for the year 1985 86

20 00 000

2 00 000

The company paid Rs 2 lakh as dividend for the year 1986

1 50 000

2 46 000

The guarantors/Directors of the company purchased the shares at par plus 12 % per annum interest from the date of investment less dividend paid by the company on 5 1 87 The total sum of Rs 2 46 000 was received by the Corporation

2 50 000

12 75 000

3 00,000

3 00 000

9,45,000

19 00 000

17 00 000

ANNEXURE-VII
BOARD OF DIRECTORS
MANAGING DIRECTOR
—PS/MD-1

GENERAL MANAGER (F)		GENERAL MANAGER (A)		SECRETARY		ADDL GM (IA)											
DGM (F)	-2	AGM (F)	-1	AGM (A)	-2	IO	-1	ASO	-1	Dy Secy	-1	COA	-1	SM (IA)	-3	AGMPR	-1
AGM (F)	-3	SFM	-2	SFM (Appl)	-2	OSD	-1	Asst	-2	ALO	-2	SO	-3	Mgr (C)	-8	Asst (PR)	-1
STM	-2	FM	-4	AE	-2	DEO	-3			Librarian	-1	(SAS)		AO	-1		
TM	-5	Asst	-1	FM	-4	ALO	-2			Co Asst	-1			H D /Man	-1	Asst	-1
Proj		Un		Mgr (A) (Working		SO	-2			Store Asst	-1			SO (SAS)	-3	Comm	
Asst	-3	Asst	-3	against one post		SO (SAS)	-1			Lib Asst	-1			AM (C)	-13	Artist	-1
Asst	-1	AM (R)	-3	of A E)		ASO	-2			Law Officer	-1			Asst	-3		
				Accountant	-5	AM (R)	-1							Asst	-5		
				Fin Asst	-2	Asst	-3							J/Auditor	-3		
				Asst Acctt	-6	Asst	-1							J/Acctt	-2		
				Cashier	-1	(Legal)	-1							Cashier	-1		
				Jr Acctt	-1	Asst	-2										

ANNEXURE--VIII

ANNEXURE—VIII

Provisional Balance Sheet as on 31st March 1987

Liabilities	Current Year (Rs)	Previous Year (Rs)	Assets	Current Year (Rs)	Previous Year (Rs)
1	2	3	4	5	6
Share Capital	14 52 58 000	14 52 58 000	Fixed Assets	29 17 339	27 83 898
Share Application Money	1 95 00 000	—	Investments	6 27 63 018	5 40 09 818
Reserves & Surplus	2 02 12 511	1 56 19 570	Current assets loans and advances	34 54 09 397	30 35 93 813
Unsecured loan	14 58 94 289	10 47 41 365			
Current Liabilities & Provisions	8 02 24 954	9 47 68 794	Notes forming part of the accounts		
Total	<u>41 10 89 754</u>	<u>36 03 87 529</u>	Total	<u>41 10 89 754</u>	<u>36 03 87 529</u>

ANNEXURE—IX

Profit & Loss Accounts for the year ending 31s March 1987

Expenditure	Current year (Rs)	Previous year (Rs)	Income	Current year (Rs)	Previous year (Rs)
1	2	3	4	5	6
To Expenses	1 40 23 684	1 30 71 131	By Income	2 08 68 744	1 98 45 971
To Depre ciation	2 29 759	2 38 969			
To profit transferred to P&L Approp riation account	66 15 301	65 35 871			
	<u>2 08 68 744</u>	<u>1 98 45 971</u>		<u>2 08 68 744</u>	<u>1 98 45 971</u>

Profit & Loss Appropriation Account for the year ending 31st March 1987

To special Reserve	26 96 220	26 14 348	Profit B/F	59 78 449	40 17 688
To provision for Income Tax	20 22 160	19 60 762	By profit transferred from P&L Account	66 15 301	65 35 871
To profit carried to Balance Sheet	78 75 370	59 78 449			
	<u>1 25 93 750</u>	<u>1 05 53 559</u>		<u>1 25 93 750</u>	<u>1 05 53 559</u>

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