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HARYANA VIDHAN SABHA

**Committee on Public Undertakings
(1980-81)**

(Fifth Vidhan Sabha)

FOURTH REPORT

ON THE

GENERAL WORKING OF

**HARYANA STATE HANDLOOM & HANDICRAFTS
CORPORATION LTD**



Presented to the House on the 28th March, 1981

**HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH**

1981

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**COMPOSITION
OF
THE COMMITTEE ON PUBLIC UNDERTAKINGS (1980—81)**

CHAIRMAN

- 1 Shri Sumer Chand Bhatt

MEMBERS

- 2 Shri Bhalle Ram
- 3 Shri Brinder Singh
- 4 Shri Deep Chand Bhatia
- 5 Shri Ganga Ram
- 6 Master Jogi Ram
- *7 Shri Ram Kishan
- 8 Shri Ram Lal Wadhwa
- 9 Ch Ude Singh Dalal

SECRETARIAT

- 1 Shri Raj Krishan Secretary
- 2 Shri S S Ahlawat Deputy Secretary
- 3 Shri Janardhan Singh Research Officer

*Resigned from the membership of the Committee on his appointment as Chief Parliamentary Secretary with effect from 14.1.1981



INTRODUCTION

1 The Chairman of the Committee on Public Undertakings having been authorised by the Committee to present the Report on their behalf, present this Fourth Report on the general working of the Haryana State Handloom and Handicrafts Corporation Ltd

2 The report of the Committee was adopted on 27th March, 1981

3 The Committee on Public Undertakings for the year 1979 80, also took up the examination of the working of the Haryana State Handloom and Handicrafts Corporation Ltd but could not complete the same for want of time The present Committee took up the examination of the working of the Corporation *de novo* and completed it after holding 23 meetings and discussions with the representatives of the Government and of the management of the Corporation

4 The Committee in order to get a first hand knowledge of the functioning/running of the various looms handicrafts etc, undertook an on the spot study tour of the various Centres of the Corporation in the State The Committee also visited show rooms of the Corporation opened outside the State at Chandigarh Delhi and Madras

5 The Committee would like to place on record their appreciation of the assistance rendered by the Commissioner and Secretary to Govt, Haryana, Industries Department and the officers of the management of the Corporation in connection with the examination of the general working of Corporation Thanks are also due to the representatives of the Finance Department of the Govt of Haryana and the Accountant General Haryana, and his officers for the valuable assistance rendered by them

6 The Committee also place on record their appreciation for the valuable Cooperation and unstinted assistance received from the officers and members of the staff of the Haryana Vidhan Sabha Secretariat

Chandigarh the 27th March, 1981

SUMER CHAND BHATT
Chairman




GENERAL

The Committee on Public Undertakings was elected on 13th March, 1980 and notified in Haryana Govt Gazette vide notification No CPU—1/8/36 dated 15th April 1980

2 The Committee held in all 90 meetings in Chandigarh as well as at other places during the year 1980—81 In twenty three meetings the Committee examined the general working of the Haryana State Handloom and the Handicrafts Corporation Ltd The committee also examined in general the General working of the following Corporations/ Boards on the bases of a perfunna formulated by it for the purpose

S No	Name of the Corporations/Boards	No of Meetings held for examination
1	Haryana Financial Corporation Chandigarh	9
2	Haryana State Industrial Development Corporation, Chandigarh	2
3	Haryana State Small Industries & Export Corporation Chandigarh	3
4	Haryana Agro Industries Corporation, Chandigarh	1
5	Haryana Warehousing Corporation Chandigarh	2
6	Haryana Land Reclamation & Development Corporation, Chandigarh	2
7	Haryana Seed Development Corporation, Chandigarh	1
8	Haryana Minor Irrigation (Tubewells) Corporation, Chandigarh	1
9	Haryana Tourism Corporation, Chandigarh	2
10	Haryana Tanneries Ltd , Jind	1
11	Haryana Breweries Ltd , Murthal	1
12	Haryana Matches Ltd Yamunanagar	1



1	2	3
13	Haryana Minerals Ltd , Narnaul	4
14	Haryana State Electricity Board Chandigarh	2
15	Haryana Agricultural Marketing Board Chandigarh	4
16	Haryana Housing Board Chandigarh	1
17	Kurukshetra Development Board Kurukshetra	2

3 A brief record of the proceedings of each meeting has been kept separately in the Haryana Vidhan Sabha Secretariat

4 The Committee scrutinised the material supplied by the Haryana State Handloom and Handicrafts Cooperation Ltd and examined orally the representatives of the Government and the functionaries of the Corporation. The recommendations/observations of the Committee are given in the succeeding pages of the report



CONSTITUTION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS IN HARYANA

The Haryana State came into existence on the 1st November 1966. At that time there were a few Corporations which were inherited from the composite Punjab. With the increase in economic activities of the State a gradual growth of Public Undertakings were incorporated from time to time in the State. The Legislative control on the working of these Public Undertakings was exercised through the Public Accounts Committee and the Committee on Estimates, of the House, till 1977-78. The number of Public Undertakings had increased more than twenty in the State by the end of 1977. The Government after due consideration thought of constituting a Committee of the House with the nomenclature of "Committee on Public Undertakings" with a view to have more effective Parliamentary control on the working of the Public Undertakings. An official Resolution was moved in the House on the 28th February 1978, regarding the constitution of the Committee on Public Undertakings, which was adopted by the House on the same day. Hence, the Committee on Public Undertakings was first constituted in the year 1978-79. The Committee on Public Undertaking for the year 1979-80 was again constituted on a Resolution passed in the House. The Rules of procedure and conduct of Business in the Haryana Legislative Assembly were amended in the year 1980 with a view to make a provision of the Committee on Public Undertakings as a standing Committee of the House.

The functions of the Committee are as under —

- (a) to examine the reports and accounts of the Public Undertakings specified in the *Schedule and any such other Public Undertakings as may be referred to the Committee by the Speaker for examination
- (b) to examine the reports if any of the Comptroller and Auditor General on the Public Undertakings,
- (c) to examine in the context of the autonomy and efficiency of the Public Undertakings whether the affairs of the Public Undertakings are being managed in accordance with sound business principles and prudent commercial practices and
- (d) to exercise such other functions vested in the Committee on Public Accounts and the Committee on Estimates in relation to the Public Undertakings mentioned above as are not

(viii)

covered by clauses (a), (b) and (c) above and as may be allotted to the Committee by the Speaker from time to time

Provided that the Committee shall not examine and investigate any of the following, namely —

- (i) matters of major Government policy as distinct from business or commercial functions of Public Undertakings ,
- (ii) matters of day to day administration and
- (iii) matters for the consideration of which machinery is established by any special statute under which a particular Public Undertaking is established



APPROACH OF THE COMMITTEE TO STUDY THE WORKING OF THE PUBLIC UNDERTAKINGS

The Committee on Public Undertakings realising the urgent need to examine the general working of all Corporations/Boards which come under their purview after detailed deliberations observed that it was not possible for them to examine in details the working of all the Corporations/Boards during its tenure of one year and therefore, evolved a new approach to its work. The Committee felt that it would be better if the top executives of the Public Undertakings falling within their purview become conscious of the presence of a Parliamentary Committee like the Committee on Public Undertakings before whom they are under a certain obligation to appear and be answerable for their performance. This sense of public accountability has to be gradually built up among them and the frequency and regularity with which such Public Undertakings will have to appear before them will in the opinion of the Committee go a long way to have a salutary effect on their working. The Committee also feel that this approach has provided to the top executives of the Public Undertakings a new dimension of thinking as they have started realising that their all actions and inactions are subject to strict surveillance and review by a Committee of the Legislature. Thus rather than confining itself to the study and scrutiny of the working of a few Public Undertakings during its term of just one year the Committee felt that before an indepth approach could be adopted it would be better if all the top Executives of the Public Undertakings have one or two occasions to appear before the Committee.



REPORT

HARYANA STATE HANDLOOM AND HANDICRAFTS CORPORATION LTD

Brief History

The Haryana State Handloom and Handicrafts Corporation Ltd was incorporated on 20th February 1976, under the Company Act 1956

The authorised capital of the Haryana Handloom and Handicrafts Corporation Ltd is Rs 2 crores divided into 20,000 shares of Rs 1000/ each. The main objects of the Corporation are as under —

- (i) Providing inputs to the artisans and weavers at reasonable rates and of right quality;
- (ii) Provision of improved tools including change over from pit Looms to handlooms;
- (iii) Providing financial assistance to the artisans and weavers as working capital etc;
- (iv) Providing common facilities like dyeing winding, finishing and designs etc;
- (v) Providing training, both intensive as well as short term;
- (vi) Marketing of the goods manufactured by artisans and weavers;
- (vii) Providing housing and functional facilities for artisans and weavers; and
- (viii) Promoting export of handloom and handicrafts goods

Activities in handloom and achievements

2 According to the note furnished by the Corporation it is presently implementing two projects i.e. Intensive Development Project with its headquarters at Bhiwani and Export Production Project at Panipat besides running some handloom & handicrafts schemes of the State Govt. Both these projects were centrally sponsored projects with outlays of Rs 1.85 crores and Rs 49 lakhs respectively. The Corporation has received a sum of Rs 99.07 lakhs as loan and grant under the Intensive Development Project and Rs 20 lakhs under the Export Production Project. However the Intensive Development Project has

now been transferred from the Central Plan to the State Plan. The Corporation has installed 235 modern looms under these projects. These looms are under its direct control. Almost 50 looms are reserved for training and the rest are utilized for production of handloom cloth. The Corporation is imparting training to weavers in all its Collective Weaving Centres set up under the Intensive Development Projects in 14 Collective Weaving Centres (Training cum Production Centres) located at Rattangarh, Gohana, Sampla, Kharkhoda, Sonapat, Dighal, Julana, Narnaul, Beri, Charkhi, Dadri, Hansi, Barwala, Tohana and Bhiwani. The trainees are given a stipend of Rs 100/ per month during the training period of six months. After completion of the training, the trainees are in a position to set up their own looms or to get employment in the Corporation owned looms in other handloom units. Till September 1980, the Corporation has imparted training to 810 trainees. The Corporation gives 50% subsidy for modernisation of looms, technical assistance and marketing assistance to the weaving community.

The Corporation has set up retail outlets in the State of Haryana at Bhiwani, Rohtak, Hissar, Jind and Panipat and also at Delhi, Madras and Chandigarh. At all these retail outlets, the Corporation is marketing the handloom goods produced by the weavers employed in the Collective Weaving Centres and also goods of other weavers in the State to whom marketing assistance is being rendered.

The Corporation has also set up a Yarn Bank at Panipat from where the weavers are supplied yarn at a cost price plus nominal overhead @ 2%. During the current year, this facility has been extended to all the Collective Weaving Centres and the weavers functioning in these areas now buy the yarn from there.

Under the Export Production Project, the Corporation has set up a manufacturing unit at Panipat where the production of Export oriented quality products is being carried out by engaging weavers. The Corporation has already acquired land measuring 5 acres, 5 Kanals and 5 Marlas at Panipat and the construction of the Handloom Complex is in process. The Corporation has also started a small Dye House at Panipat for its own use. The Corporation also renders technical guidance to the weavers of the areas and when required.

Till 31st October 1980, the Corporation had trained 847 weavers on its looms. These weavers are now working on Private looms, on their own looms or on the Corporation's looms at the different production centres.

The Corporation is committed to give marketing support to weavers in Haryana. In 1979-80 the Corporation assisted the handloom sector in the State by purchasing handloom goods worth Rs 14.64 lakhs from weavers of Haryana. In the current year (1980-81) it is proposed to give marketing assistance of the value of Rs 30 lakhs. The Corporation is making use of its chain of retail outlets within and outside the State for marketing these items as the weaving community in the State feel that more marketing assistance should be given to them. The Corporation proposed to open more retail outlets in large cities like Calcutta, Bombay, Hyderabad and Kanpur in a phased manner.

To provide working capital assistance to the weaving community, the Nationalised Banks have expressed their willingness to provide a working capital of worth Rs 2,500/- per loom. The Corporation also gives 50% subsidy for modernisation of looms i.e. Rs 500/- for a frame loom and Rs 1250/- for jacquard loom. The assistance of the General Manager, District Industries Centres all over the State has also been sought for implementing this programme. This will go a long way in providing complete assistance to the weavers belonging to the weaker section, since the Corporation would be providing (i) 50% subsidy on the purchase of a new loom (ii) 50% credit on easy terms at 4% rate of interest through Nationalised Banks (iii) Yarn supply from the Yarn Bank on controlled rates charging only 2% over head (iv) giving technical guidance and common facilities service like dyeing and warping (v) supply of designs free of cost (vi) marketing assistance.

Activities in the Handicrafts Centre

3. According to the note furnished by the Corporation it is running 3 Carpet Training Centres for Girls at Morni Hills, Panipat and Bilaspur where girls are under going training in Carpet Weaving for a one year course. The Corporation is also running an Artistic Durree Training Centre at Tohana. So far 72 girls trainees have been trained in the Art of Carpet and Durree Weaving.

It is proposed to open more Carpet Training cum Production Centres at Naraingarh and in Mewat Area within the next 2 months. Subsequently more Carpet Training cum Production Centres will be opened in the State.

The Corporation also intends to open Training cum Production Centres for Stone ware, Wooden Furniture, Brass Ware and Soft toys.

Organisational set up

4 The Management of the Company is vested in a Board of Directors consisting of not less than three and not more than eleven

Capital Structure

5 The paid up share capital of the Company as on 31st March, 1979 comprised of 6100 equity share of Rs 1000/ each subscribed by the State Government

Financial Position

6 The table below summaries the financial position of the company under broad heading for the last three years ending on 31st March, 1979 —

	(Rs in lakh)		
	1976 77	1977 78	1978 79
LIABILITIES			
(a) Paid up Capital	26 00	61 00	61 00
(b) Reserves & Surpluses (including capital subsidy from State/Central Government)	8 36	16 86	21 82
(c) Borrowings	20 41	24 96	48 51
(d) Trade dues and other current liabilities (including provisions)	1 64	9 50	16 86
Total	56 41	112 32	148 19
ASSETS			
(a) Gross block	5 87	11 64	13 01
(b) Less Depreciation	0 46	1 21	1 99
(c) Net fixed Assets	5 41	10 43	11 02
(d) Capital work in progress	0 28	15 11	15 15
(e) Investments	—	—	0 01
(f) Current Assets Loan and advances	50 41	83 24	119 44
(g) Misc expenditure	0 31	3 54	2 57
	56 41	112 32	148 19



Capital employed	54 18	84 17	118 60
Net worth	34 05	74 32	80 25

Note 1 Capital employed represents net fixed assets plus working capital

2 Net worth represents paid up capital plus reserves less in tangible assets

Working Results

7 The working results of the Company for the last three years ending on 31st March 1979 are tabulated below —

(Rs in Lakhs)

	1976 77	1977 78	1978 79
1 Profit (+) loss (—) before tax	(—) 3 77	(—) 1 91	(+) 0 96
2 Tax provision including investment allowance reserve	0 15	0 06	0 03
3 Profit (+) Loss (—) after tax & investment allowance	(—) 3 92	(—) 1 97	(+) 0 93
A PERCENTAGE OF PROFIT BEFORE TAX			
1 To Sales	—	—	3 91
2 To Gross fixed assets	—	—	7 38
3 To Capital employment	—	—	0 85
B PERCENTAGE OF PROFIT AFTER TAX			
1 To Net Worth	—	—	1 16
2 To Equity Capital	—	—	1 52
3 To Capital employment	—	—	0 82

Export Production Project at Pampat

8 The Committee during the course of on the spot study tour to Panipat were informed that the Corporation was going to set up special Project for the promotion of export of the handloom and



handicrafts products in the State at Panipat in the near future The Committee was also informed that an expenditure to the tune of Rs 3 22 500 had already been incurred on the purchase of land for this purpose And the complex was estimated at a cost of Rs 8 lakhs and would consist of Administration Block whole sale Depot cum Weavers Production Centre The then Managing Director of the Corporation brought to the notice of the Committee that the Government had imposed certain ban on the construction of building on G T Road where site for construction of the building had been acquired The corporation had taken up the matter with the Government to remove the imposed ban The Managing Director of the Corporation in its meeting held on 4th Feb 1981 informed that Government had recently removed the imposed ban and the construction of the building would be started soon

The Committee regret to point out that the construction of the building has been inordinately delayed simply on a technical ground The Corporation should have pursued the matter vigorously with Government for removal of the ban The Committee cannot escape the feeling that the Corporation had taken this matter very lightly Had the Corporation made any serious efforts, the ban would have been removed since long and the complex would have been nearing completion by now The Committee, therefore strongly urge the Corporation to take up the construction of the complex without any further loss of time

Centres visited by the Committee

9 The Committee made an on-the-spot study of the following Centres, set up by the Corporation with a view to have a deeper insight into the functioning and working of these Centres —

- 1 The Government Girls Carpet and Druggists Training Centre, Panipat
- 2 Wholesale Depot Panipat
- 3 Collecting Weaving Centre, Sohana
- 4 Collecting Weaving Centre, Sonapat
- 5 Weaving Centre, Kharkhoda
- 6 Collecting Weaving Centre Hansi
- 7 Textile Development Centre, Hansi
- 8 Weaving Centre, Bhiwani



- 9 Collecting Weaving Centre Morni Hills
- 10 Collecting Weaving Centre, Narnaul
- 11 Collecting Weaving Centre Bilaspur
- 12 Design Centre Sector 10 Chandigarh

The on the spot study made by the Committee reveal the following facts

- (i) That top executive and other functionaries of the Corporation have so far suffered from a loss of perspective in promoting the interests of the Weaving Community in the State and ameliorating their economic position. The general impression which the Committee got while examining the Corporation was that in some how the social obligation with which the Corporation was set up escaped its proper attention from its functioning
- (ii) No efforts worth the name have so far been made to conduct a survey of the traditional Weaving Community which in the opinion of the Committee was a pre requisite for enabling the Corporation to have a clear view of its responsibility and the magnitude of the task entrusted to it
- (iii) Certain training cum production Centres are now located at the appropriate places
- (iv) No satisfactory media of publicity has so far been evolved to attract the children of traditional Weavers to the Training Centres
- (v) The buildings of certain training Centres are in a very deplorable and dilapidated condition. In certain training Centres the Committee witnessed that roofs were covered with corrugated G.A. sheets and there was no provision of ceiling or table fans for the trainees
- (vi) There was no appreciable incentive to the trainees either in the form of stipends or in terms of their future employment

The Committee therefore strongly recommend that the Corporation should take serious note of the above observations of the Committee which are only illustrative and not exhaustive in nature and take an appropriate and immediate action on the same so that the impact of the working is felt by the entire Weaving Community in the State in ways more than one



Show Room set up outside the State

(i) *Show Room at New Delhi*

10 In the course of an on the spot study of the Corporation's show room at Karol Bagh, New Delhi, the Committee felt that the site of the show room was quite unsuitable from business point of view. The show room is situated in a remote area away from main market and does not attract a fair number of customers. The sale proceeds of this show room amply support this contention. The Committee was informed that protracted efforts had been made to shift the show room to some better place but they had not been able to get a better premises in the same locality so far. The Committee therefore, feel that the Corporation should take immediate steps to shift its show room at some centrally located shopping centre like Connaught Place or at some other equally suitable place.

The Committee during the course of oral examination of the Managing Director, Haryana State Handloom and Handicrafts Corporation came to know that Corporation was also opening a show room at Chandigarh and has recently set up another show room at Madras. In view of the poor impression of the Committee about the functioning of the Corporation's show room at Delhi, the Committee decided to study the functioning of these two show rooms in some depth.

(ii) *Show Room at Madras*

11 The Committee while on their study tour to Madras in the month of September 1980 had an opportunity to visit the Corporation's show room there. The person Incharge of the show room informed the Committee that they were confident of capturing good market for Haryana Handloom and Handicraft products. The Committee was satisfied with the location of the show room which is situated in the main shopping centre as also with its functioning. The Committee however feel that it is most essential for the Corporation to pay more attention in popularising and marketing the Handloom products of the poor Weaver Community in the State rather than acting as a sale agent of big entrepreneurs already in trade and drawing satisfaction from the sale proceeds of the goods manufactured by them. The Committee strongly recommend that this may be looked into by the Corporation/Govt to ensure that the benefits intended for poor section of the Weaver Community are not passed over to the affluent section which does not require any such support.



(iii) *Show Room at Chandigarh*

12 The Committee desired the Corporation to furnish a detailed note about the opening of the show room in Sector 22 and subsequently shifting it to Sector 17, Chandigarh. The Corporation accordingly submitted a detailed note which has been appended as Annexure II to this Report.

After a close study of the note furnished by the Corporation and orally examining the functionaries of the Corporation who were responsible to take the decision to shift the show room from Sector 22 to Sector 17, Chandigarh, the Committee are constrained to note that the decision was taken without obtaining the prior approval of the Board of Directors. As stated in the note, the matter was brought to the notice of the Board of Directors only after all formalities had been completed in hiring out the new premises in Sector 17 and after a sum of Rs 90 000 had been given to the land lord of the premises where the show room had to be shifted as an advance rent for six months. The Board of Directors while according ex post facto sanction observed that general policy regarding opening of the show room in the State as well as outside the State may be made and the Managing Director of the Corporation may bring a policy in this respect before the Board outlining therein the sales strategy before opening show room at any new place.

The Committee examined various aspects of the transaction relating to the hiring of the new building in Sector 17 initially for opening still another show room in Chandigarh and later on for shifting the office of the Corporation therein also, at a rent of Rs 15 000/- per month. The Committee was unable to find much justification in the arguments advanced by the representatives of the Corporation in so far as the real need for shifting the show room at Chandigarh so soon after opening a show room at Madras at such a huge cost was concerned. The Committee was firmly of the opinion that the existing arrangements for sale of the products of the Corporation the level of which was far too low and insignificant were quite adequate and there was no real urgency to supplement or augment them. In fact the Committee fervently hoped that all efforts of the Corporation should have been directed towards increasing the level of production of the Corporation after imparting necessary training and modernisation of the traditional looms of the persons belonging to Weaver Community who were already in the trade. At the point of time when the decision about this show room was taken the Corporation did not have more than one hundred looms in production. Moreover the type of products which were being produced were not of the type of products which could not be sold at the



places of their production or where arrangements for sale already exists and needed such a sophisticated market like Chandigarh for their disposal. The Committee was also not in a position to put much reliance on the feasibility report produced before the Committee on the basis of which the decision was taken or supposed to have been taken. However, at the time of Committee's visit to the show room, it was given to understand that the Corporation was quite confident that the venture had a future before it and would surely be a success. In support thereof subsequently, the Corporation's representative supplied a comparative statement showing the sale figures during last three months at the new premises of the show room and that of the corresponding months of the last year at the premises of show room at the old place which shows a distinct improvement. The statement regarding sale proceeds supplied by the Corporation is appended as Annexure III of this Report.

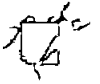
Under the circumstances the Committee feel inclined to take an indulgent view of the merits on which this decision was taken and fervently hope that in future a far more objective and judicious approach will be brought to bear on the working of the Corporation so that it could eventually become an instrument for the amelioration of the working conditions of the poor Weaver Community in the State. The Committee is firmly of the view that a vast potential for the growth of the Handlooms and Handicrafts exists in the State and the vicinity of the National capital to the State which can conveniently offer a huge home market for these products is a very helpful and positive factor which must be taken full advantage of by the management of the Corporation. This is notwithstanding the fact that every effort needs be made, in all seriousness and the sense of urgency to explore avenues for the export of the products of the Corporation, for which there can be no dearth of market in at least a number of countries, if proper care could be taken to cater to the local needs of style and design therein.

Conclusion

13 Finally the Committee again emphasise that the Corporation must ensure that its functioning does not suffer from a loss of perspective and the order of its priorities must conform to the basic social objectives for which it was created. It has to realise that the handloom and handicraft have been the traditional trade and means of livelihood of millions of our people forming the Weavers Community in our country from time immemorial. If the benefits of a modern technology could be extended to the members of the Community in the State it will not



only go a long way to rehabilitate them on a sound footing, but their contribution to the economic growth and regeneration of the State could also be of a significant importance

**ANNEXURE—I****List of Public Undertakings**

- 1 Haryana Financial Corporation Chandigarh
- 2 Haryana State Industrial Development Corporation Chandigarh
- 3 Haryana State Small Industries & Export Corporation Chandigarh.
- 4 Haryana State Handloom & Handicrafts Corporation, Chandigarh
- 5 Haryana Agro Industries Corporation, Chandigarh
- 6 Haryana Warehousing Corporation Chandigarh
- 7 Haryana Land Reclamation & Development Corporation Chandigarh
- 8 Haryana Seed Development Corporation Chandigarh
- 9 Haryana Dairy Development Corporation, Chandigarh
- 10 Haryana Minor Irrigation (Tubewells) Corporation, Chandigarh.
- 11 Haryana Tourism Corporation Chandigarh
- 12 Haryana Harijan Kalyan, Nigam
- 13 Haryana Tanneries Ltd Jind
- 14 Haryana Breweries Ltd Murthal
- 15 Haryana Matches Ltd Yamunanagar
- 16 Haryana Minerals Ltd Narnaul
- 17 Haryana State Electricity Board Chandigarh
- 18 Haryana Agricultural Marketing Board Chandigarh
- 19 Haryana Housing Board Chandigarh
- 20 Kurukshetra Development Board

**ANNEXURE—II****Haryana State Handloom & Handicrafts Corporation Limited S C O
813 14 Sector 22-A Chandigarh**

In November 1978 it was desired by the then M D that we should start sales of our products on 1st floor of office. This could not be done subsequently it was decided that this be done on 2nd floor. Accordingly, on 16.5.1979 certain stocks were kept in the room of the Care taker for sale purposes. But the response was not found to very much encouraging owing to the fact that the customers were reluctant to go in for purchases to the 2nd floor of the office. It was also desired by M D that we should keep track of some suitable premises for opening of our show room in the adjoining area of our office. Offer was received from the owner of the present office building for the ground floor for our show room and the same was taken in the month of June 1979 at a monthly rent of Rs 2 200/. Hence the sales started in the show room from 25th June 1979.

In November 1979 it was desired by M D that the present show room should be shifted to Sector 17 if a suitable premises is found. Accordingly an advertisement was released in the Daily Tribune for a suitable site in Sector 17C, 17D & 17E through Box. Certain offers were received from various parties and a consolidated list of such offers was put up to the then G M for deputing some officers to see the offered show rooms as proposed and negotiate about the site rent. On 9.1.1980 G M desired AMM to contract the parties and give time to see the places. AMM discussed with the parties who desired that Officers could visit and see the premises during the office hours, and latter asked to keep the file pending since he was proceeding on tour to Bombay.

The new M D , Sh M G Devasahayam IAS, who took over on 12.2.1980 visited the show room in Sector 22 and called for the file regarding shifting of the showroom. He desired that we should shift our show room to a better commercial site immediately the best available in Chandigarh in Sector 17. He further asked to scrutinize the offers received & constituted a Committee consisting of GM, SAO & AMM to negotiate rates and put up within three days.

Accordingly the committee visited the market and saw all the show rooms but only three showrooms i.e. SCO 86 87, Sector 17 SCO 78 79 Sector 17 & SCO 147 148 Sector 17 were offered. In the meantime, M D also discussed the matter regarding shifting of our office to



Sector 17 and felt that it would be better from all angles After the minute scrutiny of the offers made by the parties the offer of M/S Nem Nath Jain & others for SCO 147 48 Sector 17C was considered to be appropriate having the following measurements —

- (1) Show room ground floor covered area 2700 sft
- (2) Basement covered area approximately 2693 sft
- (3) 2nd floor covered area approximately 3621 sft

An offer of Rs 14 000/ per month as rent for the above premises was made to the party against their demand of Rs 18,800/ pm as per their letter of offer Before finalising the matter M D desired to know the rates prevailing in the area of market Accordingly SAO & AMM visited the market on 1 3 1980 and contacted few shopkeepers and one property dealer They also made enquiries from the tenants of first and third floors of SCO 147 148 Their report is in the file The party was called for discussion in the matter on 4 3 1980 and after negotiations the party agreed to let out the premises at a monthly consolidated rent of Rs 15 000/ in lump sum The letter of acceptance was sent to the party on 6 3 1980 and the possession of the premises was taken on the same date The idea behind shifting of the show room was to expand the marketing activities of the Corporation by means of the keeping the handloom/handicrafts items of various States Accordingly GM & SAO visited various show rooms of other State Governments at Baba Kharak Singh Marg New Delhi and discussed the issues of reciprocal arrangements etc and correspondence was initiated with various States Handloom/ Handicrafts Corporations for the purpose The matter regarding taking of show room and other building on rent in Sector 17 was placed before the Board for their kind information in 20th meeting of the Board to be held on 31 3 1980, as per item No 13(20/80) The said meeting was, however adjourned to 25 4 1980 for want of Quorum The information was noted by the Board and it was observed that general policy regarding opening of the show room in the State as well as outside the State may be made and the Managing Director of the Corporation may bring a policy in this respect before the Board outlining therein the sales strategy before opening show room at any new place

On 13 3 1980 quotations were called for the appointment of the Architect for interior decoration of the show room in Sector 17 Accordingly, M/S Arun Loomba & Associates Chandigarh were



appointed as our Architect on 2 4 1980 at a rate of 4% of the total estimated cost of the show room

A notice was released in the press on 2-4 80 calling for the tenders for the interior decoration of the aforesaid showroom. Out of 9 tenders received 7 valid tenders were considered and the contract was awarded to M/s Inscape, Chandigarh, the lowest tenderer after having negotiations with all the parties on 29 4 1980. The total estimated cost is worked out as Rs 3 62 lacs. So far, the following amount have been released to M/s Inscape, Chandigarh, Contractors and M/s Arun Loomba & Associates Chandigarh, Architect

(1) M/s Inscape, Chandigarh	Rs 90,610 59
(2) M/s Arun Loomba & Associates, Chandigarh	Rs 8,806 20

The work of the interior decoration of the said showroom has already been commenced the same is in progress. It is expected that the work shall be completed latest by the end of August 1980.

The matter regarding appointment of Architects & the Contractor for interior decoration was placed before the Board in their 21st meeting held on 19 6 1980 vide item No 10(21/80). It was also proposed that since we have already committed to the landlord and have paid the rent in advance there is no way out for us, but to shift the office also in the new building & the Board was requested to approve the actions already taken. The Board accordingly noted the latest position and accorded formal approval for the actions already taken.




ANNEXURE-III

Haryana State Handloom and Handicrafts Corporation Ltd

Comparative Statement of Profitability of 'The Weaver Chandigarh

Particulars	December 1980	January 1981	February 1981
Sales	1,10 280 14	68 994 75	1 13 567 28
Gross Profit	27 570 04	17 248 69	28,391 81
Expenditure			
Salary	5 000 00	5 000 00	5 000 00
Rent	8 600 00	8 600 00	8 600 00
Others	1 000 00	1 000 00	1 000 00
Depreciation	4 000 00	4 000 00	4 000 00
	18 600 00	18,600 00	18 600 00
Net profit/loss	+8 970 04	-1 351 31	+9 791 82

Particulars	December 1979	January 1980	February 1980
Sales	10 169 13	7 014 13	6 434 72
Gross profit	2 033 83	1 402 83	1 286 95
Expenditure			
Salary	4 000 00	4 000 00	4 000 00
Rent	2 200 00	2 200 00	2 200 00
Others	800 00	800 00	800 00
Depreciation	10 00	10 00	10 00
	7,010 00	7 010 00	7 010 00
Net loss	4 976 17	5,607 17	5 723 05



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