

**HARYANA VIDHAN SABHA**  
**COMMITTEE ON PUBLIC UNDERTAKINGS**  
**(1981-82)**

**( Fifth Vidhan Sabha )**

**SIXTH REPORT**

**ON THE**

**GENERAL WORKING OF**

**HARYANA AGRO INDUSTRIES CORPORATION LTD.**



**Laid on the Table of the House on 1-4-1982**

**HARYANA VIDHAN SABHA SECRETARIAT,**  
**CHANDIGARH**

**1982**

## TABLE OF CONTENTS

	Page(s)
1. Composition of the Committee on Public Undertakings	i
2. Introduction	iii—iv
3. General	v
4. Report—	
(i) version as given by Sarvshri Kanwal Singh, Sant Kanwar, Shiv Parshad and Bhalle Ram.	1—29
(ii) version as given by Sarvshri Sumer Chand Bhatt (Chairman), Peer Chand, Sukhdev Singh and Rajinder Singh	30—44
5. Annexures to version (ii) above—	
(a) Annexure 'A'	44—44
(b) Annexure 'B'	45—48
(c) Annexure 'C'	49—51
(d) Annexure 'D'	52—53
6. Findings/observations/recommendations approved by the members present in the meeting on 3-3-1982.	54—69

(i)  
COMPOSITION  
OF THE  
COMMITTEE ON PUBLIC UNDERTAKINGS  
(1981-82)

**CHAIRMAN**

1. Shri Sumer Chand Bhatt

**MEMBERS**

2. Shri Bhalle Ram
3. Shri Kanwal Singh
4. Shri Peer Chand
5. Shri Rajinder Singh
6. Shri Sant Kanwar
7. Shri Shiv Parshad
8. Shri Sukh Dev Singh
9. Shri Surender Singh (Tosham)

**SECRETARIAT**

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

(iii)

## INTRODUCTION

I, the Chairman of the Committee on Public Undertakings, in pursuance of Rule 223(1) of the Rules of Procedure and Conduct of Business in the Haryana Legislative Assembly, do hereby present the Sixth Report of the Committee on the general working of the Haryana Agro Industries Corporation Limited, Chandigarh.

2. During the course of the year, the Public Undertakings Committee held as many as 96 meetings out of which 17 were devoted to the examination of the Agro Industries Corporation Limited.

3. It is rather unfortunate that while examining the working of the Agro Industries Corporation, sharp differences arose among the members of the Committee regarding the very scope of functioning of the Committee, its sphere of work and its jurisdiction. During the course of examination of the Corporation's working, while some of the members of the Committee held that the Committee must remain within its broad framework as prescribed by the Rules governing its constitution and must function within its own jurisdiction as laid down therein, which specifically requires that matters pertaining to day-to-day administration must not be brought within the range of Committee's scrutiny, others contended that as members of the Committee, they were competent and within their rights to issue specific directions to the representatives of the Corporation to take specific action against specific individuals and within a prescribed period of time etc. etc. and demand compliance thereof from the parent Government department appearing before the Committee.

Since these differences of approach and outlook persisted, almost at every stage of the examination of the Committee on the general working of the Agro-Industries Corporation, the Committee was not in a position to agree on a common draft report. The fact of the matter is that the draft report on the general working of the Corporation as prepared by a Sub-committee consisting of Shri Kanwal Singh as convener and S/Shri Surender Singh and Sant Kanwar as members, the appointment of which was decided upon in a meeting of the Committee presided over by Shri Sant Kanwar and attended by S/Shri Bhalle Ram, Kanwal Singh, Shiv Parshad, Sukhdev Singh and Surender Singh on 19th August, 1981, in the absence of the undersigned (Chairman of the Committee), has had a checkered history. Having twice failed to get a formal approval of the main Committee, it was ultimately cleared, in a rather unusual fashion, in a meeting presided over by Shri Kanwal Singh as Acting

Chairman for the said meeting on 3rd March, 1982 and attended by Sarvshri Surender Singh, Bhalle Ram, Shiv Parshad and \*Sukhdev Singh. A copy of the findings/observations/recommendations approved by the members present in the meeting on the 3rd March, 1982, is also included in the Report. This ultimately led to a reference back of the Sub-Committee Report to the main Committee under the orders of the Hon'ble Speaker. Repeated attempts made in subsequent meetings of the Committee failed to resolve the dead-lock and the Hon'ble Speaker, under the circumstances, felt obliged to give a ruling in the House to the effect that when a unanimous report was not possible, members were free to give their version of facts, so that the total picture as emerges from the perusal thereof, comes before the House. Hence the present report in the present form. It is regretted that, somehow, a unanimous report by the Committee on the working of the Haryana Agro-Industries Corporation Ltd., has not been possible.

5. The Committee, however, place on record their appreciation of the assistance rendered by the Commissioner and Secretary to Government, Haryana, Agriculture Department and the officers of the management of the Corporation in connection with the examination of the general working of the Corporation.

6. The Committee also place on record their appreciation of the valuable assistance given to them by the Accountant General, Haryana, and his staff as also by the representatives of the Finance Department of the Government of Haryana.

7. The Committee are also thankful to the Secretary, Haryana Vidhan Sabha and his staff for their whole-hearted cooperation and assistance given by them.

Dated:

Chandigarh,

the 31st March, 1982.

Sd/—

(SUMER CHAND BHATT)

Chairman.

---

\*Who left the meeting as soon as it got to a formal start to approve the said Sub-committee Report with Shri Kanwal Singh assuming the Chair as the undersigned was unavoidably late for which message had already been conveyed to the Committee through the Deputy Secretary to the effect that in case of some delay involved in the journey, the meeting be not adjourned till he reaches. He (Shri Sukhdev Singh) on the next day (4th March, 82) categorically stated that he was not at all a party to the decision to approve the said Sub-committee Report and had rather contended that they should wait for the Chairman. It may be pertinent to note that as per the agenda of the meeting, the drafting of the Report of the Committee was to continue on the 4th March, 1982, and the finalization thereof was not even on the agenda of that date.

(v)

## GENERAL

The Committee on Public Undertakings was elected on the 17th March, 1981 and notified in the Haryana Government Gazette vide notification No. CPU-1/81-82/35, dated the 24th April, 1981.

2. The Committee held in all 96 meetings in Chandigarh as well as at other places during the year 1981-82. In 17 meetings, the Committee examined the general working of the Haryana Agro Industries Corporation Ltd. The Committee also examined in general the general working of the following Corporations/Boards on the basis of a proforma formulated by them for the purpose.

Sr.No.	Name of the Corporations/Boards	No. of meetings held for examination
1.	Haryana Financial Corporation, Chandigarh	1
2.	Haryana Warehousing Corporation, Chandigarh	1
3.	Haryana Tourism Corporation, Chandigarh	6
4.	Haryana Housing Board, Chandigarh	2
5.	Haryana State Small Industries & Export Corporation	2
6.	Haryana State Industrial Development Corporation, Chandigarh	2
7.	Haryana Minerals Ltd. Narnaul	1
8.	Haryana State Agricultural Marketing Board, Chandigarh	6
9.	Haryana State Electricity Board, Chandigarh.	11

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 Agro Industries Corporation 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.

## REPORT

(1) Version as given by Sarvshri—

Kanwal Singh,

Sant Kanwar;

Shiv Parshad; and

Bhalle Ram

## HARYANA AGRO INDUSTRIES CORPORATION LTD.

### Brief History

The Haryana Agro Industries Corporation Ltd. which is Government Undertaking with 50% share participation by the Government of India and the Government of Haryana was set up on the 30th March, 1967 in order to make positive contribution in the field of agricultural production and to assist the Agriculture in a variety of spheres.

### FINANCIAL RESULTS

#### 1. Finances

##### (A) Share Capital

Authorised Share Capital of the Corporation is Rs. 3 00 Crores divided into equity shares of Rs. 100/-each with 50% share participation by the Government of India and the Government of Haryana. The position in regard to the issued and paid up capital of the Corporation as on 30th June, 1979 was as under :—

(i) Government of India	Rs. 94,83,000.00
(ii) Government of Haryana	Rs. 94,83,000.00
Total	Rs. 1,89,66,000.00

It started with the opening balance of Rs. 189.66 lacs on 1st July, 1978. During the year 1978-79 a sum of Rs. 5.00 lacs was received from Government of Haryana against share capital. The same has been kept under the head advance against the share capital as the shares of the same could not be issued. In addition the loan of Rs. 10.00 lacs which was given by the State Government for the purchase of Basant Agricultural Aircraft has also been converted as contribution towards Share Capital. The final terms of the same are yet to be decided and hence the same has also been kept under the head advance against Share Capital. It has further impressed upon both the Central and State Governments to contribute the remaining Share Capital as the Corporation had to raise huge loans from Commercial banks to meet its requirements on exorbitant rates of interest.

---

Note : The financial position of the Corporation given in the Report is based on the published accounts of the Corporation for the year 1978—79 as no accounts for the subsequent years have yet been published.



**(B) Government Loans**

Government loans stood at Rs. 200.00 lacs. This loan was granted for the procurement of Agriculture Inputs such as Fertilizers, Seeds, Pesticides. The repayment of the loan was due in Sept., 1978 and Feb., 1979, but no repayment could be made. In addition to this interest amounting Rs. 1388541.60 was also payable to the State Government.

**(C) Institutional Loans**

During the year 1971-72 the Corporation imported 500 T-25 tractors, in 1974-75, 27 SKP-4 A. Harvester Combines and in 1975-76, five Tifone Sprayers through State Trading Corporation, Project Equipment Corporation and by direct import respectively under deferred payment liability to the extent of Rs. 57.58 lacs against Bank Guarantee/Counter Guarantee by the Government of Haryana. The Corporation met promptly its obligation towards payment of instalments of the deferred payment as per Schedule, leaving a balance of Rs. 10.38 lacs to be repaid in the coming years for Harvester Combines and Tifone Sprayers only.

**Medium Term Loans**

The Corporation had drawn a Medium Term Loan of Rs. 43.60 lacs from the State Bank of Patiala during 1975-76 and 1976-77, for setting up of NPK Granulation Plant at Shahabad and purchase of 5 Basant Agriculture Aircraft. An amount of Rs. 23.55 lacs is outstanding as on 30th June, 1979.

**Cash Credit Facility**

The Corporation enjoyed Cash Credit Facilities of Rs. 158.00 lacs with State Bank of Patiala, Bank of India and New Bank of India and L/C limit of Rs. 60.00 lacs with State Bank of Patiala.

**Assets**

The particulars of Assets of the Company as on 30th June, 1979 were as under :—

	(Rs. in lacs.)	
(A) Current Assets	1978-79	1977-78
(a) Cash and Bank Balance	26.69	62.61
(b) Other Advance	48.82	20.81
(c) Sundry Debtors	70.00	57.20
(d) Stock in Trade, including Store, Tools, Goods in Transit etc.	256.22	181.28

**(B) Fixed Assets**

(a) Assets (vehicles, office equipment, Garage equipment, Land and Building Plant and Machinery etc.)	246.29	251.98
(b) Preoperational expenditure	35.23	21.55
(c) Investment (Bonds, Shares and Security)	0.86	0.86
(d) Deferred Revenue Expenditure	2.38	1.48
(e) Misc. expenses (including loss of Rs. 17.46 lacs of Food and Fruit Processing Plant, Murthal for HSIDC period.)	84.97	89.22
	<hr/> 771.46	<hr/> 686.99

**Turnover**

The turn over of the Corporation under various trading and manufacturing activities during the year 1978-79 registered a remarkable increase of Rs. 442.51 lacs. The item-wise break up of the same as compared to previous year is as under :—

(A)	1978-79	1977-78
(a) Sale of spare parts, Tractors, Accessories etc.	172.78	138.37
(b) Sale of Iron and Steel, Agricultural Implements, Engines, Storage Bins, Poultry Appliances and Steel Items	51.38	22.82
(c) Sale of Cattle and Poultry Feed and Ingredients	48.27	11.68
(d) Sale of Urea, Cane NPK, Fertilizers	492.34	236.83
(e) Sale of P.O.L.	14.80	12.83
(f) Sale of Delicia	13.97	11.79
(g) Sale of pesticides	2.35	0.05
(h) Sale of Sprayers	0.19	0.34

(i) Hiring and Servicing receipts	55.19	50.86
(j) Misc. Income	4.66	1.92
(k) Commission received	—	0.13
(l) Interest received	2.63	0.51
(m) Profit from sale of Fixed Assets	0.16	0.23
(n) Security Forfeited	0.23	1.42
(o) Repair Reserve utilized	—	1.21
(p) Lease Money	—	8.25
(q) Diesel Engines, Electric Motors and Pump sets.	77.25	—
(r) Seeds	5.55	—
	<hr/> 941.75	<hr/> 499.24

#### Purchase and Expenses

(B) (1) Purchase of store including opening stocks less closing stocks	792.68	406.26
(2) Other expenses including Establishment Maintenance and repair of tractors, Combines and Exp. on all activities of the Corporation	103.27	78.65
	<hr/> 895.95	<hr/> 484.91
(C) (1) Gross Profit before provision for depreciation and interest (A—B)	45.80	14.33
(2) Interest paid to Bank	23.36	6.24
(D) (1) Gross Profit before provision for depreciation	22.44	8.09
(2) Provision for Depreciation	18.19	19.95
(E) Profit (+) /Loss (—)	(+)4.25	(—)11.86

During the year 1977-78 the Corporation suffered a net loss of Rs. 11.86 lacs. Various measures were taken by the Corporation to improve its performance as a result of which there has been improvement

in the over all performance during the year 1978-79 as is evident from the above statement. As a result of these measures loss of the Corpn. has been converted into profit of Rs. 4.25 lacs after meeting out the interest and depreciation to the tune of Rs. 23.36 lacs, 18.19 lacs respectively. The Turn Over during the year under report has increased from Rs. 499.24 lacs to Rs. 941.75 lacs. This increase is mainly due to the increase in the sale of Fertilizer, Tractors and addition of new items such as improved/certified Seeds, Diesel Engines, Electric Motors, Monoblock Pump Sets etc. Further the Plants/Units which were taken back from HAFED/HSIDC in April, 1978 worked full year during the year under report.

### **Main objectives of the Corporation**

The following are the main objects of the Corporation :—

- (1) To undertake, assist, aid, finance and promote Agro Industries such as Poultry, Dairy, Land Development, Seed Production, Manufacture of Agricultural Implements and machinery;
- (2) To organize setting up of workshops including mobile workshops, the sale of agriculture implements on cash or hire purchases;
- (3) To promote or conduct any agricultural, commercial or Industrial enterprises.

### **Activities of the Corporation**

All the activities of the corporation are being watched/controlled by the Board of Directors who are being kept fully informed of the day to day activities of the corporation and also at the time of presentation of annual accounts of the corporation. Besides high officials of the Central Government/State Government and Political men are Directors of the Board. In order to assist the agriculturist in increasing the agricultural production by undertaking activities not normally pursued by private firms and in order to save them from exploitation, the Corporation is carrying out the following activities :—

- (1) Purchase and sale of tractors.
- (2) Manufacturing of agriculture implements and storage bins and sale thereof.
- (3) Sale of Iron and Steel.
- (4) Sale of imported as well as indigeneous spare parts, disc, wheel weights and batteries etc.
- (5) Providing tractors to farmers for each type of field operation on hire.
- (6) Providing Harvester Combine and Thrashers etc.
- (7) Providing Bull-Dozers for land development.

- (8) Sale of Urea, CAN, Fertilizers.
- (9) Manufacturing and sale of NPK Fertilizer.
- (10) Manufacturing and sale of Cattle and Poultry Feed.
- (11) Aerial spraying of the crops.
- (12) Manufacturing and sale of Insecticides and Pesticides.
- (13) Preparation and sale of beverages of Mango Juice and drinks  
Tomato Ketchup, Mango Jam.
- (14) Providing the facility of repairing every type of tractors.
- (15) Providing Employment to unemployed Engineers by setting  
up of Agro Service Centres.
- (16) Sale of Diesel and other Lubricants through our own outlets.
- (17) Sale of Agricultural Machinery on hire purchase basis.
- (18) Setting up of Solvent Extraction Plant.

#### **Service activities of Corporation**

The Corporation is rendering the following services to the farmers :

*(i) Custom Hiring of tractors, combines and bull-dozers :*

The Corporation is doing custom service of tractors, bull dozers and combines through its 13 farmers service centres, one Bulldozer Unit and one combine Unit spread throughout the State. At present it has a fleet of 26 tractors, 14 combines and 16 bull dozers which are doing very useful service to the farming community. During the year 1978-79 it has done custom hiring to the tune of Rs. 50,85,971/-

*(ii) Repair and Maintenance of tractors and other Agricultural Machinery :*

In order to give effective repair and maintenance facilities of the farm machinery to the farmers, a repair/service workshop has been attached with each of the 13 Farmers Service Centres where the machinery of the farmers is repaired by trained/mechanic/workers at cheap rates. These workshops are equipped with modern machinery and are rendering very useful service to the farmers. During the year 1978-79 the workshops have earned an income of Rs. 0.30 lakhs.

*(iii) Manufacture and sale of metallic bins :*

The Corporation is also engaged in the manufacturing of metallic bins. These bins are sold to the market-committee on no profit no loss basis upto the period 31st March, 1981. The Corporation has sold 23256 Metallic Bins.

(iv) *Aerial spray of crops ;*

This is yet another important activity which is rendering most useful service to the farmers. Aerial Spray of crops like cotton, sugarcane etc. is most important. The private firms were earning huge profit from this activity with the result that the farmers were being exploited. Now the Corporation has entered in this field to render service to the farmers.

The Corporation has got a fleet of 5 Basant Agricultural Aircrafts for this purpose. Last year an area of 1.95 lacs acres was sprayed. The No. of aircrafts has been reduced to 4. It is proposed to carry on this activity with greater vigour in the subsequent years.

(v) *Setting up of Agro Service Centres :*

The Corporation has set up 15 Farmers Service Centres at various important places. The services rendered by those FSCs cannot reach the farmers in the interior being too expensive. With this objective in view, the Corporation has set up 123 Agro Service Centres in various villages throughout Haryana where custom hiring service, repair and maintenance of agricultural service etc. are provided to the farmers. These Agro Service Centres have been set up by the unemployed Engineering Graduates/Diploma holders/Ex-servicemen. By setting up these centres, the Corporation besides rendering useful service to the farmers in the interior, is also providing self-employment opportunities to the un-employed engineering personnel.

**2. Commercial Activities :**

The Corporation; besides rendering the above services to the farmers, has also entered in the field of trading. This is aimed at providing all sorts of help to the farmers under one roof so that he may not have to run for different requirements to different places. The Corporation has under-taken the following trading activities to help the farmers :—

(i) *Procurement and distribution of Tractor :*

From 1968-69 to 1971-72 the Corporation was engaged in assembling of the Zetor Tractors and sale of other makes of imported tractors and spare parts. Due to the transfer of Assembly work to M/s H.M.T. Pinjore in 1972-73 the HAIC was appointed as sole distributor for sale of H.M.T. Zetor tractors in the State of Haryana, upto 1975-76 the Corporation was having its exclusive right for sale of H.M.T. Zetor Tractors in the State but due to the appointment of private dealers and as per unilateral decision taken by the M/s H.M.T. in the year 1976-77, our exclusive dealership has since been discontinued. Now the Corporation is dealing the marketing sale of Zetor Tractors and there is a tough competition with private dealers. During the year 1978-79 the corporation has sold 338 Zetor Tractors. During this year the corporation expects to sell 400 tractors.

Corporation is also engaged in the booking and sale of Ford/Escort Tractors since 1977 for which an agreement has been signed with M/s Escort Ltd.

**(ii) Sale of Spare Parts :**

With a view to provide genuine spare parts to the farmers, the Corporation is also selling imported spare parts to the farmers at cheap rates as the main motto of the corporation is to render genuine spare parts and not to earn profit.

**(iii) Sale of Fertilizers :**

The Corporation has been handling the distribution of various fertilizers to the farmers through Farmers Service Centres and dealers during the Rabi and Kharif 1978-79. It has distributed 13374 M.T. of Pool Urea through dealers. It has procured indigenous Urea during Rabi and Kharif seasons 1978-79, 9371 M.T. which was sold through F.S.Cs. It has procured 2706 M.T. of can fertilizer during 1978-79 sold through its Farmers Service Centres. It has procured Pool Urea during Rabi and Kharif season 1979-80, 5914 M.T. It has procured indigenous Urea during Rabi and Kharif 1979-80, 5714 M.T.

**(iv) Petrol Pumps :**

With a view to provide un-adulterated POLs to the farmers, the Corporation has set up a Petrol Pump at Gurgaon which is serving the area. The farmers have patronised this pump. Encouraged by this, we are planning to set up petrol pumps at various other places.

In order to strengthen the economic position of the Corporation, the Corporation set up the following plants, the detailed history of each has been discussed below separately :—

**PLANTS, FARMERS SERVICE CENTRE AND UNITS  
BEING RUN BY THE CORPORATION**

**Plants**

1. Fertilizers and Chemical Plant, Shahabad (M).
2. Haryana Agro Food and Fruit Processing Plant, Murthal.
3. Haryana Agro Cattle Feed Plant, Jind.
4. Haryana Agro Solvent Extraction Plant, Kaithal,
5. Pesticide Plant, Shahabad (M).
6. Agro Aviation Wing.

**Farmer Service Centre**

1. Ambala
2. Jagadhari.
3. Nilokheri,

4. Ladwa.
5. Karnal.
6. Pehowa.
7. Panipat
8. Sonapat
9. Rohtak
10. Palwal
11. Gurgaon
12. Hissar
13. Sirsa
14. Jind
15. Bhiwani

#### **Units**

1. Dozer Unit, Gurgaon.
2. Combine Unit, Nilokheri.
3. Agro Engineering Workshop, Nilokheri.
4. Agro Training Centre, Nilokheri.
1. **Fertilizers and Chemical Plant Shahabad (M)**

The Haryana Agro Fertilizer and Chemical Plant was set up by the Corporation at Shahabad with capital cost of about Rs. 50 lakhs. It was commissioned and it started production of NPK fertilizer w.e.f 15th March, 1975. The total capacity of the plant is 50 thousand M.T. on three shift basis. Its production during the last 3 years is as under :—

1976-77	3268 270
1977-78	400.000
1978-79	7800.000

The working of the Plant resulted into a loss upto 1977-78, but there was a profit of Rs. 3.68 lakhs during the year 1978-79. The main reasons of loss of this plant during the initial period are as follow :—

#### **(i) Less Utilization of the Capacity**

The production capacity of plant is 50 thousand M.T., on three shift



basis. Against this installed capacity the production during the year 1975-76 has been 3021.700 M.T. only.

(ii) With a lesser utilization the overhead charges tend to increase proportionately. The amount of depreciation, interest and other charges remaining the same, the lesser production costs more.

### (iii) Interest Charges

The whole capital and the working capital has been provided to the plant by raising loans from the commercial Banks. The rate of interest for the Term Loan is 14.3/4%.

## 2. Cattle Feed Plant, Jind

A cattle Feed Plant was set up at Jind by the Corporation at a capital cost of Rs. 39.82 lakhs. This plant was commissioned and it started production w.e.f., 1st July, 1974. It was producing Cattle and Poultry Feed.

The installed capacity of the plant is 36 thousand M.T. on three shift basis. The working results of this plant are as under :—

Year	Production in M.T.	Profit/Loss	
		(+)	(—)
1976-77	5019 M.T.	(—) 2.63 Lakhs	(6 months)
1977-78	1088 M.T.	(+) 2.72 lakhs	
1978-79	4390 M.T.	(+) 8.72 lakhs	

## 3. Solvent Extraction Plant, Kaithal

The Solvent Extraction Plant, Kaithal has been set up at a cost of Rs. 58 lakhs and has been commissioned recently i.e. on 29th May, 1979. It is equipped to Extract Oil from the Rice Bran mainly but can also be used for extracting various oil. The Plant has a capacity of processing 25 tonnes of Rice Bran per day. The trial run of the plant has been started in May, 1979.

## 4. Insecticides and Pesticides Formulation Plant, Shahabad

The Insecticides and Pesticides Plant came into production in 1977-78 only and gave a profit of Rs. 0.33 lakhs in 1977-78. Its capacity is 50 thousand litre of Mythlane and four thousand of B.H.C. in one shift. It also earned profit of 0 04 lakhs in 1978-79.

## 5. Fruit and Foods Processing Plant, Murthal (Sonepat)

The Corporation set up a Foods and Fruit Processing Plant at Murthal for manufacture (ready to serve Beverages) of Mango, Apple Pine-apple, Guava, Squashes and Ketchup etc. The construction of the plant was completed and the production started from 31st March, 1975.

The working of the plant resulted in a loss of Rs. 2.79 lakhs during the year 1974-75 (three months) and Rs. 8.89 lakhs in 1975-76. During 1976-77 and 1977-78 there was again loss of 10.16 and 0.11 lakhs respectively.

The plant is still running with manual labour as the automatic Plant has not yet started working. The production figures for the last 3 years are as under :—

1976-77	716524 Bottles
1977-78	149533 „
1978-79	1153316 „

#### Reason for Loss

(i) The capacity of the plant has not been utilised fully due to non-functioning of the automatic plant.

(ii) With the lesser production, the overhead expenditure is increased considerably, the charges on account of interest, depreciation and salaries alone account for 6.54 lakhs during one year.

(iii) As in case of other plants the capital cost of the plant has been met from borrowings from the commercial banks and the working capital has been procured against the CC Limit at the rate of 14% interest. This also accounts for heavy losses.

#### 6. Agro Aviation Wing, Chandigarh

The Corporation set up an Agro Aviation Wing for aerial spray of crops. 5 Basant Aircrafts have been purchased during the year 1974-75 and put into operation from July, 1975.

The operation of these aircrafts has resulted into loss of Rs. 10.80 lakhs during the year 1975-76. This activity still remains with the Corporation and anticipated loss during current year i.e. 1978-79 is 1.58 lakhs. Efforts are afoot to increase the utilization of these aircrafts so that the next year does not close with any loss in respect of this activity. The area covered under the aerial spraying during 1975-76 was 35779 acres, whereas the area covered during 1976-77 was 2,18,322 acres; 1,75,000 in 1977-78, and 1,94,697 acres in 1978-79.

For the purchase of these aircrafts, a sum of Rs. 10 lakhs was received from the Civil Aviation Department as a loan which is ultimately to be covered into share capital. The balance of Rs. 25 lakhs was met by the corporation from its own resources viz. borrowing from Commercial Banks. The present strength of fleets is four aircrafts as one of them has been damaged and a compensation of Rs. 5.75 lakhs has been received from the Insurance Company.

The working results of which have been discussed below separately :—

### Working results of Haryana Agro Aviation Wing, Chandigarh

Year of operation	No. of Air-craft	Actual in operation	Target fixed	Achievement made (in acres)	Profit/Loss in lakhs
1976-77	5	5	160000 Acres	218322	(—) 2.01
1977-78	4	4	150000 „	175000	(—) 2.27 App.
1978-79	4	3	165000 „	194697	(—) 1.58 App.

#### Future Plan/New Projects

The Corporation is contemplating the possibility of setting up of various new projects like Battery Project, Sprinkler Irrigation Equipment Plant, Malt Plant, Retail Petrol and Diesel outlet, Cold Storage, Potato Processing Plant, Manufacturing of Polythene pipes, Card Board Plant, for the manufacturing of Polythene lined, plant for the manufacture of Supper Phosphate.

The Corporation is also planning to put up these two projects in consonance with its aims and objectives and the present day's requirements assessed by the Corporation.

#### (a) *Setting of Guar-Gum Plant at Bhiwani*

This plant is planned for a capacity of 100 MT per day on three shift basis at a total estimated cost of 26.42 lacs. It is expected that this plant will generate employment potential of all categories of personnel numbering 52(regular) and other casual labour required from time to time.

#### (b) *Setting up of Straw-Board-Mill Board Plant*

This plant is planned for a capacity of 3333 MT per year at a total estimated cost of Rs. 72.07 lacs. It is expected that this plant will generate employment for about 139 persons and other casual labour required from time to time.

## Findings/Observations/Recommendations

Foreign tours of  
the Chairman of  
the Corporation

The Chairman of the Corporation (Swami Aditya Vesh) undertook two foreign trips—the first one in January-February, 1980 with the idea of market study and the second one in the months of March-April, 1981 to participate in the trade fair in Saudi Arabia and to secure contracts for the products of the Corporation. These trips took him to the following countries :—

First journey : U.K., Germany and France.

Second Journey : Saudi Arabia, Italy, West Germany, U.K., U.S.A., Japan & Thailand.

Against a total export order of Rs. 9.17 lakhs as obtained in the contract in his first tour, the Corporation executed orders worth only Rs. 33,000. The claim of the Corporation of the profit of Rs. 10475 47 looks very much exaggerated on the face of it and in view of the dilatory and evasive replies submitted by the Corporation, the Committee is apprehensive of the actual profit accruing to the Corporation. Out of this export order, the consignment of Rs. 15153.60 to M/S Brit Afri Ltd., London on 180 days credit basis was unauthorised. The Committee is very much pained to note that this order was executed after the expiry of the letter of credit and as a result thereof, no payment against the second consignment has been received till date. The demurrage on this consignment has not been computed while giving the figures of profit. The Committee has been misled on this score. However, the amount of Rs. 41390.80 spent on the tour of the Chairman and other officer is a big loss to the Corporation and the Committee finds that it is a case of bad business management and recommends that responsibility for the loss of Rs. 15153.60 on account of second consignment may be fixed under intimation to the Committee.

In the second tour covering 7 countries, the Chairman who went alone signed a big contract worth Rs. 3.07 crores for supply of products to Saudi Arabia. The Committee was informed that the Chairman was given a list of prices as fixed by the Corporation of its various products but it is observed that in the final contract signed on negotiated basis, the prices contracted were in some cases 20 to 50% less than the original list submitted by the Corporation. It is also painfully observed that this contract also included supply of 1 lakh cartons of 48x170 gms. cans signed at 5 \$ per carton against the listed price of 10 24 \$, which is below 50% of the Corporation price. On this item, it is also observed that the minimum prices Act was ignored. The Committee was informed that this contract could not be executed for want of further communications from the other party. It was deposed before the Committee that even after trying to contact the party through the S.T.C., the Corporation was unable to execute any contract. Ironically the price list as given by the Corporation to the Chairman was claimed to be on 'No profit no loss' basis. Had the contract been signed on this price list as submitted by the Corporation, this contract would have fetched Rs. 1 25 crores more to the Corporation. Had this contract signed at the reduced price matured,

the Corporation would have suffered a loss of the like amount i.e. 1.25 crores apart from the expenses that were incurred on the tour of the Chairman. It was stated before the Committee that the Government cleared only the name of the Chairman for this foreign tour despite the repeated requests of the Corporation that he may be accompanied by a qualified officer. The Committee observed that the Chairman is neither a technically qualified person nor much conversant with the marketing affairs and by not assigning a duly qualified person to assist the Chairman, gross violation of business practices has been done. The Committee notes that the Chairman of the Corporation does not have any power to sign any contract on behalf of the Corporation under the memorandum of articles and association of the Haryana Agro-Industries Corporation. Such powers are clearly enjoyed by the Managing Director who is the chief executive for day to day management affairs of the Corporation. The Government while authorising the Chairman *suo motu* to enter into contract on behalf of the Corporation committed a violation of the stipulation made in the memorandum of articles and association of the Corporation which requires the recommendations of the Board of Directors before the grant of approval by the Governor.

The whole matter of signing of this contract smells of unhealthy dealing. The Committee is of the strong view that till such time the Corporation expands its production and activities to a very big scale, all exports should be routed through the State Trading Corporation of India. Unnecessary expenditure on the foreign trip of the officers of the Corporation who were not qualified/competent in the field of marketing be discouraged in future. The Committee feels that so called contracts are only used as a mean to make foreign jaunts at the expenses of the public exchequer by making misuse of high offices and positions enjoyed by such dignitaries and recommends detailed investigation and report to the Committee.

It was further stated by the Corporation representatives before the Committee that it is not the duty of the Corporation to have a clear cut accounts from the Chairman of his T.A. and D.A. It was also stated before the Committee that the Chairman of the Agro-Industries Corporation did not submit to the Corporation the final accounts of the expenditure incurred by him during the course of his second foreign tour. It was admitted by the representatives of the Corporation that according to rules the accounts should have been submitted to the Corporation. This Chairman has not complied with the rules and instructions with regard to the second tour.

The Committee does not accept the stand of the Corporation and feels that the rules wherever they are transgressed upon should be quickly and effectively dealt with irrespective of the status of the officer. The Committee feels pertinent to point out that financial rules clearly state that in case of such non-compliance of the rules, further payments to the defaulting officer be withheld. The Committee recommends compliance of these financial rules in future strictly.

The Committee further recommends to the Government that the Chairman of the Agro-Industries Corporation may be asked to submit

the accounts of T.A. & D.A. if he has not done so and the Committee be informed accordingly.

The Committee, after hearing the views of the representatives of the Corporation and the Govt. came to the conclusion that in future only those officers who are fully conversant with the trade matters may be allowed to undertake the tour of the foreign countries strictly and judiciously. The Committee failed to understand as to what weighed with the Govt. to sanction the tour of the Chairmen alone who is purely a layman from technical and business point of view. The Committee smacks the favouritism done to the Chairman by the Government. The Committee strongly recommends to the Govt. that in future the foreign tour of only those officers who are technically qualified and conversant fully with the trade matters may be sanctioned judiciously. The Committee further recommends to the Govt. that the Agro-Industries Corporation should fully utilise the facilities being provided by the State Trading Corporation of India with regard to foreign trade matters. Steps taken by the Corporation in this regard may also be intimated to the Committee for its information.

#### Delicia Plant at Murthal

The Committee paid a visit to the Delicia Plant at Murthal on 27-8-81. The Committee took a round of the Plant and observed the following :—

1. The Plant is located in the proximity of the national capital i.e. Delhi and the Committee feels that this plant can earn a huge profit by making a supply of its products to Delhi besides Haryana and other States.
2. The Committee was pained to observe that the raw material for making Delicia in the Plant i.e. mangoes which were purchased from various places particularly from the Southern States were stored in a very bad condition and no proper system of preserving these mangoes has been adopted by the Corporation.
3. The Plant has adopted a system to store the mango pulp in the bottles and keep them in the storage prescribed for the purpose. This mango pulp is used after a pretty long time and by doing so the degree of vitality starts decreasing day by day. It was also observed that due to long storage the bottles occasionally burst out due to chemical reaction. This entire system of storage becomes most un-hygienic from the consumers point of view.
4. The Committee was pained to observe that no hygienic, healthy, scientific and proper system of storage has been adopted by the Corporation. The Committee, therefore, recommends that the authorities of the Corporation may look into this matter at once and evolve a scientific storage system of mangoes so that the quality of mangoes is maintained in a proper form. The Corporation should also ensure that the mango pulp stored in the bottles may not be allowed to be accumulated for a long time so that the degree of vitality is maintained in a scientific manner.

Embezzlement case against  
Shri Daksh Kumar, Accounts  
Officer.

In the written reply submitted by the Corporation to the Committee the following has been mentioned :—

- |                          |   |   |
|--------------------------|---|---|
| 12. Sh. Daksh Kumar 1981 | Embezzlement amounting to Rs. 10289.60 were detected by way of wrong adjustment in the accounts book i.e. credit bill No. 1183 of M/s NAFED amounting to Rs. 10289.60 was adjusted in the personal account of Shri Daksh Kumar. | Original file of departmental enquiry is with the Vigilance Department Haryana. |
|--------------------------|---|---|

At the time of the oral examination it was asked from the Managing Director of the Corporation to throw some light on the embezzlement case wherein Shri Daksh Kumar is involved to the tune of Rs. 10289.60. The Managing Director informed the Committee that this matter has already been referred to the State Government and the State Government, in turn has referred the case to the Vigilance Department for conducting an enquiry thereon. The Committee, after hearing the views of the Managing Director of the Corporation, called the S.P. Vigilance Cell to explain the position of those cases of the Agro-Industries Corporation which were pending with the Vigilance Department for enquiry. The S.P. Vigilance Cell (Shri Sudan) stated before the Committee as under :—

“At present we have got only one case of Haryana Agro Industries Corporation with us. There are ten charges in that case. Out of those 10 charges one charge is very vital and we have brought this charge to the notice of the Government. The other 9 allegations are also very important and voluminous and it would take long time to dispose of these cases.....”

After hearing the S.P. Vigilance Cell and noting the report of the Chief Accounts Officer of the Corporation in this matter, the Committee is convinced that this is a very serious matter and it has been established by both these officers that Shri Daksh Kumar is prima facie responsible for embezzlement of the said amount. The Committee is very much surprised to note the behaviour of the Corporation in this matter, whereas the Managing Director on specific query as to whether in the written reply, there was an allegation of embezzlement of Rs. 10,289.60 or a ‘detection’, he admitted that detection was appropriate term. In view of the above facts and the recommendation of the Vigilance Cell for registration of a case against the said officer, the Committee had recommended immediate suspension of the said employee and withdrawal of his drawing and disbursing powers. It is distressing to note that despite this recommendation and assurance of the Managing Director of an early action no action has been taken against this erring official till date.

It is a matter of serious concern to note that this very official went to the press and threatened that he will spill the beans against the higher officers, if he was proceeded against. This though admitted by the Managing Director after confirming from Shri Daksh Kumar, was sought to be brushed aside in the following words :—

“We are not bothered to take action against him as to what he is saying in the Press.”

as of no consequence. The Committee does not accept this view of the Managing Director and finds that it is a serious situation where an official charged with corruption threatens other higher officers and those very higher officers did not take cognizance of it. There could be no worst example of official carelessness, lack of moral courage and gross mismanagement in any public undertakings than this. The Managing Director admitted that employees of the Corporation were suspended on flimsier charges. In this particular case while two office bearers of the Employees Union have been suspended for exposing corrupt practices and levelling charges of embezzlement which, however, on further enquiry have mostly been found to be prima facie true no action is even attempted to be taken against the person who, as it appears from the record that has come before the Committee, to be the pivot around whom all the corruption in this Corporation is taking place.

It is of interest to note that these powers were withdrawn when the report of internal audit came to the notice of the Managing Director. The Committee feels that the management is dragging its feet on the issue of action in this matter and recommends that this matter may be settled one way or the other at the earliest under intimation to the Committee.

#### **Non-reconciliation of the bank account of the Jind Cattle Feed Plant with the State Bank of Patiala**

The Committee also notes in this respect with a grave concern the non-reconciliation of bank account of the head office accounts of the Jind Cattle Feed Plant with the State Bank of Patiala, Chandigarh where a disparity of Rs. 30,000 exists which still needs reconciliation. There is ample ground to suspect malafide under this head also as a number of annual audit reports have obviously failed to take note of this disparity. The Committee also notes that this account is being operated under the authority of the drawing and disbursing powers of Shri Daksh Kumar. The Committee recommends that this matter may be further investigated and the responsibility fixed for such non-reconciliation and the result of the investigation be communicated to this Committee. The Committee fails to understand as to how this aspect of the accounts was overlooked by the Chartered Accountants concerned and recommends fixation of responsibility for this lapse.

The Committee recommends that pending final outcome of the enquiry and action, this accounts officer should not be entrusted with any financial powers.



Shortage of stores in the Seeds Development Corporation-Re-employment of Shri B.D. Arora.

During the course of the oral examination of the representatives of the Corporation, a shortage to the tune of Rs. 47,000 in the stores of the Haryana Seeds Development Corporation came to the notice of the Committee for which Shri B.D. Arora, ex-employee of the Haryana Seeds Development Corporation, now working in the Haryana Agro-Industries Corporation was to be held responsible.

The Committee feels that before giving letter of appointment the Haryana Agro-Industries Corporation should have obtained a no objection and no dues certificate from the Haryana Seeds Development Corporation. However the Committee further recommends that with regard to the final disposal or retirement of Shri B.D. Arora, the Corporation should maintain contact with the Seeds Development Corporation with regard to the shortage of stores worth Rs. 47,000 in its Karnal depot. After the results of the final enquiry, fixation of responsibility be done as promised by the Secretary to Government, Haryana, Agriculture Department, in the light of the advice of the Legal Remembrancer. The action so taken be informed to the Committee.

Constitution of a Committee for the purchase of mangoes

The Committee was alarmed to know that the Murthal Plant is running in loss. On an enquiry from the Corporation the following figures of year-wise loss were supplied to the Committee as under :—

Year	Rs. in lakhs
1974-75 (three months)	2.79
1975-76	8.89
1976-77	10.16
1977-78	0.11
1978-79	16.47
1979-80	16.56 (Tentative)
1980-81	19.00 (Tentative)

During the course of oral examination, it was pointed out to the Committee that previously the source of purchase of mangoes used to be by inviting tenders from the dealers but in the year 1980 this process of inviting the tenders at the headquarters was abandoned and a Committee constituted to go to South India to explore the market there since totapuri mangoes came from there. It was submitted to the Committee that when the matter of purchase of mangoes came to the notice of the Chairman he desired that a team to survey market of totapuri mangoes consisting of himself, Chief Engineer and Accounts Officer (Hq.) should visit Hyderabad, Vijaywada, Mysore and Bangalore etc. starting from 8th May, 80. But the then Managing Director (Shri Ashok Pahwa) suggested that if such a survey team was to go then its departure should be after the opening of the tenders

which were already invited and were scheduled to be opened on 12th, 13th, 14th and 15th May, 1980. He (M.D.) also suggested vide his note, dated 25-4-1980 that the General Manager and the Accounts Officer of the Murthal Plant may be included in the study team instead of the Accounts Officer (Headquarters) whose presence at the headquarters was necessary because the Corporation was conducting financial review of the entire corporation. The Committee was surprised to note that despite this note, Accounts Officer (Headquarters) was included in the Committee. It appears that the Chairman was over-anxious to go on this tour. Despite the suggestion of the Managing Director that the Committee may visit the said places after examining the quality of mangoes offered and the prices demanded in the tenders to be opened from 12th to 15th, the Chairman decided to leave with the Committee on the 12th May, 1980 after opening the first tender only. In the subsequent year 1981, when the issue of floating tenders for mangoes purchase cropped up on 9-3-1981, the Chairman, Swami Adityavesh, again suggested the constitution of a purchase committee to go to the producing area with the ostensible purpose of avoiding the middle man. He also suggested the constitution of a Committee headed by himself with the Chief Engineer and the Accounts Officer (Hqs.). It was submitted by the Managing Director that he had made noting on the file that he would have nothing to do with the deliberations of the Committee and would not accept any responsibility arising out of the action of the Committee. However, on perusal of the relevant files of the Corporation it is noted that despite his having written an adverse note the Managing Director (Shri Partap Singh) had written "seen" and signed on the final suggestion of constituting the said Committee. It was contended that the Chairman suggested that the Managing Director should not be away from the Headquarters as the procurement of wheat was on. However, the Managing Director also deposed before the Committee that it was his belief that neither the Managing Director nor the Chairman should be associated with such a purchase committee. As defined in Annexure II supplied by Haryana Agro Industries Corporation Ltd. under the heading "Setting up of purchase committees for purchase of various stores" and under the sub-head "Quorum", it is written that there will be 3 members one of whom shall essentially be from the Accounts Department and one from the requisitioning centre. The Committee notes with concern that the purchase committee proposed for purchase of mangoes for the year 1981, did not have any member from the requisitioning centre i.e. the Murthal plant. Further, under the head 'Procedure' and sub-head 7, it is stated that the discretion to make purchases through a Committee shall vest with the Managing Director.

The Committee is much pained to note that the initiative and the suggestion for constitution of the said committee came from the Chairman in clear violation of the above mentioned rules.

The Managing Director further informed the Committee that previously no Chairman had ever associated himself for making the purchase of mangoes like this. The Committee was also informed that as per rules, the Managing Director had to be one of the members of the purchase committee. The Committee enquired from the Managing Director that when the Committee was not constituted legally or as per the requirements of the rules, then how as an executive head

he released the payment for those mangoes which were purchased by the above mentioned Committee and how far will he be responsible ? The Managing Director deposed before the Committee that since he was not associated with the dealings, as a civil servant he will be the first person to disassociate himself from these dealings but however since the Committee was headed by the Chairman of the Corporation he has to believe whatever this purchase committee does and he has to pass those bills for payment. He further deposed that the entire responsibility will virtually be shifted to the persons who have gone and conducted the transactions. His duty is just to release the payment as have been certified by them. The Managing Director also informed the Committee that the Managing Director works within the powers delegated to him by the Board of Directors. Now the Chairman of the Corporation is the Chairman of the Board of Directors and it is very difficult for the Directors of the Board to simply confront with the views of the Chairman of the Board of Directors. The Managing Director is also one of these Directors. The Managing Director can only point out that such and such thing is the requirement of rules. On a question being put to the Managing Director that suppose the Board of Directors disapprove of this purchase committee, what will be the position of the Corporation there was no specific answer with the Managing Director. However, he simply stated that he would disassociate himself from these purchases made by the purchase committee duly constituted by the Chairman only. The Committee does not accept the contention of the Managing Director in the matter of absolving of all responsibility. The Committee feels that being the Chief Executive of the Corporation, all responsibility and authority rests on his shoulder till such actions of the Chairman are either already approved by the Board of Directors or approved subsequently but before any financial commitment is made. The Committee agrees with the views of the Secretary to Government, Haryana, Agriculture Department that the total responsibility and powers of the day-to-day functioning of the Corporation is of the Managing Director, as Chairman of the Corporation has got little powers as far as day-to-day functioning of the Corporation is concerned. It is also further pointed out that the powers of Chairman and Managing Director are very clearly defined. In this respect reference is made to clause 4 of Memo No. 12/6/78-A, dated 15th June, 1978 from the Chief Secretary to Government, Haryana. The Managing Director cannot absolve himself of responsibility merely by stating that he has noted his objections on the file.

The Committee is pained to observe that no rules, regulations and norms of purchase have been adopted by the present Chairman of the Corporation. The Managing Director specifically brought to the notice of the Chairman of the provisions of rules and regulations for the purchase of mangoes which were grossly violated by the Chairman of the Corporation by not observing them in letter and spirit.

The purchase committee went on 11-5-81 and called for quotations on three days short-term tenders. It is observed by the Committee that in the earlier year tenders for the purchase of mangoes were invited as early as the end of February. This process was completely ignored by the Chairman.

The Committee is at a loss to understand as to why, when this matter of purchase was brought to the notice of the Chairman, did he not advise ordering of calling tenders as was the usual practice with the Corporation. Instead the Corporation slept over this matter for another two months. This matter was rushed through in a manner prejudicial to the sound business management and principles. It is also noted that because of the issue of short term tenders only two parties offered to supply/produce and that these two parties were not the producer but were dealers or the middle man who were sought to be eliminated by going to the producing area.

It is also noted that the financial rules require a minimum of three tenders for final approval and signing the issue of purchase order. It is a great concern that this requirement was also ignored.

The Committee notes with a sense of surprise how Shri Daksh Kumar who was held prima facie responsible for embezzlement of Rs. 10,289.60 was included in this Purchase Committee. His inclusion in such committees which involve transactions of big amounts of money on behalf of the Corporation raises doubts about the bonafides of the constitution of such committees.

The Committee notes with concern a further change in the terms of the contract as envisaged in the tenders. It was admitted by the Managing Director that the party had a telephonic conversation with the Chairman and agreed to supply the material at a reduction of Rs. 100 per metric ton. It is contended by the supplier that the diage and spoilage shall be that of the Corporation but the Managing Director denied having agreed to such a proposition of the supplier. However, the Corporation authorities failed to produce any firm purchase order made on the supplier and the Committee is at a loss to understand as to how a quantity of 98 915 metric tonnes of mangces was received by the Murthal Plant.

In reply to the query raised on 5th and 6th August, 1981, the Corporation submitted (at Annexure XIII) that it conveyed its acceptance of the tender by telegram, dated 22-5-1981. The Committee also notes the discrepancy in the replies of the Corporation to its query of the 5th and 6th which admits the quantity received as 102.985 M.Ts. But subsequently in reply to the queries raised in the meetings held on 2-9-1981 and 3-9-1981 the net quantity accepted as admitted is 98.915 metric tonnes. The Committee recommends that this whole matter of tenders, the purchase order and the supply be investigated by a competent authority, responsibility fixed and suitable action taken under intimation to the Committee. The Committee further recommends to the Government that it must ensure that such recurrence does not take place in future and proper norms are fixed for purchase/receipt of material and release of payment.

---

Mileage done by the  
car of the Chairman.

---

At the time of oral examination of the representatives of the Corporation the Committee enquired from the Commissioner & Secretary to Government, Haryana, Agriculture Department that as to whether some guidelines about the use of the car by the Chairman of the Corporations have been

issued or not ? The representative of the Government informed the Committee that a ceiling of 2500 K. Ms. per month has been fixed by the Government and guidelines in this respect have been issued by the office of the Chief Secretary to Government, Haryana to all the Corporations. There are certain norms in this regard. Now the Corporation should honour these guidelines but where a particular Corporation exceeds this limit then it is primarily to take a view that this is a breach of the guidelines issued by the Chief Secretary office.

In the written reply supplied to the Committee, the Corporation has given the mileage covered by the car of the Chairman from 11/79 as under :—

Period	Vehicle No.	Mileage Covered (in KMs.)
11/79	HYA 299	4893
12/79	Do	2863
1/80	Do	3902
2/80	Do	5274
3/80	Do	1674
4/80	Do	1459
5/80	Do	3017
6/80	Do	4126 440 K.M. out of 4126 K.M. is private deposited vide Rect. No. 62044 dated 7-7-1980.
7/80	Do	4159
8/80	Do	4763
9/80	HYA 2776	17
	HYA 299	4955
10/80	HRX 152	205
	HYA 299	4632
11/80	HRX 152	3587
	HYA 299	133
	HYA 2776	8
12/80	HRX 152	4632
	HYA 299	175

1/81	HRX 152	5342	
	HYA 2776	210	
2/81	HRX 152	4281	
	HYA	260	
3/81	HRX 152	4288	
	HYA 2776	35	
4/81	HRX 152	1668	
	HYA 299	420	
5/81	HRX 152	3333	
	HYA 299	406	(Out of 406 K.M. Private 29 K.M.)
6/81	HRX 152	3059	

From the above chart of mileage done by the car of the Chairman, it is absolutely clear that the Chairman has violated the guidelines and instructions issued by the Government in this respect.

The Committee is pained to observe that when the Head of the Corporation starts violating instructions of the Government there cannot be a proper control over the cars given to other officers of the Corporation. Therefore, the Committee takes a very serious view of this violation of instructions of the Government by the Chairman and strongly recommends an enquiry in the matter and recovery of excess expenditure over and above the permissible.

Expenditure on fuel and repairs on the cars of the Chairman and Managing Director

In the written replies supplied by the the Corporation to the Committee the break up of expenditure on vehicles maintained at Head Office for use of Chairman and Managing Director has been given as under :—

Year	Vehicle No.	Cost of Fuel	Expenses on Repairs	Vehicle used by
1978-79	HYA 2776	16912.96	10402.85	Managing Director
	HYA 299	18004.01	6312.91	Chairman
1979-80	HYA 2776	14661 37	8194.04	Managing Director
	HYA 299	21480 57	8456.24	Chairman
1980-81	HYA 2776	26619 14	7278.80	Managing Director
	HYA 299	10603 69	3565.22	Chairman
	HRX 152	15408.07	5778.20	Chairman

From the perusal of the above figures the Committee feels that there is no justification on the part of the Chairman to spend more amount on fuel as compared to the fuel consumed by the car of the Managing Director because the Managing Director is the executive head of the Corporation whereas the Chairman of the Corporation has to perform a very little executive functions. Therefore, there seems to be no justification on the part of the Chairman to spend such a huge amount i.e. Rs. 18004 01 as cost of fuel during the year 1978-79, Rs. 21480.57 during the year 1979-80 and Rs. 26011.76 during the year 1980-81. On the other hand, it is clear from the above chart that the Managing Director has also spent a huge amount as cost of fuel during the above said years which is required to be curbed immediately.

Similarly, expenditure incurred on repairs on the cars of the Chairman and Managing Director is also on the excessive side. As for example expenses incurred on repairs of the cars of the Chairman during the year 1978-79 is Rs. 6312 91, Rs. 8456.24 during the year 1979-80 and Rs. 9343 42 during the year 1980-81. Similarly, expenses incurred on the repairs of cars of the Managing Director during the year 1978-79 is Rs. 10402.85, Rs. 8194.04 during the year 1979-80 and Rs. 7278.80 during the year 1980-81.

The Committee is constrained to observe that the cars provided to the Chairman and Managing Director are being used mercilessly and there seems to be no control over these cars by the Government. Therefore, the Government should take a note of it and issue directions, if not issued already to the Chairman and Managing Director of the Corporation that the use of the cars as well as the expenditure incurred on the vehicles provided to them should be judicious and in the full interest of the Corporation. A copy of the directions so issued by the Government may also be sent to the Committee for its information.

Made of recruitment in the Corporation

During the course of oral examination, the Committee asked the representatives of the Corporation about the system of recruitment adopted by the Corporation at present. The Committee also desired to know as to whether some powers have been delegated to the Chairman regarding making recruitment in the Corporation. The representatives of the Corporation informed that the powers of recruitment were delegated to the Chairman in the years 1973 and 1977. A doubt also arose as to whether the powers can be delegated to the Chairman of the Corporation about the recruitment or not.

It was doubtful as to whether the Chairman can make a direct appointment in the Corporation. The representatives of the Government stated orally before the Committee that in the year 1977 a number of resolutions were passed by the Board of Directors and all the powers of appointment in the Corporation were given to the Chairman because at that time the Chairman used to be appointed from the I.A.S cadre. That is why these powers were delegated to the I.A.S. officers who used to be appointed as Chairman of the Corporation.

The Committee further desired to know that recently appointments on the post of steno-typists have been made in the Corporation. The Committee would like to know what method of recruitment was adopted. Whether these posts have been filled up by advertisement in leading newspapers or by sending a requisition to the employment exchanges or by some other methods. The representatives of the Corporation stated before the Committee that the appointments of the following Steno-typists were made in the Corporation by holding a competitive test :—

- (1) Miss Arun Lata, D/O Shri Rattan Singh, House No. 1206, Sector-20B, Chandigarh.
- (2) Mrs. Avtar Kaur W/O Shri Jaswant Singh, House No. 3489, Sector-23-D, Chandigarh.
- (3) Miss Shashi Arora, D/O Shri Darshan Lal, House No. 9775/6, Railway Road, Ambala City.

It was enquired from the representatives of the Corporation whether the above mentioned candidates qualified the test or not. The representatives of the Corporation informed the Committee that the above mentioned candidates could not qualify the written test. They also stated before the Committee that as per rules of the Corporation the candidate has to qualify a test in Hindi as well as in English at a prescribed speed. In this case none of the above said candidates qualified the test as per the rule and regulations of the Corporation. The Managing Director also informed the Committee that it was the Chairman who made the appointments of the aforementioned candidates in the Corporation by relaxing the rules. The Managing Director also informed the Committee that even in Hindi Language where the prescribed speed was 80 W.P.M. these candidates could show a speed of 60 W.P.M. only. And also in English they could not qualify the speed test and the speed had to be relaxed by the Chairman. The Managing Director also informed the Committee that these appointments have not been made in the Corporation, as per rules and regulations of the Corporation because at the stage of Secretary and Managing Director the appointments of the above said candidates were opposed on the record. However, the Chairman of the Corporation relaxed the rules and appointed them suo-moto at his own level. Even the representatives of the Government pointed out to the Committee that these appointments have not been made according to the rules and regulations. The Committee was also informed by the representatives of the Corporation that the matter of appointment of the above-mentioned candidates will be taken up in the Board of Directors.

Similarly the Committee was also apprised of the fact that a post of A.P.R.O. has been filled up by appointing a lady namely, Miss Daya purely on temporary and adhoc basis without holding any interview and test and without any reference to the employment exchange or formal advertisement in newspapers.

The Committee was also informed by the representatives of the Corporation that 50 posts of salesmen were advertised for recruitment in the Corporation. Against these 50 posts a list of 180 candidates was produced before the Committee who were recommended for appointment in the Corporation. By going through the list it was brought to the notice



of the Committee by the representatives of the Corporation that 96 candidates have been recommended only from Faridabad District which is the district of the Chairman of the Corporation.

The Committee after hearing the representatives of the Government as well as of the Corporation was not only pained to know but also shocked to see the way the appointments are made in the Corporation. All norms were shamelessly flouted in making appointments in the Corporation by the Chairman. It is a very serious matter and the Committee is of the view that it is a grave misuse of the office and the authority enjoyed by the Chairman in offering favouritism and damaging the image of the public undertakings. Even the Committee was apprised of the irregularities committed in the recruitment of the salesmen where no notice was given to the employment exchange as required under rules. Even after a lot of time and money was spent in interviewing candidates in various centres all over the Haryana. The Committee notes with anguish that 96 out of a list of 180 candidates recommended for selection belong to District Faridabad only which incidentally happens to be the district of the Chairman of the Corporation. The Committee is distressed to note the admission of the Managing Director that there was three member committee for final recommendation for selection in which only one member of the original committee which conducted the interviews was represented. There cannot be a bigger joke with the process of selection of candidates for any service than this. Even the mode of these appointments was a subject of scrutiny by the Committee, the Chairman throwing all rules and regulations over the Board made the appointments of lady Steno-typists against the clear notings of the Secretary and the Managing Director and not stopping this only, the very next week, he again got the appointment of the Assistant Public Relation Officer in the Corporation without any reference though to employment exchange or an advertisement or even formality of holding an interview. It appears from the action of the Chairman as if he treats the Corporation as his back yard. The Committee is pained to note the actions of the Managing Director in these appointments as the formal letters of appointment have obviously been issued under his signatures. The Committee feels that action of the Managing Director at best can be described as supine. The Committee also noted that at various centres persons have been employed without adhering to these rules and regulations and these favoured appointments are regularised after completion of the required 240 days which in the opinion of the Committee is a clever manipulation of the rules for regularisation.

The Committee recommends that after due enquiry all such irregular appointments against rules may be nullified and the Committee informed of the action taken in the matter.

Internal audit of  
the Corporation

The Committee recommends that internal audit

branch of the Corporation should be set up which should be directly responsible only to the Managing Director to ensure proper financial control of the Corporation.

### Internal audit of the head office

A copy of the internal audit report carried out at

the head office was submitted to the Committee by the Corporation. The Committee was alarmed to see the irregularities committed by the officers of the corporation particularly by the Accounts Officer, Shri Daksh Kumar. The Committee was totally at a loss to understand that no action has been taken by the competent authorities of the Corporation against the delinquent officials who were involved in this internal audit report. The Committee persistently asked the Government as well as the representatives of the Corporation as to whether it was an authentic copy of the audit report or not? The Government as well as the representatives of the Corporation stated before the Committee that this copy of the internal audit report is a true one and an authentic copy of the audit report carried out by the departmental officers under the orders of the competent authority of the Corporation.

The Committee was pained to observe that after going through this copy of the internal audit report, it seems that there was clear-cut mess in the accounts of the Corporation. The Committee also observed that day-to-day accounts of the Corporation is not carried out strictly according to the rules and regulations. The Committee, therefore, strongly recommends to the Government that all accounts matters of the Corporation may be set right immediately and audit of the Corporation may be got done by the competent auditors and a copy of the Report given by the competent auditors be submitted to the Committee for its information and further necessary action. The Committee also recommends to the Government that a strict disciplinary action be taken against Shri Daksh Kumar who has acted in a most irresponsible manner with regard to accounts matters and the action so taken against him may also be informed to the Committee for its information.

### Strikes in the Corporation

During the course of oral examination of the

representatives of the Corporation, it was brought to the notice of the Committee that employees of the Corporation remained on strike due to various reasons for a pretty long time. The Committee gave a chance to the representatives of the Workers' Union of the Corporation to express their genuine demands and difficulties before the Committee.

The Committee after hearing the representatives of the Government and the Corporation and the leaders of the Workers' Union of the Corporation came to the conclusion that had the Management taken suitable steps, strikes could have been averted. Therefore, the Committee recommends to the Government that immediate suitable steps be taken to redress the genuine grievances of the employees of the Corporation and put the management of the Corporation on sound footing so that the Corporation may not be put at a loss unnecessarily. The Committee feels that there is a wide scope for improvement to plug the loopholes in the administration of the Corporation. The Committee also recommends that the Managing Director should call immediately a meeting of the Workers' Union and find a viable solution to their problems so

that the Corporation may start working on sound business principles. Steps taken by the Corporation in this regard may also be intimated to the Committee for its information.

Setting up of more plants at suitable places

The Agro-Industries Corporation was set up to

boost up the agricultural produce in the State and to give incentive to the farmers. The vital objective of the Corporation was setting up the industries based on the agricultural produce but it has drifted away from its objective. Rather it was observed that the Corporation started working in haphazard manner and failed to achieve its objectives. The industries are always set up on the basis of economic viability, technical feasibility, the availability of raw material and the comparative competitiveness of the products etc. An industrialist while setting up the industry keeps in view that an industry be set up at a place where the raw material, labour and facilities like transport and marketing are easily available. The Corporation should make a survey of the main agricultural produce available in the State and see economic viability of setting up the agro-based industries at different suitable places in the State.

The Corporation should make available all the necessary facilities for the farmers of the State with a view to give them incentive to increase their products which can be ultimately utilised by the Corporation for its various projects set up or likely to be set up in the State so that the farmers may not rush up to the mandis or other private agencies to sell their products. Not only this the Corporation should create avenues for the employment of the people as much as the Corporation can conveniently afford to it. The Committee also suggest that the Corporation should adopt ways and means to set up more plants in the State according to the produce in the State and the needs of the people.

Preparation and finalisation of annual reports

The Committee observed that the Corporation

is making delay in respect of preparation and finalisation of accounts and balance sheets and getting those audited by the Chartered Accountants and Accountant General, Haryana. The accounts of the Corporation for the year 1979-80 are still under audit. The Corporation should keep its accounts upto date and get them audited in time and place on the Table of the House every year.

Sd/-

1. KANWAL SINGH
2. SANT KANWAR
3. SHIV PARSHAD.
4. BHALLE RAM

(ii) Version as given by Sarvshri—

Sumer Chand Bhatt (Chairman);

Peer Chand;

Sukhdev Singh; and

Rajinder Singh.

1. During the current session of the Vidhan Sabha, as also during the earlier one held in Sept. last year, the question of the presentation of the Report of the Public Undertakings Committee on the general working of Agro-Industries Corporation has figured in this august House on occasions more than one, and the issue has been raised a number of times in the House in one form or the other. Besides attracting press comments, it has also become a live issue for informal discussions among the members of the House, and has developed distinct political overtones. The allegations being levelled is that it is because of certain political considerations that the report of the Public Undertakings Committee on the general working of the Agro-Industries Corporation is not being presented in the House.

2. While, earlier the allegation was that the Report of the Sub Committee consisting of Chaudhri Kanwal Singh as Convener and Shri Sant Kanwar and Chaudhri Surender Singh as members, which, as per their version, the main Committee had approved several months earlier on the eve of the last session of the Vidhan Sabha, is not being allowed to be presented before the House by the Chairman of the Committee, after the recent decision of the Hon'ble Speaker permitting that, if a unanimous report under the circumstances was not possible, members of the Committee are free to give two reports or even their individual reports, the effort now has switched to ensure that no other version of facts, comes before the House, and that their own version thereof, should alone be treated as the Report of the Committee. The hon'ble Members of this august House may not fail to take due note of this marked change in emphasis and strategy. It is, therefore, essential, rather incumbent, that the facts having a direct bearing on the issue should be presented before the House so that the House is in a position to know as to what exactly has delayed the presentation of the Report of the Public Undertakings Committee on the general working of the Agro-Industries Corporation, and where indeed the responsibility for the delay lies.

3. As this august House is fully conversant that there is a certain standard pattern and a certain well-established process for drafting and preparing the reports of various Committees of the House, according to which when the oral examination of the representatives of the department concerned is over, members of the Committee have discussions in-depth on various issues that may have cropped up during the course of the oral examination and broadly formulate their views on the same. On the basis of such a guide-line the Secretariat of the Vidhan Sabha then prepares a certain draft which is then presented before the Committee after the facts contained therein have been verified by the relevant agency. The draft is then presented before the Committee for purposes of its

consideration and after the suggestion given and amendments suggested by the members of Committee during the course of consideration of the draft, have been incorporated, it is then alone, that the Committee accords its final approval to the report.

4. Unfortunately, in the present case this well-established procedure and process was not followed, thus giving rise to number of difficulties and, eventually bringing the whole issue to such a pass. As per records, the oral examination of the Agro-Industries Corporation by the Public Undertakings Committee started on 5th August, 1981 and continued upto 16-12-1981 and as many as 17 meetings were held. Without waiting for the oral examination to proceed even half way, far less to conclude, at the end of the very first meeting held next week, a sub-committee consisting of S/Sh. Kanwal Singh, Sant Kanwar and Surender Singh was appointed in a meeting of the Public Undertakings Committee presided over by Ch. Sant Kanwar in the absence of the Chairman of the Committee, who was on a tour to other States as acting Chairman of Subordinate Legislation Committee of the Vidhan Sabha. The meeting was held on 19-8-81 and as per its decision, the Sub-Committee was expected to prepare draft of a certain interim report on the working of the Corporation. The propriety of Ch. Sant Kanwar presiding over a meeting of the Committee which decided to include his own name in the Sub Committee which was to report on the working of the Agro-Industries Corporation, needs to be properly determined, since Sh. Sant Kanwar was already involved in a case before the Privilege Committee of the Vidhan Sabha against the Chairman of the said Corporation. So long as the purpose of getting the Sub Committee appointed much ahead of the normal timing and much before the conclusion of the evidence before the main Committee, what really impelled certain members of the Committee to take in their own hands the drafting of the proposed Report and why this work of drafting the proposed report could not be left in the hands of the Vidhan Sabha Secy., as per the practice of the House, also needs to be understood in a proper perspective.

5. When the oral examination of the Corporation was hardly mid-way, at the end of the meeting of the Public Undertakings Committee held on 16-9-1981, when the date for the forthcoming session in Sept. last year had already been announced, the Convener of the Sub-Committee, Ch. Kanwal Singh suddenly informed the Committee at the end of its scheduled meeting that day that the report of Sub-Committee on the working of the Agro Industries Corporation was ready. The Chairman, while permitting the presentation of the Sub-Committee Report to the Committee directed the Secretariat that the said Report should be circulated among the members of the Committee for purposes of their study and perusal. Ch. Kanwal Singh, assisted by other members of the Sub Committee, however, insisted that the report should be approved, and adopted right then, when the Chairman wanted to know how a Sub Committee Report, of which the members of the main Committee do not know even a word, could be taken as having been approved and adopted that way, Ch. Kanwal Singh and other members of the Sub Committee persisted in their attempt to get it done in a surcharged atmosphere thus generated, the meeting of the Committee was adjourned. It was after the adjournment of the meeting that the Sub Committee Members had the report signed, alongwith Ch. Bhalle Ram and Master Shiv Parshad and, thereafter, had it handed over to the Secretariat of the

Committee, demanding that it be taken as having been approved by the P.U.C. on the ground that they had signed it and further demanding that it should be presented before the House. When the Hon'ble Speaker was apprised of the above said circumstances, he advised the members concerned in the House to ensure that no party politics was injected into the working of the Committee. In view of the Hon'ble Speaker's ruling on the subject, the said report could obviously not be presented in the House during the last session. A copy of verbatim proceedings of the Committee on the occasion is appended with the report as Annexure 'A' for purpose of verification, which amply bears out that the underlying attempt on the part of the Sub-Committee for granted but also to ensure that the main Committee could be made a party to the Sub-Committee Report without giving it an opportunity of knowing what the contents of the report of the Sub-Committee on the subject were, far less of discussing them or approving the same.

6. Although the Public Undertakings Committee held as many as 54 meetings after the last Vidhan Sabha session, out of which 8 were devoted to Agro-Industries Corporation for conducting the oral examination on various points that cropped up in the meetings of the Committee held on different occasions, the members of the Sub-Committee including its Convener hardly ever mentioned about the report of their Sub-Committee till the time when the date for the current session of the Vidhan Sabha was announced in press. All of a sudden the interest in the Sub-Committee report got revived and, as soon as the members of the Sub-Committee desired that the Report should be considered by the Committee, the Committee immediately took a decision to consider the same as an exclusive item of Agenda for its next meeting to be held on February 25, 1982. This meeting of the Public Undertakings Committee was attended by as many as 8 out of the 9 members of the Committee. During the course of the informal discussions among the members of the Committee lasting for well over an hour and a half when the Chairman of the Committee drew attention of the members of the Committee, on certain factual inaccuracies, sweeping generalisations and even incomplete sentences in the Report, what to talk of punctuations etc. etc. the members after mutual discussions finally decided unanimously that the main Committee itself would draft the report. As per the unanimous decision of the Committee, the Chairman of the Committee was to prepare himself for the job and the Committee was to devote full two days i.e. 3rd and 4th March for the purpose, so that the report of the Committee could be presented before the House during its forth-coming Session, which was to start from March 15, 1982. The Accountant General was specially requested to make himself available for such assistance to the Committee as the Committee may stand in need of, during those two days.

7. As per the proceedings of the meeting of the Committee held on 25th February, 1982 this unanimous decision of the Committee was :—

“The Committee informally discussed the report of the Sub-Committee in respect of general working of the Haryana Agro-Industries Corporation Ltd. and decided to draft its report on the 3rd and 4th March, 1982.”  
and the agenda issued for the meetings of Public Under-

takings Committee for 3rd and 4th March in pursuance thereof ran as under :—

**“Wednesday and Thursday the 3rd and 4th March, 1982**

1. Drafting of Report
2. Any other business with the permission of the Chairman.”

8. As the meeting of the Committee was to be held at 10.00 A.M. on 3rd March, 1982, the Chairman of Committee who was travelling from Delhi in a public vehicle, as a matter of precaution had a message conveyed to the Deputy Secretary, Vidhan Sabha, who is incidently the Committee Officer attached with P.U.C. to the effect that he was leaving Delhi and would definitely be reaching for the meeting and directed that in case of a little delay involved in such a journey, the meeting may not be adjourned. On arrival at Chandigarh at 10.50 A.M. he immediately had a second message sent to the effect that he had already reached here and was reaching the Vidhan Sabha within a few minutes. On arrival at the Vidhan Sabha, however, he found that the meeting had already been adjourned and the same Sub-Committee Report which, as per the unanimous decision of the main Committee taken on 25th February, 1982, could not be approved, was approved within minutes and the meeting adjourned. Secretary of the Committee informed that he could get the second message of the Chairman only after the meeting was adjourned. The Deputy Secretary also informed that his request for the adjournment of the meeting for some-time was not acceded to and the objections raised by Dr. Sukh Dev Singh another member of the Committee who had sought to remind the members present on the occasion of the unanimous decision of the Committee taken in its last meeting, were ruled out, and not even recorded. Meanwhile, Sh. Kanwal Singh had already assumed the Chair and was conducting the deliberations of the meeting of the Committee as acting Chairman. As per the record of the meeting it was at 10.30 A.M. that Sh. Kanwal Singh assumed the Chair and by 11.05 A.M. when the meeting was adjourned, the whole process of “Drafting the report on the general working of the Agro-Industries Corporation” was complete and the Report finalised and approved.

9. When the Committee again met on March 4, 1982 as per its agenda, these members insisted that since they have already approved of the Sub-Committee report, the issue could not be re-opened when once the report has been finalised and adopted by them. Having had their full say and, without letting others speak, they walked out of the meeting and, for want of the quorum, the meeting got adjourned. On various points raised in the meeting which again started after half an hour, the Secretary of the Vidhan Sabha, who was called in the meeting meanwhile, was examined at a length on various points raised by these members. With enough heat generated during the course of the discussions, a part whereof had to be expunged, the meeting came to an abrupt end.

10. This being the second determined bid on the part of the members of the Sub-Committee to impose their findings on the other members of the

main Committee, and to flout the unanimous decision of the Committee taken in its meeting on February 25, 1982, the Chairman of the Committee reported the matter to the Hon'ble Speaker and requested him for his decision and determination on the issue, as he deemed necessary under the circumstances. A copy of the Chairman's letter on the subject addressed to the Speaker is attached with the Report as Annexure "B". In the meanwhile, more than one members of the Committee had met the Hon'ble Speaker separately and, in small groups, and apprised him of their respective points of view in the matter and the Hon'ble Speaker finally decided to refer the matter back to the Committee under rule 226 (2) of the Rules of Procedure and Conduct of Business of Haryana Vidhan Sabha, and exhorted the members of the Committee to make yet another attempt to arrive at a unanimous Report.

11. Accordingly, in compliance of the decision and directive of the Hon'ble Speaker, the Committee was again called to meet on 18th March, 1982. During the course of Committee discussions, the Sub-Committee Report on the purchase of mangces by the Agro-Industries Corporation during 1981 about which the Sub-Committee in its Report had raised very strong objections and passed severe strictures on the conduct of certain members of the Purchase Committee, was taken up for purposes of verification of certain facts on the basis of which the Sub-Committee had arrived at certain conclusions and made certain determinations. For purposes of verification and ready reference, the Sub-Committee Report para on the subject is appended with this report as Annexure "C".

12. The Managing Director of the Corporation, who was summoned to the meeting, when asked to reconcile certain contradictions in the oral examination of the former Managing Director, ultimately, expressed his inability to do so and requested that, for that purpose, the former Managing Director who had deposed before the Committee should be summoned. Further, when the Managing Director was asked to produce a copy of the rules governing the formation and constitution of the Purchase Committee in the Corporation, the violation of which has been the moot and the basic point, repeatedly and pointedly stressed by the Sub-Committee in its Report under reference, he informed the Committee that there were no such rules requiring that, for a legal and valid constitution of the Purchase Committee the inclusion of the Managing Director therein was mandatory. Accordingly, the Committee decided that an urgent message should be sent to Shri Partap Singh, former Managing Director of the Corporation to make himself available to the Committee for clarification of certain points on which he had deposed before the Committee. It was also decided that for the purposes of convenience and ready availability of the relevant data, the Committee meeting next day should be held in the office of the Haryana Agro-Industries Corporation Limited, Sector-22, Chandigarh. The Commissioner and Secretary to Government, Haryana Agriculture Department was also asked to make himself available to the Committee so that the Committee could have before it a certain unified version of facts and their interpretation, representing the considered views of the Government so as to enable the Committee to proceed further in the matter.

13. During the course of the meeting, on a point raised to that effect by the Chairman, while Sh. Kanwal Singh, Convener of the Sub-Committee asserted that the total report on the Agro-Industries Corporation, as it stood then, had already been approved by the Committee



in its meeting held on March 3, 1982, the Committee officer contradicted Sh. Kanwal Singh on that count and stated that as many as 13 pages of the Report had never come before the Committee at any time during the course of its entire deliberations. It may be pertinent to remember that Sh. Kanwal Singh had earlier taken up the same stand before the Hon'ble Speaker in his Chamber in the presence of the Chairman of the Committee that the full Report, the publication of which they had been demanding for quite some time had duly been approved by them in their meeting on 3rd March 1982, already referred to. For the purposes of verification of facts contained therein those 13 pages were subsequently referred to Agro Industries Corporation, as to make the version up to date.

14. As per the decision of the Committee, certain specific issues were framed for the purpose of determination in the next day meeting of the Committee to be held at the Corporation office on March 19, 1982. An extract from the proceedings of the Committee meeting of March 18, 1982 relating to the same is appended as Annexure 'D'.

15. When in the meeting of the Committee held on March 23, 1982 in the office of the Managing Director Haryana Agro-Industries Corporation Sector-22 Chandigarh, the Commissioner and Secretary to Government Haryana, Agriculture Department gave a detailed account of the efforts which he had made in contacting Sh. Partap Singh, former Managing Director of the Corporation informing that, as per the latest information which he had received in this regard Sh. Partap Singh had expressed his inability to present himself in the meeting of the Committee at 3.00 P.M. being on tour and also having met a minor accident, not being wholly satisfied with the reasons and justification which led to the absence of the former Managing Director from the meeting of the Committee, the Committee specifically directed the Commissioner and Secretary to Government, Agriculture Department to ascertain whether there was really some such accident, making it impossible for the former Managing Director of the Corporation to undertake the journey and to present himself before the Committee, for purposes of deposition and submit his report to the Committee.

16. During the course of Committee's discussion on the subject the Commissioner and Secretary to Government Haryana, Agriculture Department was asked to reconcile the obvious contradictions in the deposition of the former Managing Director of the Corporation and give a unified version of facts and the interpretation thereof to the Committee so that the Committee could reach certain definite conclusions in this regard. As in the case of Managing Director in the Committee's meeting held the other day on March 18, 1982 in the Committee Room of the Haryana Vidhan Sabha Secretariat, the Commissioner and Secretary to Government, Haryana, Agriculture Department was also confronted with the following deposition of the former Managing Director of the Corporation before the Committee regarding the appointment, as also the legality of the Purchase Committee about which the former Managing Director of the Corporation had stated as under :—

“श्री प्रताप सिंह : सर, इसमें ऐसा है कि मैं आपको सही बात बताने में संकोच नहीं करूंगा और वह यह है कि एकचुली यह प्रचेज कमेटी ही नहीं बनी। जिस समय आम खरीद

कर लेना था उस समय एम० डी० और चेयरमैन साहब की आपस में डिस्कशन हुई और चेयरमैन साहब ने कहा कि साउथ से आम खरीद कर लाने हैं और इसमें 10-15 दिन लगे जायेंगे। उस समय चेयरमैन साहब का यह व्यू था कि मैं (एम० डी०) यहां रहूँ क्योंकि मैं (एम० डी०) कारपोरेशन का एग्जिक्यूटिव हूँ इसलिये कारपोरेशन की एडमिनिस्ट्रेशन की देखभाल करना बहुत जरूरी है इसलिये मैं यहां रहूँ। चेयरमैन साहब ने कहा कि मैं और दो तीन आफिसर्स आपस में मिलकर यह काम कर लेते हैं। तो मैंने (एम० डी०) यह बात स्वीकार कर ली और मैंने कहा कि ठीक है आप यह काम कर ले। फिर उसके बाद फाईल में रिकार्ड कर दिया गया कि यह प्रचेज कमेटी बना दी है और इस में निम्नलिखित सदस्य आम की प्रचेजिंग करने के लिये साउथ जायेंगे। उस समय मैंने फाईल में यह रिकार्ड किया था कि इस ट्रांजैक्शन से मेरा कोई संबंध नहीं है।”

17. When asked how he would interpret and react to the above said deposition of the former Director of the Corporation who was denying the very fact of the Mango Purchase Committee having ever come into being and admitting at the same time that he had approved of the same, at a little later in the same deposition, the Commissioner and Secy. to the State Government deposed as under :—

कटारिया साहब, आप सारी बात सुन चुके हैं। हम इस बारे में आपके विचार जानना चाहते हैं।

श्री कटारिया ने निम्नलिखित विचार व्यक्त किये :—

मैं इस बारे में क्लेरिफिकेशन देना चाहता हूँ। टेक्नीकली और लीगली किसी भी कमेटी को कांस्टीच्यूट करने का अधिकार बोर्ड को है लेकिन जहां तक मैनेजिंग डायरेक्टर को कमेटी कांस्टीच्यूट करने का अख्तियारता का ताल्लुक है वह उसी हद तक कमेटी कांस्टीच्यूट कर सकता है जिस हद तक बोर्ड ने उसको पावर दी है। अब जहां तक इस प्रचेज कमेटी को कांस्टीच्यूट करने का सवाल है इस बारे में चेयरमैन की तरफ से कुछ सजेशन दी गई और डिस्कशन करने के बाद मैनेजिंग डायरेक्टर ने उस पर दस्तखत कर दिये। अगर इसका स्ट्रिक्ट लीगल व्यू लिया जाये तो he should have recorded on the file that he did not approve of this committee and constituted a separate committee as he considered this committee to be unauthorised one. By signing he has, wittingly or unwittingly, become a party to the constitution and approval of this purchase committee. If the Managing Director had the guts, he should have gone on record and stated that he did not approve of this committee but once signed it, he has become a party to it. Now his later disassociation with whatever this purchase committee has done has no meaning. The Managing Director is competent to make the purchases upto 5 lakhs and above that, the Board is competent. The Managing Director was within his rights to record that he did not

approve of this purchase committee. He should have acted with some guts and faced the situation. He has later said that he disassociates himself from this purchase dealing but the things are still going on. Strictly speaking, it was his curious responsibility in this case. He has acted with dual policy. At one time, he is saying that he disassociates himself and at the same time, he is signing the cheques."

In the circumstance, however, the Commissioner & Secretary to Government, Haryana, Agriculture Department suggested that it would be better if the Committee examines Sh. Partap Singh, Ex-Managing Director in regard to the depositions made by him before the Committee to which the Committee agreed.

Thereafter, after some discussion and exchanges with the Chairman, all the members of the Committee, except the Chairman, left the place of meeting. The Chairman was left with no alternative but to adjourn the meeting.

18. During the course of examination of representatives of the Corporation, some of the pertinent facts which came to the notice of the Committee during the course of its examination of the Sub-Committee Report relating to the purchase of mangoes by the Corporation on which the said committee had based its findings and conclusions, were as under :—

#### A. Legality of Purchase Committee

Primarily relying on the deposition of the former Managing Director of the Corporation, the Committee had come to a definite conclusion that the Purchase Committee which had finalised the deal was not legally constituted. In its considered opinion, as per rules, the inclusion therein of the Managing Director of the Corporation was a must. During the course of the oral examination, the Committee was informed by both the Managing Director of the Corporation as also the Commissioner & Secretary to Govt. Haryana, Agriculture Department that no such rules governing the constitution of the Purchase Committee in the Corporation existed there which specifically required that Managing Director of the Corporation must be a member of the Purchase Committee, or else, the Purchase Committee itself would become illegal. The violation of such Rules was repeatedly stated and stressed by the former Managing Director, during the course of its deposition before the Committee, and the Sub-Committee own findings and conclusions on the same, bear unimpeachable testimony of the same.

#### B. Responsibility of the Managing Director

While the Sub-Committee had finally determined that, while constituting the Purchase Committee the Managing Director had absolutely no hand in appointment of Purchase Committee, from the record of the Corporation which the Committee examined in this regard, it finally emerged that the Managing Director had approved of the Sub-Committee in writing, after having agreed to its formation in his talks with the Chairman of the Corporation, and his reservations and disclaimer in this regard were the result of an after thought. The testimony of

the Secretary and Commissioner of the Deptt. on the issue as quoted above, is quite clear and categorical.

#### C. Chairman's association with Purchase Committee.

Not with-standing the propriety or otherwise thereof at the moment taking strong exception to the association and participation of the Chairman of the Corporation in the Mango Purchase Committee, the Sub-Committee Report on the subject had stated that "Previously no Chairman had ever associated himself for making the purchase of the mangoes like this". On ascertaining the facts, however it was found out that this again was not a fact since, even during the year 1980-81, the Chairman of the Corporation had gone in for the purchase of the Mangoes with a similar Purchase Committee. Unless there are other material facts reflecting on the integrity of the Chairman or his *bonafide* involvement in the deal, a suggestion by him for the formation of the Mango Purchase Committee and, even his subsequent association with the Purchase Committee, by themselves, may not be enough to lead us to any definite conclusions in this regard despite the fact that the wisdom of the Chairman associating himself with such a day to day commercial transaction, as also his approach to the discharge of his duties as Chairman by functioning at a lower administrative level may become open to question in the eyes of some.

#### D. Change in the terms of contract

The Sub Committee in its Report on the subject had commented regarding a certain change in the terms of contract by the Chairman of the Corporation on the phone and had demanded a thorough "Enquiry by the Government in the following transaction.

How and why terms of contract were changed and a reduction of mere rupees 100 per metric tonnes accepted on phone and why driage, spoilage enroute were accepted as the responsibility of the Corporation when in the original tender invited, this was to be responsibility of the supplier."

On persusal, it was found out however that no one, on behalf of the Corporation had agreed to the change of the terms of contract and driage & spoilage remained the responsibility of the supplier, as before. Over and above, through his telephonic conversations with the party concerned, the rate of mangoes was reduced from Rs 2,100 per tonne, as initially quoted in the tenders to Rs 2,000 P.M.T. As such there was absolutely no basis to infer, as the Sub-Committee actually did, that it was done on the consideration that, in lieu of, the Corporation will assume responsibility for driage and spoilage.

#### E. Over payment to the party

Regarding payment to the party from which the Corporation had purchased the mangoes, feeling deeply concerned with the deal, the Sub Committee in its Report had also stated as under :—

"Rs 1,97,425 has been released against the supply of 106.875 metric tonnes, against the receipt of only 102.985 metric tonnes. Responsibility for this over-payment must be fixed and the action taken intimated to the Committee."

On verification of facts, it was found out that this payment of Rs 1,97,425 was not made for the supply of 106.875 metric tonnes of mangoes as stated in the Sub-Committee Report but for 98 metric tonnes of Mangoes only. Far from being an over payment as stated in Sub-Committee Report, it actually turned out to be a case of under-payment. As stated by the representatives of the Corporation, driage and spoilage remained the responsibility of the supplier. The payment made did not even cover quantity of mangoes received by the Corporation from the party concerned at its Murthal Plant, after deducting the total quantity of driage and spoilage not only during the course of the journey, but also at site, after the mangoes were received at the plant. Over and above the Corporation retained a certain margin out of the total claim of supplier before making the payment. Under the circumstances the question of fixing responsibility for over-payment, as per the recommendation of the Sub-Committee Report, does hardly arise.

19. As some such facts as detailed above, started coming into light, one by one, with the process of examination going ahead, some of the members like Sh. Kanwal Singh, Sh. Sant Kanwar, Sh. Surender Singh etc. etc. who had signed the said Sub-Committee report and were pressing hard for its presentation before the House as such, lost their tempers and felt exercised over, as in some of the earlier meetings of the Committee, apparently fearing that if the process continued further, some such facts regarding other issues raised in their Sub-Committee Report which the main Committee was yet to take up after the conclusion of the examination of the first issue regarding the mango purchase, may not come to light which are bound to alter the very character of their report and damage its very creditability with the public in general, and this august House, in particular, and left the place in a huff and the meeting again came to an unpleasant and abrupt end.

20. Since, the Sub-Committee's Report on the issue of Mango Purchase, in the face of the above-said facts, could not stand a closer scrutiny by the main Committee during the course of its examination, and, diametrically opposite facts came to light which are bound to change the very texture of the Sub-Committee Report on the issue, we feel rather alarmed to imagine what a piquent and embarrassing situation the members of the Committee would have faced, if, as so, persistently and vehemently demanded by certain members of the Committee, particularly those who were the authors of the Sub-Committee Report on the issue. The Sub-Committee Report as taken to have been adopted by the Committee, as far back as Sept. 16, 1981, and, subsequently, on March 3, 1982 would have been presented to this august House and all the above said facts would have come to the notice of the House during the course of its discussions on the subject. In that case, it is quite evident that the Committee itself would have become a laughing stock in the eyes of the whole House and, the members of the Committee would have been made to stand in the dock. Squarely charged for misleading the House by making statements of certain facts which were not true and for concealing other facts which were found out to be true, the members of the Committee may well have been called upon to defend their own conduct before the bar of the House and, the issue may well have been referred to the Privileges Committee of the House for a certain determination.

thereon, now or even, some time later. Even for the House itself this would have created a very uneasy and unprecedented situation as to what to do with such a document of doubtful veracity, since such reports of the House Committee's are normally taken as having been adopted by the House as a matter of course. In the face of contradictory facts coming before it regarding a certain issue contained in the Report under reference, this simply would have been impossible for this august House to do so.

21. If, the result and outcome of the Committee's examination of the Sub-Committee Report on the mango purchase as detailed above, is to be any guide, then there is no reason to believe, that, if the main Committee would have been allowed to take up other issues mentioned in the Sub-Committee Report, there would not have been some such material changes in respect thereof, as well. Though it must be said to the credit of all members of present Committee that, barring only this issue of the Agro-Industries Corporation, the Committee has never had any difficulty in working together as a team, at any time, and this issue of the Agro-Industries Corporation was the only issue which has put such a heavy strain on the working and functioning of the Committee and created such a deadlock. As the normal conduct of the meetings of the Committee on this issue, having been rendered difficult, rather impossible, with lot of interruptions and still more detractions, almost at every point of time & all along the way, it would be impossible for us to reach any definite conclusions or to make any final recommendations till the evidence on which those recommendations are primarily to be based, has been duly sorted out, more so because of the fact that, there being lot of politics in the working of Agro-Industries Corporation itself, as is so well-known to everybody, different statements given by different persons, cannot be taken on their face value and with a certain grain of salt. We earnestly feel that it would certainly not behave us as members of the Committee or as members of this august House if, under whatever pressure or compulsions, we are 'ed to pass any sweeping or hasty judgement, either on the working of the Corporation itself or on the public conduct of its top functionaries without going deep into relevant facts since there are obvious hazards involved in according such a matter a summary or casual treatment. However, in view of the fact that the issue of the Committee's Report on the working of the Agro-Industries Corporation has already generated lot of heat and interest in certain quarters, we would recommend hereby that, the whole proceedings of different meetings of the Public Undertakings Committee of the House on the working of the Agro-Industries Corporation be published. If to do so was not found to be feasible or advisable at the moment for whatever reason, the same may be thrown open to the Hon'ble Members of this august House, as also to the press, so as to afford them an opportunity of knowing the truth and nothing but the truth—with regard to various issues raised in the Report under reference, or in the alternative, the issue may well be referred back to the new Committee on Public Undertakings.

Sd :

1. Sumér Chand Bhatt.
2. Peer Chand.
3. Sukhdev Singh.
4. Rajinder Singh.

## ANNEXURE "A"

Extract from the proceedings of the meeting of P.U.C.  
held on September 16, 1981

**चेयरमैन :** अगर कमेटी इस बारे में सीरियस है कि कार्पोरेशन में घपला हुआ है तो यह बात यहीं पर खत्म नहीं होनी चाहिए। जिस प्रकार इन लोगों को मौका दिया है उसी प्रकार से जिस आदमी ने घपला किया है उसे भी मौका दिया जाना चाहिये ताकि यह पता लग सके कि कौन राही है और कौन गलत है। हमारे सामने दो पार्टीज है। कोई भी निर्णय करने से पहले हमें दूसरी पार्टी को भी यहां बुलाना चाहिये। दोनों पार्टीज की ऐबी-डैन्स लेने के पश्चात फैसला लेना चाहिये।

**श्री कंवल सिंह :** चेयरमैन साहब, मैं आपकी सारी बात को मानते हुए यह कहना चाहता हूँ कि जितना रिकार्ड हमारी सब कमेटी के सामने आया है उसके बेसिज पर हमने पावर एक्सर-साइज की है। मैं सब कमेटी की एक इन्टरम रिपोर्ट आपके सामने पेश करना चाहता हूँ। मैं यह भी प्रोपोज करना चाहता हूँ कि this may be considered and accepted because it is also our responsibility being representatives of the House here. I presided over the meetings on the two occasions to discuss this grave matter of Haryana Agro Industries Corporation. As such I would submit to the Committee that this report may be accepted and presented to the House as interim report.

**चेयरमैन :** सैक्रेटरी साहब आप इस रिपोर्ट की कापियां करवा कर मैम्बर साहेबान को दे देना।

**श्री कंवल सिंह :** अगर आप इस रिपोर्ट को आज एक्सपैंड नहीं करते तो फिर तो हम कम्प्रीहेंसिव रिपोर्ट देंगे।

**चेयरमैन :** जो रिपोर्ट किसी मैम्बर ने न पढ़ी हो, उससे मंजूरी लेना तो मजबूर करने वाली बात है।

**श्री कंवल सिंह :** इसलिये हमने कहा था कि कमेटी की मीटिंग सुबह रख लेना ताकि मैम्बर साहेबान रिपोर्ट को भी स्टडी कर लें और जो एजेंडे पर काम था उसको भी निपटा लें। हमारी इच्छा यह थी कि यह रिपोर्ट हाऊस में पेश की जाए।

**चेयरमैन :** सैक्रेटरी साहब, सब कमेटी की जो रिपोर्ट है इसकी कापियां करवा कर आप मैम्बरज को दे देना ताकि वे इसे स्टडी कर लें। उसके बाद अगर हमें सेशन के दौरान भी बैठना पड़ा तो हम बैठ जायेंगे। We shall certainly go into it.

**Sh. Surender Singh :** If it is adopted, do you think that you will be able to lay it on the Table of the House next day ?

**चेयरमैन :** अगर कोई दिक्कत न आई तो कर देंगे ?

**Secretary :** Sir, in this regard, I want to quote about the "Preparation and Presentation of Report" from Kaul and Shakhdar Book which reads thus :—

"After the examination of a subject has been completed, the Committee frames its conclusions and recommendations for inclusion in the report. On the basis of these conclusions and recommendations, a draft report is prepared by the Sectt. After the Chairman's approval it is circulated to the members of the Committee and considered at a sitting held for the purpose.

Advance copies of the report, as adopted by the Committee are marked "Secret" and sent to the Ministry and Undertaking and also to the Accredited Division of the Ministry of Finance for verification of factual details. Portions of the report which are based on or are related to audit paragraphs are sent to the Comptroller and Auditor General for factual verification....."

**श्री सुरेन्द्र सिंह :** कौल एण्ड शकधर की बुक में यह भी है कि जो मैजोरिटी फैसला कर देगी वही लागू होगा ?

**श्री कंचल सिंह :** जब हाउस किसी रूल को सस्पेंड करके कार्यवाही कर सकता है तो कमेटी भी ऐसा कर सकती है। Whatever has been read is not a rule.

These are based on conventions. आपकी कमेटियों की फंक्शनिंग वह नहीं रही जो आप पढ़ रहे हैं। जो अभी पढ़ा गया क्या यह न मंली आप लोगों ने अपनाया है ?

**चेयरमैन :** फाइनल फैसले का तो फुल कमेटी का अख्तियार है। यह अभी सब कमेटी को इन्टैरम रिपोर्ट है। अगर सब कमेटी यह महसूस करती है कि उसने अपना काम कर दिया है तो वह अपनी रिपोर्ट में कमेटी को सबमिट कर दे। उसके ऊपर आगे कार्यवाही तभी होगी जब कमेटी इसको स्टडी कर लेगी।

**सचिव :** एक बात मैं अर्ज करना चाहता हूँ कि आज इनकी स्टेटमैट क्लोज कर रहे हैं। इसी दौरान में सब कमेटी भी बैठ ली और उसने अपनी रिपोर्ट भी दे दी। फुल कमेटी ने उसको कंसीडर भी कर लिया और एडाप्ट भी कर लिया तथा हाउस में दे दे तो यह प्राइमरी फेसी लगता है।

**श्री कंचल सिंह :** यह फाइनल रिपोर्ट नहीं है, यह तो इन्टैरम रिपोर्ट है। जो मैजोरिटी सब कमेटी के सामने आया उसके आधार पर यह रिपोर्ट दी है।

**चेयरमैन :** अभी में कमेटी को कुछ पता नहीं कि इस रिपोर्ट में क्या रिव मैडेशन है। इसका क्या सब्जेक्ट मैटर है और उस सब्जेक्ट पर हमने कितना क्रास एग्जामिन कर लिया है



और कितना बाकी है, यह देखना है। इसलिये बगैर रिपोर्ट को स्टडी किये फर्दर एक्शन नहीं हो सकता।

**श्री सुरेन्द्र सिंह :** इस विषय पर कमेटी ने सारा क्रास एग्जामिनेशन किया हुआ है।

**श्री सुखदेव सिंह :** जो सब कमेटी ने रिपोर्ट बनाई है मैं इसको पढ़ना चाहता हूँ। मेरी यह सबमिशन है कि अगली मीटिंग से पहले हमें इसकी कापी मिल जानी चाहिये।

**श्री भले राम :** आप एक घंटा और लगा कर इस रिपोर्ट को पढ़ लो।

**श्री सुरेन्द्र सिंह :** मैंने सारी बात देख ली है। कौल एण्ड शकधर की किताब भी देख ली है। हम इस किताब से इसलिये सहमत नहीं होते कि जो प्रोसीडिग्स हमारी मीटिंग में होती है उस बारे में हम लोक सभा या राज्य सभा को फालो नहीं करते। जो रिपोर्ट पेश की गई है मे इसको सैक्रिन्ड करता हूँ क्योंकि मेन कमेटी ने पहले महकमे को क्रास एग्जामिन कर लिया है और सब कमेटी को जो रिकार्ड दिया उसके बेसिज पर हमने यह सारी रिपोर्ट तैयार की है।

**श्री संत कंवर :** मेन कमेटी ने जिन इशूज पर महकमें का ओरल एग्जामिनेशन किया था उन पर रिपोर्ट बनाने के लिये एक सब कमेटी बनाई गई थी। सब कमेटी ने अपनी रिपोर्ट दे दी है और सब कमेटी की रिपोर्ट को पास कर दिया जाए।

**चेयरमैन :** जिस चीज के बारे में हमें एक लफज भी नहीं पता है उसके बारे में कहा जा रहा है कि उसे अडाप्ट कर लिया जाए।

**Sh. Surender Singh :** This Committee has examined them thoroughly.

**Sh. Kanwal Singh :** This august body made a sub-committee fully authorising it to submit its report. The report is here and now it is only to be considered. This committee may read and take it as passed.

**श्री सुरेन्द्र सिंह :** आप इस पर वोटिंग करवा लो।

**श्री संत कंवर :** अंडर रूल 208 कमेटी की रिपोर्ट पास की जाये।

**श्री सुरेन्द्र सिंह :** चेयरमैन साहब, आप रूल 208 पढ़ लो। एक क्वेश्चन कमेटी के सामने आया जो हमने डिस्कस किया। जिन इशूज पर हमने ग्रहणों को एग्जामिन किया वह रिकार्ड आपके सैक्रेटरी के पास है। हमारी कमेटी की रिपोर्ट केवल उसी पर आधारित है। अब आप कानून के मुताबिक बताएं कि यह एडाप्ट की जानी चाहिए या नहीं।

**चेयरमैन :** अगर मेन कमेटी ने कोई सब कमेटी बनाई है और उसको कोई काम दिया है तो सब कमेटी को इतना अधिकार है कि वह अपनी रिपोर्ट सबमिट कर दे।

श्री कंवल सिंह : आप इस कमेटी के पहले भी चेयरमैन रह चुके हैं। Have you ever in the last two years got such report passed by the Committee ?

Mr. Chairman : Yes.

श्री सुरेन्द्र सिंह : मेरी गुजारिश यह है कि यह सारा मामला डिस्कस हो चुका है इस लिये अब इस पर वोटिंग करवा लो ।

चेयरमैन : हमें यही नहीं पता कि इस रिपोर्ट में क्या है ?

श्री कंवल सिंह : सैक्रेटरी साहब, आप इस पर मैम्बर्ज की राय ले लो ।

श्री सुखदेव सिंह : मैं तो इस पर पढ़ कर राय दूंगा ।

श्री कंवल सिंह : आप इस पर वोटिंग करवा लो ।

Mr. Chairman : The meeting stands adjourned.

(The Committee then adjourned)

## ANNEXURE—B

To

The Hon'ble, Speaker,  
Haryana Vidhan Sabha,  
Chandigarh.

Sub :— Drafting/finalisation of the \*Fifth Report of the Committee on Public Undertakings relating to general working of the Haryana Agro-Industries Corporation.

Sir,

I trust, you will kindly recall that during the last Vidhan Sabha Session, some members of our Committee on Public Undertakings had made certain allegations against the undersigned to the effect that he was not allowing them to present the Committee's Report on the general working of the Haryana Agro-Industries Corporation to the Vidhan Sabha. It was indeed so kind of you to have advised those members to see that no element of party politics was injected into the deliberations of the Committee. Of course, earlier to that, I had taken the opportunity of bringing certain facts regarding the proceedings and deliberations of some of the meeting of the Committee to your kind notice. For purpose of recollection, I may have the opportunity of submitting that when the oral examination of representatives of the Haryana Agro-Industries Corporation was just midway, in a meeting held on 19-8-1981, presided over by Sh. Sant Kanwar, a member of the Committee, when I was away on a visit to different States as acting Chairman of the Committee on Subordinate Legislation, they had a Sub-Committee consisting of Sh. Kanwal Singh as Convenor and Sh. Surender Singh and Sh. Sant Kanwar as members formed to draft an interim report on the working of the Haryana Agro-Industries Corporation and in the meeting of the Committee held on 16-9-1981, when the oral examination of the representatives of the Corporation was still going on, Sh. Kanwal Singh, convener of the sub-committee informed that they had the report ready. I asked the Secretariat to get the copies of this report circulated amongst the members of the Committee. Sh. Kanwal Singh thereafter stated that he wants to move that the report should be taken as having been read out and approved by the full Committee. When I asked how it could be done without giving any opportunity whatsoever to the members of the full committee even to know even a word of what the report was and how could it be adopted in that manner and at that time, they threatened that they would do so by majority of votes and when some heated exchanges followed, I had the meeting of the Committee adjourned. Thereafter some of these friends had their signatures appended to the Report and had the same handed over to the Secretariat and demanded that the same should be presented to the House. Since this could not be done, Sh. Kanwal Singh had the issue raised in the House to which you yourself had made a very befitting reply in your observations in the House.

After a lapse extending over months when again the decision for holding the forthcoming session of the Vidhan Sabha became

---

\*Subsequently termed as Sixth Report.

known, all of a sudden, there was again a demand from these friends that the report should be approved so that it could be presented in the forthcoming session. Accordingly the subject was taken up as the exclusive agenda item and in view of the earlier background as also the delicacy involved therein, the sub-committee's report was considered informally at length when as many as 8 members of the Committee out of nine were present including S/Sh. Kanwal Singh, Sant Kanwar, Bhalle Ram & Shuv Parshad etc. etc. After giving a number of illustrations from the sub committee's report where apart from very sweeping generalisations at a number of places, grammatic mistakes and even incomplete sentences, I explained that the Sub-Committee's Report, if adopted as such, would make the whole Committee a laughing stock in the eyes of the whole House when it was ultimately presented or discussed in the House since both in its style and contents, it was so unlike that the Report of this Committee or even other Committees which are normally presented to the House. After thorough discussion, it was ultimately decided that the whole Committee itself would draft the said report and the undersigned was requested to prepare himself for the purpose when the Committee met next on March 3 & 4, 1982, exclusively for the purpose. Accordingly I made a special request to A.G. to make himself available on the occasion for necessary advice and help.

On the eve of the meeting of the Committee on the 3rd March, 1982 while starting from Delhi early in the morning, I had telephonic message conveyed to Deputy Secretary at his residence that I shall definitely be reaching for the meeting and since, I was travelling by a bus and the weather that day was quite foggy, I also conveyed that in case of some delay, the meeting should not be adjourned. I reached Chandigarh by about 10.15 A.M. and immediately thereafter again rang up the Vidhan Sabha Secretariat at 10.25 A.M. (Sh. Kuldeep Singh) asking him to convey that I had already reached Chandigarh and was reaching the Vidhan Sabha within a few minutes. When I came to the Vidhan Sabha to attend the meeting of the Committee, I was told that the meeting was already over and the Report of the Sub-Committee which as per the decision of the Committee taken in its meeting held on 25-2-1982, had virtually been disapproved and had been formally adopted within few minutes and the meeting adjourned. Thus rather than taking up the drafting of the report as per the agenda fixed for the meeting, the Sub Committee's Report which the main Committee had, in fact, already discarded was taken up and passed as having been approved after making a few amendments here and there which were not of much consequence.

On enquiry, the undersigned was informed that his second message could reach the Deputy Secretary at 11.05 A.M. when the meeting was already over.

When the Committee met on March 4, 1982 and on the observations made by the undersigned the discussions started as to the disposal of the agenda fixed for the meeting in its meeting of March 3, 1982, Dr. Sukhdev Singh complained that his observations voicing opposition to any sudden change in the fixed agenda of the meeting, as per the decision of the Committee had not been recorded. Subsequently, it became also known that no verbatim record of the

proceedings of the meeting when the Committee was stated to have taken up the "Consideration of the draft report presented by the Sub-Committee item wise and finalised the same" had been kept. Informal discussions among the members apart, it is strange, that when the Committee started its formal deliberations at about 10.30 A.M. which went on upto about 11.00 A.M. as per the version given, there should be no record of those formal proceedings. The office, however, explained that they had only recorded the final decision, as per the practice followed in this regard.

As the discussion in the meeting proceeded, S/Shri Kanwal Singh, Sant Kanwar, Bhalle Ram, Surender Singh and Shiv Parshad after having their say left the meeting and for want of the necessary quorum, the undersigned adjourned the meeting for half an hour. The discussions were resumed in this meeting when the Committee met thereafter which was also attended by the Secretary of the Vidhan Sabha. After having their say and examining the Secretary on a number of points persistently raised by them and without letting others to have their say, they again left the meeting, leaving the discussion inconclusive.

Thus the moot point as to whether under rules governing the Conduct of Business of the Vidhan Sabha and its Committee, any abrupt change in the agenda of the meeting from "Drafting of Report" as per minutes of the Committee meeting held on Feb. 25, 1982 and as per the formal agenda issued on "Drafting of Report" in compliance thereof, to "consideration of this Report presented by the Sub-Committee and finalisation thereof," was permissible a fact that had a direct bearing on the validity and legality of the whole proceedings and deliberations remained to be determined. Under the circumstances, since the whole conduct of the deliberations of the meeting of the Committee held on March 3, 1982 involves certain very vital questions of both the procedure and propriety, I deem it my duty to refer the whole case to your goodself for such determination as you may deem fit. Out of the nine members of the Committee, as many as five members of the Committee including Ch. Sant Kanwar had no prior notice or knowledge what the Committee was eventually to decide or approve.

May I submit as you will kindly remember, I did last time, that all along my whole anxiety in this matter has been that any report presented to the House by the Committee should reflect a certain amount of objectivity and a judicious and balanced approach and should be free from any bias or pre-conceived notions, for too evident and marked in the present case, so that it enhances the dignity of the House and follows the decorum underlying the working and functioning of the Committees and considerations of party politics should be kept away from its deliberations and decisions.

Under the above said circumstances, I refer the matter to the Hon'ble Speaker under rule 226(2) for issuing direction that since the correct procedure has not been adopted in drafting and finalising the Report, it may be re-referred to the Committee for consideration and finalisation, it may also be pointed out that the budget session is likely to remain atleast upto 31st March, 1982 and there can be

more sittings of the Committee for its finalisation and I assure that above said report as finalised after reconsideration can certainly be presented to the House during this very session.

Thanking you,

Yours faithfully,  
Sd/-  
(Sumei Chand Bhatt)  
Chairman,  
Committee on Public Undertakings

## ANNEXURE "C"

---

**Constitution of a Committee  
for the Purchase of Mangoes .**


---

The Committee was alarmed to know that the Murthal Plant is running in loss. On an enquiry from the Corporation the following figures of year-wise loss were supplied to the Committee as under :—

Year	Rs. in lakhs
1974-75	2.79
1975-76	8.89
1976-77	10.16
1977-78	1.22
1978-79	16.47
1979-80	16.56 (Tentative).
1980-81	19.00 (Tentative)

During the course of oral examination, it was pointed out to the Committee that previously the source of purchase of mangoes used to be by inviting tenders from the dealers but later on this process of inviting the tender was abandoned and a Committee was constituted. The Committee enquired from the representatives of the Corporation as to why this old practice of inviting the tenders was given up and what were the reasons for constituting the purchase Committee ? The Managing Director of the Corporation informed the Committee that he has got no hand in constituting the Committee. He further stated that as a matter of fact the purchase committee was never constituted, as per the requirement of rules. The Chairman of the Corporation directed the Managing Director that he need not be associated with the purchase committee because as an executive head of the Corporation he has to perform number of other important duties of the Corporation and it will not be in the interest of the Corporation that Managing Director should be absent from the Corporation for a period of one to two weeks for that purpose. The Chairman constituted a Committee of three members as follows :—

1. Swami Aditya Vesh, Chairman;
2. Sh. E.C. Peter, Chief Engineer and
3. Sh. Daksh Kumar, Accounts Officer.

The Managing Director further informed the Committee that previously no Chairman had ever associated himself for making the purchase of mangoes like this. The Committee was also informed that as per rules, the Managing Director had to be one of the members of the purchase committee. The Committee enquired from the Managing Director that when the Committee was not constituted legally or as per the requirements of the rules, then how as an executive head he will release the payment for those mangoes which will be purchased by the above mentioned Committee and how far he will

be responsible ? The Managing Director deposed before the Committee that since he was not associated with the dealings, as a civil servant he will be first person to disassociate himself from these dealings but however since the Committee was headed by the Chairman of the Corporation he has to believe whatever this purchase committee does and he has to pass those bills for payment. He further deposed that the entire responsibility will virtually be shifted to the persons who have gone and conducted the transactions. His duty is just to release the payment as have been certified by them. The Managing Director also informed the Committee that the Managing Director works within the powers delegated to him by the Board of Directors. Now the Chairman of the Corporation is the Chairman of the Board of Directors and it is very difficult for the Directors of the Board to simply confront with the view of the Chairman of the Board of Directors. The Managing Director can only point out that such and such is the requirement of rules. On a question being put to the Managing Director that suppose the Board of Directors disapprove of this purchase committee, what will be the position of the Corporation ? There was no specific answer with the Managing Director. However, he simply stated that he would disassociate himself from these purchases made by the purchase committee duly constituted by the Chairman only. The Committee does not accept the deposition of the Managing Director in the matter of absolving of all responsibility. The Committee feels that being the Chief Executive of the Corporation, all responsibility and authority rests on his shoulder till such actions of the Chairman are either already approved by the Board of Directors or approved subsequently but before any financial commitment is made. The Committee agrees with the view of the Secretary to Govt. Haryana Agriculture Department that the total responsibility and powers of the day to day functioning of the Corporation is of the Managing Director as Chairman of the Corporation has got little powers as far as day to day functioning of the Corporation is concerned. It is also further pointed out that the powers of Chairman and Managing Director are very clearly defined. In this respect reference is made to clause 4 of Memo No. 12/6/78-A dated 15th June, 1978 from the Chief Secretary to Govt., Haryana. The Managing Director cannot absolve himself of responsibility merely by stating that he has noted his objections on the file

The Committee is pained to observe that no rules and regulations and norms of purchase have been adopted by the present Chairman of the Corporation. The Managing Director specifically brought to the notice of the Chairman of the provisions of rules and regulations for the purchase of mangoes which were grossly violated by the Chairman of the Corporation by not observing them in letter and spirit. As per the requirements of the rules, the Managing Director should have been a member of the purchase committee which was not done.

The Committee notes with a sense of surprise how Shri Daksh Kumar who was held primarily responsible for embezzlement of Rs. 10289.60 was included in this purchase committee. His inclusion in such committees which involve transactions of big amounts of money on behalf of the Corporation gives doubt for the *bona fide* of the constitution of such committees,



The Committee, therefore, strongly recommends to the Government that a thorough enquiry may be conducted by the Govt. in these following transactions.

How & why terms of contract were changed and reduction of mere Rs. 100/- P.M.T. accepted on telephone and why was driage and spoilage enroute were accepted as the responsibility of the corporation when in the original tenders invited this was to be the responsibility of the supplier and the weighment was to be taken at the Murthal Plant instead of at the despatch point ? Were these terms and conditions approved by the Board of Directors and as also whether a formal purchase order was placed with the firm ?

The Committee is also pained to note that a sum of Rs. 1,97,425 has been released against the supply of 106-876 M.T.s against the receipt of only 102.985 M.T.s Responsibility for this overpayment must be fixed and action taken intimated to the Committee.

The Committee further recommends to the Govt. that it must ensure that such recurrences do not take place in future and proper norms are fixed for purchase, receipt of material and release of payment.

## ANNEXURE "D"

Extract from the proceedings of the meeting of Public Undertakings Committee held on March 22, 1982

जब चेयरमैन ने यह स्पेसिफिक सवाल एम० डी० से पूछा कि वे कौन से रूलज है जिन के मुताबिक एम० डी० का प्रचेज कमेटी में होना लाजिमी है तो समिति को बताया गया कि कोई ऐसे रूलज नहीं है। कमेटी को प्रिवियस एम० डी० (श्री प्रताप सिंह) ने बार-बार कमेटी के सामने डिपोज किया था कि रूलज के मुताबिक एम० डी० को प्रचेज कमेटी में होना चाहिये था। इसलिये कमेटी ने फैसला किया कि प्रिवियस एम० डी०, श्री प्रताप सिंह को कमेटी के सामने बुलाया जाये जिससे कि बता सके कि वे कौन से रूलज थे जिनकी वाएलेशन उस समय हुई।

समिति द्वारा बनाए गए मुख्य प्वाएंट्स

समिति ने निम्नलिखित प्वाएंट्स फेम किए जिन पर एग्री इण्डस्ट्रीज कारपोरेशन के अधिकारियों के साथ अगली मीटिंग में डिस्कशन होनी थी :—

- 1—जो एफर्ट इस कमेटी को कास्टीच्यूट करने की ओर कमेटी को वहां भेजने की इनिशिएट की गई उसमें किसी आदमी का मोटिव तो नहीं था।
- 2—जो उस वक्त के हालात थे क्या उनमें किसी आदमी की ओवरएग्जाएटी तो नहीं झलक रही थी ?
- 3—जो प्रचेज कमेटी बनी थी उसका अण्डरलाइन आडिया था कि उस प्रचेज कमेटी में एम० डी० रखा जाये और एज पर रूलज रखा जाना चाहिये था लेकिन उसको एलिमिनेट कर दिया गया ?
- 4—जो मोड आफ प्रचेज कमेटी ने एडोप्ट किया वह भी हमको देखना चाहिये ?
- 5—जो प्रचेज कमेटी ने टर्म्ज एण्ड कंडीशंज सैटल की, क्या वे कारपोरेशन के लिये फायदेमन्द थी या नहीं ?
- 6—जो तय किया गया उसको बदलने में कोई इररैगुलैरिटी तो नहीं हुई और उसका ओवरअल असर क्या हुआ ?
- 7—उसके बाद जो एक्च्यूअल ट्रांजैक्शन हुई उससे ओवरअल फायदा हुआ या नहीं हुआ ?
- 8—जो एक्च्यूअल पैमेंट हुई वह किस बेसिज पर हुई ?
- 9—प्रचेज कमेटी की कास्टीच्यूशन में क्या किसी आदमी को एक्सक्लूड करके किसी ऐसे आदमी को इंकलूड किया जा सकता है जिसकी इंटेग्रिटी पहले ही डाउटफुल हो ?

- 10—जिस प्वायंट आफ टाईम पर मैंगो प्रचेज करने के लिये कमेटी गई उस वक्त कारपोरेशन के पास कोई फर्म आर्डर था जिसको फुलफिल करने के लिये मैंगो की अरजेंट और इमिजिएट जरूरत थी ?
- 11—बाहर की पार्टी को मैंगो सप्लाई करने की कमिटमेंट थी यह फैक्ट कमेटी के सामने आना चाहिए ।
- 12—उस वक्त आपके पास कितना मैंगो स्टॉक में था और कितना प्रचेज करने का एस्टीमेट बना था ?
- 13—कमेटी को बताया गया है कि पिछली बार भी ग्राम प्रचेज करने के लिये प्रचेज कमेटी गई थी । उस वक्त कितने टैन्डर्ज आए थे ?
14. Basis in regard to the total process of payment ?

#### अगली बैठक

समिति ने निर्णय लिया कि उसकी अगली बैठक कल दिनांक 23-3-1982 को 3-00 बजे हरियाणा एग्री इण्डस्ट्रीज कारपोरेशन के कार्यालय में होगी । कमेटी ने यह भी निर्णय लिया कि उस मीटिंग में श्री प्रताप सिंह, एक्स एम 0 डी 0, हरियाणा एग्री इण्डस्ट्रीज कारपोरेशन को बुलाया जाये और उनको कहा जाए कि जिन रूलज के तहत प्रचेज कमेटी में एम 0 डी 0 का होना लाजिमी था उन रूलज की कापी लेकर कमेटी के सामने आए । समिति ने यह भी निर्णय किया कि कल की मीटिंग में श्री एल 0 डी 0 कटारिया कमिशनर, एण्ड सैक्रेटरी, एग्रीकल्चर डिपार्टमेंट, हरियाणा सरकार को भी बुलाया जाए ।

(तत्पश्चात् समिति की बैठक स्थगित हो गई ।)

**Findings/Observations/Recommendations approved by the Members present in the meeting on 3-3-1982**

Foreign tours of the Chairman of the Corporation

The Chairman (Swami Aditya Vesh) of the Corporation undertook two foreign trips to participate in the fair and with the declared intention to secure the contracts for the Agro-Industries Corporation in respect of mango-pulp juices etc. The Chairman undertook the trips of the following countries :—

First journey : January—Feb., 1980 U.K., Germany and France.

Second journey : March—April, 1981. Saudi Arabia, Italy, West Germany, U.K., U.S.A., Japan & Thailand.

It was also stated before the Committee by the representatives of the Corporation that no contract was executed finally by the Agro-Industries with the firms of the above mentioned countries. By not doing so the Corporation has been brought into a great loss. Against a total export order of Rs. 9.17 lakhs as obtained in the contract, the Corporation executed only worth Rs. 33,000/-. The claim of the Corporation of the profit of Rs. 10475.47 looks very much exaggerated on the face of it and in view of the dilatory and evasive replies submitted by the Corporation, the Committee is apprehensive of the actual profit accruing to the Corporation. Out of this export the second consignment amounting Rs. 15153.60 on 90 days credit basis was unauthorised and no payment has totally been received against the consignment. The demurrage on this consignment has not been computed while giving the figure of profit. The Committee has been misled on this score. However, considering the amount of Rs. 41390.80 paise spent on the tour of the officers all-in-all it is a big loss to the Corporation and it is recommended that the responsibility for this mismanagement and the loss be fixed and the Committee be informed accordingly.

The Committee is of the strong view that till such time the Corporation expands its production and activities to a very big scale, all exports should be routed through the State Trading Corporation of India and unnecessary expenditure of the foreign trips of officers/officials who are not competent or qualified in the field of marketing be discouraged in future.

It was also stated before the Committee that the Chairman did not take any qualified/competent officer of the Corporation along with him to execute these contracts on the second tour. The Committee observed that neither the Chairman is a technically qualified person nor expert in marketing affairs and by not taking a qualified staff, the Committee doubts the very bonafide of the Chairman while undertaking this tour.

The whole matter of signing of contract in the second tour of the Chairman smells of fishy and malafide deals. It is doubtful if he had the authority to enter into the deal on negotiated basis. The replies received from the Corporation to the Committee's queries dated the 19th & 20th August are totally evasive and misleading. A

contract for supply of products to Saudi Arabia with a big sum of Rs. 3 07 crores was entered into. Had the price list of the Corporation been adhered to, this contract should have fetched Rs. 1.25 crores more to the Corporation. Ironically this price list was given on no profit no loss basis. Had this contract matured the Corporation would have suffered loss of Rs. 1.25 crores apart from the expenses incurred on the Chairman tour.

The Committee feels that the so called contracts are only used as a mean to make foreign jaunts at the expenses of the public exchequer by making misuse of the higher offices that are occupied by the Chairman and Managing Directors and recommends detailed investigation and report to the Committee.

It was further stated by the Corporation representatives before the Committee that it is not the duty of the Corporation to have a clear cut accounts from the Chairman of his T.A. and D.A. It was also stated before the Committee that the Chairman of the Agro-Industries Corporation did not submit to the Corporation the final accounts of the expenditure incurred by him during the course of his second foreign tour. It was admitted by the representatives of the Corporation that according to rules the accounts should have been submitted to the Corporation. This Chairman has not complied with the rules and instructions of the Corporation with regard to the second tour.

The Committee does not accept the stand of the Corporation and feels that the rules wherever they are transgressed upon should be quickly and effectively dealt with irrespective of the status of the officer. The Committee feels pertinent to point out that financial rules clearly state that in case of such non-compliance of the rules, further payments to the defaulting officer be withheld. The Committee recommends compliance of these financial rules in future strictly.

The Committee further recommends to the Government that the Chairman of the Agro Industries Corporation may be asked to submit the accounts of T.A. D.A. if he has not done so and the Committee be informed accordingly.

The Committee, after hearing the views of the representatives of the Corporation and the Govt. came to the conclusion that in future only those officers who are fully conversant with the trade matters may be allowed to undertake the tour of the foreign countries strictly and judiciously. The Committee failed to understand as to what weighed with the Govt. to sanction the tour of the Chairman alone who is purely a layman from technical and business point of view. The Committee smacks the favouritism done to the Chairman by the Government. The Committee strongly recommends to the Govt. that in future the foreign tour of only those officers who are technically qualified and conversant fully with the trade matters may be sanctioned judiciously. The Committee further recommends to the Govt. that the Agro-Industries Corporation should fully utilise the facilities being provided by the State Trading Corporation of India with regard to foreign trade matters. Steps taken by the Corporation in this regard may also be intimated to the Committee for its information.

**Delicia Plant  
at Murthal**

The Committee paid a visit to the Delicia Plant at Murthal on 27-8-81. The Committee took a round of the Plant and observed the following :—

1. The Plant is located in the proximity of the national capital i.e. Delhi and the Committee feels that this plant can earn a huge profit by making a supply of its products to Delhi besides Haryana and other States.

2. The Committee observed that the plant is located at a very strategic and important point and has also got large area for further expansion if need arises.

3. The Committee was pained to observe that the raw material for making Delicia in the Plant i.e. mangoes which are purchased from various places particularly from the Southern States were stored in a very bad condition and no proper system of preserving these mangoes has been adopted by the Corporation.

4. The Plant has adopted a system to store the mango pulp in the bottles and keep them in the storage prescribed for the purpose. This mango pulp is used after a pretty long time and by doing so the degree of vitality starts decreasing day by day. It was also observed that due to long storage the bottles occasionally burst out due to chemical re-action. This entire system of storage becomes most unhygienic from the consumers point of view.

5. The Committee was pained to observe that no hygienic, healthy, scientific and proper system of storage has been adopted by the Corporation. The Committee, therefore, recommends that the authorities of the Corporation may look into this matter at once and evolve a scientific storage system of mangoes so that the qualities of mangoes is maintained in a proper form.

**Embezzlement case  
against Sh. Daskh Kumar,  
Accounts Officer**

In the written reply submitted by the Corporation to the Committee the following has been mentioned :—

12. Sh. Daksh Kumar 1981

Embezzlement amounting to Rs. 10289/60 were detected by way of wrong adjustment in the accounts book i.e., credit bill No. 1183 of M/s Nafed amounting to Rs. 10289/60 was adjusted in the personal account of Sh. Daksh Kumar,

Original file of departmental enquiry is with the Vigilance Department, Haryana.

At the time of the oral examination it was asked to the Managing Director of the Corporation to throw some light on the embezzlement case wherein Shri Daksh Kumar is involved to the tune of Rs. 10289/60. The Managing Director informed the Committee that this matter has already been referred to the State Government and the State Government in turn has referred the case to the Vigilance Department for conducting an enquiry thereon. The Committee, after hearing the views of the Managing Director of the Corporation called the S.P. Vigilance Cell to explain the position of those cases of the Agro-Industries Corporation which were pending with the Vigilance Department for enquiry. The S.P. Vigilance Cell (Shri Sudan) stated before the Committee as under :—

“At present we have got only one case of Haryana Agro-Industries Corporation with us. There are ten charges in that case. Out of these 10 charges one charge is very vital and we have brought this charge to the notice of the Government. The other 9 allegations are also very important and voluminous and it would take long time to dispose of these cases.... ..”

After hearing the S.P. Vigilance Cell and noting the report of the Chief Accounts Officer of the Corporation in this matter, the Committee is convinced that this is a very serious matter and it has been established by both these officers that Shri Daksh Kumar is prima facie responsible for embezzlement of the said amount. The Committee is very much surprised to note the behaviour of the Corporation in this matter, whereas the Managing Director on specific query as to whether, in the written reply, there was an allegation of embezzlement of Rs. 10,289.60 or a ‘detection’, he admitted that detection was appropriate term. In view of the above facts and the recommendation of the Vigilance Cell for registration of a case against the said officer, the Committee had recommended immediate suspension of the said employee and withdrawal of his drawing and disbursing powers. It is distressing to note that despite this recommendation and assurance of the Managing Director of an early action no action has been taken against this erring official till date.

It is a matter of serious concern to note that this very official went to the press and threatened that he will spill the beans against the higher officers, if he was proceeded against. This though admitted by the Managing Director after confirming from Sh. Daksh Kumar, was sought to be brushed aside in the following words :—

“We are not bothered to take action against him as to what he is saying in the Press.”

as of no consequence, the Committee does not accept this view of the Managing Director and finds that it is a serious situation where an official charged with corruption threatens other higher officers and those very higher officers did not take cognizance of it. There could be no worse example of official carelessness lack of moral courage and gross mismanagement in any public undertakings than this. The Managing Director admitted that employees of the Corporation were suspended on flimsier charges. In this particular case

while two office bearers of the Employees Union have been suspended for exposing corrupt practices and levelling charges of embezzlement which however on further enquiry have mostly been found to be prima facie true, no action is even attempted to be taken against the person who, as it appears from the record that has come before the Committee, to be the pivot around whom all the corruption in this Corporation is taking place.

It is of interest to mention here that drawing and disbursing powers of Shri Daksh Kumar were withdrawn by the Managing Director on 6-3-81 and reinstated on 7-3-81 which happened to be a Sunday. The Committee does not accept the contention of the Managing Director that he had to restore the powers in order to ensure proper functioning of the Corporation.



### Non-reconciliation of the bank account of the Jind Cattle Feed Plant with the State Bank of Patiala

The Committee also notes in this respect with grave concern the non-reconciliation of bank account of the head office accounts of the Jind Cattle Feed Plant with the State Bank of Patiala, Chandigarh where a disparity of Rs. 30,000 exists which still needs reconciliation. There is ample ground to suspect malafide under this head also as a number of annual audit reports have obviously failed to take note of this disparity. The Committee also notes that this account is being operated under the authority of the drawing and disbursing powers of Shri Daksh Kumar. The Committee recommends that this matter may be further investigated and the responsibility fixed for such non-reconciliation and the result of the investigation be communicated to the Committee.

The Committee also recommends that any power pertaining to financial affairs vested in Shri Daksh Kumar may be withdrawn immediately as he was found a person who cannot be relied upon and trusted. The Committee, however, has further directed that proper action be taken against this officer and the details thereof be informed to the Committee as early as possible.

#### Shortage of stores in the Seeds Development Corporation.

During the course of the oral examination of the representatives of the Corporation, a shortage to the tune of Rs. 47,000 in the stores of the Haryana Seeds Development Corporation came to the notice of the Committee for which Shri B.D. Arora ex-employee of the Haryana Seeds Development Corporation now working in the Haryana Agro-Industries Corporation was to be held responsible.

The Committee feels that before giving letter of appointment the Haryana Agro-Industries Corporation should have obtained a no objection and no dues certificate from the Haryana Seeds Development Corporation. However, the Committee further recommends that with regard to the final disposal or retirement of Shri B.D. Arora, the Corporation should maintain contact with the Seeds Development Corporation with regard to the shortage of stores worth Rs. 47,000/- in the Karnal depot. After the results of the final enquiry, fixation of responsibility be done as promised by the Secretary to Government, Haryana, in the light of the advice of the L.R., the action so taken be informed to the Committee.

#### Constitution of a Committee for the purchase of mangoes

The Committee was alarmed to know that the Murthal Plant is running in loss. On an enquiry from the Corporation the following figures of year-

wise loss were supplied to the Committee as under :—

Year	Rs. in lakhs
74-75	2.79
75-76	8.89

Year	Rs. in lakhs
76-77	10.16
77-78	1.22
78-79	16.47
79-80	16.56 (Tentative)
80-81	19.00 (Tentative)

During the course of oral examination, it was pointed out to the Committee that previously the source of purchase of mangoes used to be by inviting tenders from the dealers but later on this process of inviting the tender was abandoned and a Committee was constituted. The Committee enquired from the representatives of the Corporation as to why this old practice of inviting the tenders was given up and what were the reasons for constituting the purchase Committee? The Managing Director of the Corporation informed the Committee that he has got no hand in constituting the Committee. He further stated that as a matter of fact the purchase Committee was never constituted, as per the requirement of rules. The Chairman of the Corporation directed the Managing Director that he need not be associated with the purchase Committee because as an executive head of the Corporation he has to perform number of other important duties of the Corporation and it will not be in the interest of the Corporation that Managing Director should be absent from the Corporation for a period of one to two weeks for that purpose. The Chairman constituted a Committee of three members as follows :—

1. Swami Aditya Vesh, Chairman;
2. Shri E.C. Peter, Chief Engineer; and
3. Shri Daksh Kumar, Accounts Officer.

The Managing Director further informed the Committee that previously no Chairman had ever associated himself for making the purchase of mangoes like this. The Committee was also informed that as per rules, the Managing Director had to be one of the members of the purchase committee. The Committee enquired from the Managing Director that when the Committee was not constituted legally or as per the requirements of the rules, then how as an executive head he will release the payment for those mangoes which will be purchased by the above mentioned Committee and how far he will be responsible? The Managing Director deposed before the Committee that since he was not associated with the dealings, as a civil servant he will be the first person to disassociate himself from these dealings but however since the Committee was headed by the Chairman of the Corporation he has to believe whatever this purchase Committee does and he has to pass those bills for payment. He further deposed that the entire responsibility will virtually be shifted to the persons who have gone and conducted the transactions. His duty is just to release the payment as have been certified by them. The Managing Director also informed the Committee that the Managing

Director works within the powers delegated to him by the Board of Directors. Now the Chairman of the Corporation is the Chairman of the Board of Directors and it is very difficult for the Directors of the Board to simply confront with the views of the Chairman of the Board of Directors. The Managing Director is also one of these Directors. The Managing Director can only point out that such and such thing is the requirement of rules. On a question being put to the Managing Director that suppose the Board of Directors disapprove of this purchase committee, what will be the position of the Corporation? There was no specific answer with the Managing Director. However, he simply stated that he would disassociate himself from these purchases made by the purchase committee duly constituted by the Chairman only. The Committee does not accept the deposition of the Managing Director in the matter of absolving of all responsibility. The Committee feels that being the Chief Executive of the Corporation, all responsibility and authority rests on his shoulder till such actions of the Chairman are either already approved by the Board of Directors or approved subsequently but before any financial commitment is made. The Committee agrees with the views of the Secretary to Government, Haryana, Agriculture Department that the total responsibility and powers of the day-to-day functioning of the Corporation is of the Managing Director as Chairman of the Corporation has got little powers as far as day-to-day functioning of the Corporation is concerned. It is also further pointed out that the powers of Chairman and Managing Director are very clearly defined. In this respect reference is made to clause 4 of Memo No. 12/6/78-A. dated 15th June, 1978 from the Chief Secretary to Government, Haryana. The Managing Director cannot absolve himself of responsibility merely by stating that he has noted his objections on the file.

The Committee is pained to observe that no rules and regulations and norms of purchase have been adopted by the present Chairman of the Corporation. The Managing Director specifically brought to the notice of the Chairman of the provisions of rules and regulations for the purchase of mangoes which were grossly violated by the Chairman of the Corporation by not observing them in letter and spirit. As per the requirement of the rules, the Managing Director should have been a member of the purchase committee which was not done.

The Committee notes with a sense of surprise how Shri Daksh Kumar who was held primarily responsible for embezzlement of Rs. 10289.60 was included in this purchase committee. His inclusion in such committees which involve transactions of big amounts of money on behalf of the Corporation gives doubt for the bonafides of the constitution of such committees.

The Committee, therefore, strongly recommends to the Government that a thorough enquiry may be conducted by the Government in these following transactions :—

How & why terms of contract were changed and reduction of mere Rs. 100/- P.M.T. accepted on telephone and why was drriage and spoilage enroute were accepted as the responsibility of the corporation when in the original tenders invited this was to be the responsibility of the supplier and the weighment

was to be taken at the Murthal Plant instead of at the despatch point? Were these terms and conditions approved by the Board of Directors and as also whether a formal purchase order was placed with the firm ?

The Committee is also pained to note that a sum of Rs. 1,97,245 has been released against the supply of 106.875 MTs. against the receipt of only 102 985 M.Ts. Responsibility for this overpayment must be fixed and action taken intimated to the Committee.

The Committee further recommends to the Government that it must ensure that such recurrences do not take place in future and proper norms are fixed for purchase, receipt of material and release of payment.

Mileage done by the car of the Chairman

At the time of oral examination of the representatives of the Corporation the Committee enquired from the Commissioner and Secretary to Government,

Haryana, Agriculture Department that as to whether some guidelines about the use of the car by the Chairman of the Corporations have been issued or not ? The representatives of the Government informed the Committee that a ceiling of 2500 K.Ms. per month has been fixed by the Government and guidelines in this respect have been issued by the office of the Chief Secretary to Government, Haryana to all the Corporations. There are certain norms in this regard. Now the Corporation should honour these guidelines but where a particular Corporation exceeds this limit then it is primarily to take a view that this is a breach of the guidelines issued by the Chief Secretary office.

In the written reply supplied to the Committee, the Corporation has given the mileage covered by the car of the Chairman from 11/79 as under :—

Period	Vehicle No.	Mileage covered (in KMs.)
11/79	HYA 299	4893
12/79	Do	2863
1/80	Do	3902
2/80	Do	5274
3/80	Do	1674
4/80	Do	1459
5/80	Do	3017
6/80	Do	4126 440 K.M. out of 4126 K.M. is private deposited vide Rect.No. 62044 dated 7-7-80.

Period	Vehicle No.	Milage covered (in KMs.)	
7/80	HYA 299	4159	
8/80	Do	4763	
9/80	HYA 2776	17	
	HYA 299	4955	
10/80	HRX 152	205	
	HYA 299	4632	
11/80	HRX 152	3587	
	HYA 299	133	
	HYA 2776	8	
12/80	HRX 152	4632	
	HYA 299	175	
1/81	HRX 152	5342	
	HYA 2776	210	
2/81	HRX 152	4281	
	HYA	260	
3/81	HRX 152	4288	
	HYA 2776	35	
4/81	HRX 152	1668	
	HYA 299	420	
5/81	HRX 152	3333	
	HYA 299	406	(Out of 406 K.M. Private 29 K.M.)
6/81	HRX 152	3059	

From the above chart of mileage done by the car of the Chairman, it is absolutely clear that the Chairman has violated the guidelines and instructions issued by the Government in this respect.

The Committee is pained to observe that when the Head of the Corporation starts violating instructions of the Government there cannot be a proper control over the cars given to other officers of the Corporation. Therefore, the Committee takes a very serious view of this violation of instructions of the Government by the Chairman and strongly recommends an enquiry in the matter and recovery of excess expenditure over and above the permissible.

Expenditure on fuel and repairs on the cars of the Chairman and Managing Director	In the written replies supplied by the Corporation to the Committee the break-up of expenditure on vehicles maintained at Head Office for use of Chairman and Managing Director has been given as under :—
---	--

Year	Vehicle No.	Cost of Fuel	Expenses on Repairs	Vehicle used by
1978-79	HYA 2776	16912.96	10402 85	Managing Director
	HYA 299	18004.01	6312 91	Chairman
1979-80	HYA 2776	14661.37	8194.04	Managing Director
	HYA 299	21480.57	8456.24	Chairman
1980-81	HYA 2776	26619.14	7278.80	Managing Director
	HYA 299	10603.69	3565.22	Chairman
	HRX 152	15408.07	5778.20	Chairman

From the persual of the above figures the Committee feels that there is no justification on the part of the Chairman to spend more amount on fuel as compared to the fuel consumed by the car of the Managing Director because the Managing Director is the executive head of the Corporation whereas the Chairman of the Corporation has to perform a very little executive functions. Therefore, there seems to be no justification on the part of the Chairman to spend such a huge amount i.e. Rs. 18004 01 as cost of fuel during the year 1978-79, Rs. 21480.57 during the year 1979-80 and Rs. 26011.76 during the year 1980-81. On the other hand, it is clear from the above chart that the Managing Director has also spent a huge amount as cost of fuel during the above said years which is required to be curbed immediately.

Similarly, expenditure incurred on repairs on the cars of the Chairman and Managing Director is also on the excessive side. As for example expenses incurred on repairs of the cars of the Chairman during the year 1978-79 is Rs. 6312.91, Rs. 8456.24 during the year 1979-80 and Rs. 9343 42 during the year 1980-81. Similarly, expenses incurred on the repairs of cars of the Managing Director during the year 1978-79 is Rs. 10402 85, Rs. 8194.04 during the year 1979-80 and Rs. 7278.80 during the year 1980-81.

The Committee is constrained to observe that the cars provided to the Chairman and Managing Director are being used mercilessly and there seems to be no control over these cars by the Government. Therefore, the Government should take a note of it and issue directions, if not issued already to the Chairman and Managing Director of the Corporation that the use of the cars as well as the expenditure incurred on the vehicles provided to them should be judicious and in the full interest of the Corporation. A copy of the directions so issued by the Government may also be sent to the Committee for its information.

Mode of recruitment in the Corporation
--

During the course of oral examination, the Committee asked the representatives of the Corporation about the system of recruitment adopted by the Corporation at present.

The Committee also desired to know as to whether some powers have been delegated to the Chairman regarding making recruitment in the Corporation. The representatives of the Corporation informed that the powers of recruitment were delegated to the Chairman in the years 1973 and 1977. A doubt also arose as to whether the powers can be delegated to the Chairman of the Corporation about the recruitment or not.

It was doubtful as to whether the Chairman can make a direct appointment in the Corporation. The representatives of the Government stated orally before the Committee that in the year 1977 a number of resolutions were passed by the Board of Directors and all the powers of appointment in the Corporation were given to the Chairman because at that time the Chairman used to be appointed from the I.A.S. cadre. That is why these powers were delegated to the I.A.S. officers who used to be appointed as Chairman of the Corporation.

The Committee further desired to know that recently appointments on the post of steno-typists have been made in the Corporation. The Committee would like to know what method of recruitment was adopted. Whether these posts have been filled up by advertisement in leading newspapers or by sending a requisition to the employment exchanges or by some other methods. The representatives of the Corporation stated before the Committee that the appointments of the following Steno-typists were made in the Corporation by holding a competitive test :—

- (1) Miss Arun Lata, D/o Shri Rattan Singh, House No. 1206, Sector-20B, Chandigarh
- (2) Mrs. Avtar Kaur W/O Shri Jaswant Singh, House No. 3489, Sector-23D, Chandigarh.
- (3) Miss Shashi Arora, D/O Shri Darshan Lal, House No. 9775/6, Railway Road, Ambala City.

It was enquired from the representatives of the Corporation whether the above mentioned candidates qualified the test or not. The representatives of the Corporation informed the Committee that the above mentioned candidates could not qualify the written test. They also stated before the Committee that as per rules of the Corporation the candidate has to qualify a test in Hindi as well as in English at a prescribed speed. In this case none of the above said candidates qualified the test as per the rules and regulations of the Corporation. The Managing Director also informed the Committee that it was the Chairman who made the appointments of the aforementioned candidates in the Corporation by relaxing the rules. The Managing Director also informed the Committee that even in Hindi Language where the prescribed speed was 80 W.P.M. these candidates could show a speed of 60 W.P.M. only. And also in English they could not qualify the speed test and the speed had to be relaxed by the Chairman. The Managing Director also

informed the Committee that these appointments have not been made, in the Corporation, as per rules and regulations of the Corporation because at the stage of Secretary and Managing Director the appointments of the above said candidates were opposed on the record. However, the Chairman of the Corporation relaxed the rules and appointed them suo-moto at his own level. Even the representatives of the Government pointed out to the Committee that these appointments have not been made according to the rules and regulations. The Committee was also informed by the representatives of the Corporation that the matter of appointment of the above mentioned candidates will be taken up in the Board of Directors.

Similarly the Committee was also apprised of the fact that a post of A.P.R.O. has been filled up by appointing a lady namely; Miss Daya purely on temporary and adhoc basis without holding any interview and test and without any reference to the employment exchange or formal advertisement in newspapers.

The Committee was also informed by the representatives of the Corporation that 50 posts of salesmen were advertised for recruitment in the Corporation. Against these 50 posts, a list of 180 candidates was produced before the Committee who were recommended for appointment in the Corporation. By going through the list it was brought to the notice of the Committee by the representatives of the Corporation that 96 candidates have been recommended only from Faridabad District which is the district of the Chairman of the Corporation.

The Committee after hearing the representatives of the Government as well as of the Corporation was not only pained to know but also shocked to see the way the appointments are made in the Corporation. All norms were shamelessly flouted in making appointments in the Corporation by the Chairman. It is a very serious matter and the Committee is of the view that it is a grave misuse of the office and the authority enjoyed by the Chairman in offering favouritism and damaging the image of the public undertakings. Even the Committee was apprised of the irregularities committed in the recruitment of the salesmen where no notice has given to the employment exchange as required under rules. Even after a lot of time and money was spent in interviewing candidates in various centres all over the Haryana. The Committee notes with anguish that 96 out of a list of 180 candidates recommended for selection belong to District Faridabad only which incidentally happens to be the district of the Chairman of the Corporation. The Committee is distressed to note the admission of the Managing Director that there was a three member committee for final recommendation for selection in which only one member of the original committee which conducted the interviews was represented. There cannot be a bigger joke with the process of selection of candidates for any service than this. Even the mode of these appointments was a subject of scrutiny by the Committee, the Chairman throwing all rules and regulations over the Board made the appointments of lady stenotypists against the clear notings of the Secretary and the Managing Director and not stopping this only, the very next week, he again got the appointment of the Assistant Public Relation Officer in the Corporation without any reference though to employment exchange or an advertisement or even formality of a holding an interview. It appears from the action of the Chairman as if he treats



the Corporation as his back yard. The Committee is pained to note the actions of the Managing Director in these appointments as the formal letters of appointment have obviously been issued under his signatures. The Committee feels that action of the Managing Director at best can be described as supine. The Committee also noted that at various centres, persons have been employed without adhering to these rules and regulations and these favoured appointments are regularised after completion of the required 240 days which in the opinion of the Committee is a clever manipulation of the rules for regularisation.

The Committee recommends that after due enquiry all such irregular appointments against rules may be nullified and the Committee informed of the action taken in the matter.

Internal audit of the Corporation
--------------------------------------

financial control of the Corporation.

The Committee recommends that internal audit branch of the Corporation should be set up which should be directly responsible only to the Managing Director to ensure proper

Internal audit of the head office
--------------------------------------

A copy of the internal audit report carried out at the head office was submitted to the Committee by the Corporation. The Committee was alarmed to see the irregularities committed by the officers of the Corporation particularly by the Accounts Officer, Shri Daksh Kumar. The Committee was totally at a loss to understand that no action has been taken by the competent authorities of the Corporation against the delinquent officials who were involved in this internal audit report. The Committee persistently asked the Government as well as the representatives of the Corporation as to whether it was an authentic copy of the audit report or not? The Government as well as the representatives of the Corporation stated before the Committee that this copy of the internal audit report is a true one and an authentic copy of the audit report carried out by the departmental officers under the orders of the competent authority of the Corporation.

The Committee was pained to observe that after going through this copy of the internal audit report, it seems that there was clear-cut mess in the accounts of the Corporation. The Committee also observed that day-to-day accounts of the Corporation is not carried out strictly according to the rules and regulations. The Committee, therefore, strongly recommends to the Government that all accounts matters of the Corporation may be set at right immediately and audit of the Corporation may be got done by the competent auditors and a copy of the Report given by the competent auditors be submitted to the Committee for its information and further necessary action. The Committee also recommends to the Government that a strict disciplinary action be taken against Shri Daksh Kumar who has acted in a most irresponsible manner with regard to accounts matters and the action so taken against him may also be informed to the Committee for its information.

### Strikes in the Corporation

During the course of oral examination of the representatives of the Corporation, it was brought to the notice of the Committee that employees of the Corporation remained on strike due to various reasons for a pretty long time. The Committee gave a chance to the representatives of the Workers' Union of the Corporation to express their genuine demands and difficulties before the Committee.

The Committee, after hearing the representatives of the Government and the Corporation and the leaders of the Worker's Union of the Corporation, came to the conclusion that had the management taken suitable steps, strikes could have been averted. Therefore, the Committee recommends to the Government that immediate suitable steps be taken to redress the genuine grievances of the employees of the Corporation and put the management of the Corporation on sound footing so that the Corporation may not be put at a loss unnecessarily. The Committee feels that there is a wide scope for improvement to plug the loopholes in the administration of the Corporation. The Committee also recommends that the Managing Director should call immediately a meeting of the Workers' Union and find a viable solution to their problems so that the Corporation may start working on sound business principles. Steps taken by the Corporation in this regard may also be intimated to the Committee for its information.

### Setting up of more plants at suitable places

The Agro-Industries Corporation was set up to boost up the agricultural produce in the State and to give incentive to the farmer. The vital objective of the Corporation was setting up the industries based on the agricultural produce but it has drifted away from its objective. Rather it was observed that the Corporation started working in haphazard manner and failed to achieve its objectives. The industries are always set up on the basis of economic viability, technical feasibility, the availability of raw material and the comparative competitiveness of the products etc. An industrialist while setting up the industry keeps in view that an industry be set up at a place where the raw material, labour and facilities like transport and marketing are easily available. The corporation should make a survey of the main agricultural produce available in the State and see economic viability of setting up the agro-based industries at different suitable places in the State.

The Corporation should make available all the necessary facilities for the farmers of the State with a view to give them incentive to increase their products which can be ultimately utilised by the Corporation for its various projects set up or likely to be set up in the State so that the farmers may not rush up to the mandis or other private agencies to sell their products. Not only this the Corporation should create avenues for the employment of the people as much as the Corporation can conveniently afford to it. The Committee also suggest that the Corporation should adopt ways and means to set up more plants in the State according to the produce in the State and the needs of the people.

### Preparation and finalisation of annual reports

The Committee observed that the Corporation is making delay in respect of preparation and finalisation of accounts and balance sheets and getting those audited by the Chartered Accountants and Accountant General, Haryana. The accounts

of the Corporation for the year 1979-80 are still under audit. The Corporation should keep its accounts upto date and get them audited in time and place on the Table of the House every year.

---

I, Kanwal Singh, the Acting Chairman for the meeting of the Committee held on the 3rd March, 1982, having been authorised by the Committee to sign the report of the Committee on the general working of the Haryana Agro Industries Corporation for the year 1981-82, hereby sign the Report.

Chandigarh,  
dated the 3rd March, 1982

Sd/-  
(KANWAL SINGH)  
Acting Chairman

---

---

(1982)

(c) Published under the authority of the Haryana Vidhan Sabha  
and printed by the Controller, Printing and Stationery,  
Haryana, Chandigarh.

---