

**HUNDRED AND EIGHTY-EIGHTH
REPORT
PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

(SEVENTH LOK SABHA)

ALL INDIA HANDICRAFTS BOARD

**MINISTRY OF COMMERCE
(DEPARTMENT OF TEXTILES)**

[Action Taken on 122nd Report (Seventh Lok Sabha)]



Presented to Lok Sabha on11.3.1984

Laid in Rajya Sabha on

**LOK SABHA SECRETARIAT
NEW DELHI**

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**PUBLIC ACCOUNTS COMMITTEE
(1983-84)**

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1. Shri H.S. Kohli—*Chief Financial Committee Officer*
2. Shri K.K. Sharma—*Senior Financial Committee Officer*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Eighty Eighth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Twenty Second Report (Seventh Lok Sabha) relating to All India Handicrafts Board.

2. In their 122nd Report, the Committee had pointed out that although the All India Handicrafts Board was entrusted with a number of functions including study of problems of artisans and various aspect of handicrafts in the country and to recommend policies for development of handicrafts, the Board had not yet conducted any comprehensive study to collect even such basic information as the number of the artisans and craftsmen in the country and the type of training required by them. In their reply, the Ministry have stated that the problems of data collection in the decentralised sector including handicrafts is under the consideration of a Standing Committee set up by the Planning Commission. In this report, the Committee have pointed out that the All India Handicrafts'Board, which is allowed an annual expenditure of Rs. 11 crores a year should on its own, initiate studies regarding the condition of artisans in the country and the type of training required by them so as to be able to make useful contribution for improving the technological level of the artisans and to bring substantial improvement in their earnings and living conditions.

3. In their earlier Report, the Committee had also pointed out that although 20,500 carpets were purchased at the carpet weaving centres run directly by the Board since 1976, only 726 carpets had been disposed of. The Committee had recommended that immediate measures to dispose of carpets expeditiously should be taken and responsibility fixed for failure to devise machinery or system to dispose of these carpets. In this report, the Committee have reiterated that the matter was not dealt with by the authorities with the seriousness that it deserved and hence responsibility for failure to dispose of the carpets in time and the consequent loss should be fixed.

4. The Committee considered and adopted the Report at their sitting held on 14 February 1984. The Minutes of sitting form Part II of the Report.

5. For facility of reference and convenience, the recommendations and observations of the Committee have also been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

6. The Committee place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

NEW DELHI;

February 27, 1984.

Phalguna 8, 1905 (S)

SUNIL MAITRA

Chairman,

Public Accounts Committee.

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by Government on the Committee's recommendations and observations contained in their 122nd Report (7th Lok Sabha) on Paragraph 1 of the Report of the Comptroller and Auditor General of India for the year 1979-80, Union Government (Civil) on All India Handicrafts Board.

1.2 The 122nd Report on All India Handicrafts Board was presented to Lok Sabha on 5th November, 1982. The Report contained 22 recommendations/observations. Action Taken Notes have been received from the Government in respect of all the recommendations/observations and these have been broadly categorised as follows:—

(i) Recommendations/observations that have been accepted by Government:

Sl. Nos. 1, 2, 4, 5, 6, 7, 8, 11, 12, 13, 15, 17, 18 and 20.

(ii) Recommendations / observations which the Committee do not desire to pursue in the light of the replies received from the Govt.:

Sl. Nos. 19, 21 and 22.

(iii) Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration:

Sl. Nos. 10 and 14.

(iv) Recommendations/observations in respect of which Government have furnished interim reply:

Sl. Nos. 3, 9 and 16

1.3 The Committee regret that though a period of more than a year has elapsed since the Report was presented to the House, the Ministry have not yet furnished final action taken replies in respect of three recommendations. The Committee desire that final action taken replies to these recommendations duly vetted by audit, should be submitted to the Committee within a period of three months.

1.4 The Committee will now deal with the action taken by Government on some of their recommendations/observations.

*Functions and objectives of the All India Handicrafts Board
(Sl. No. 1 Para 1.17)*

1.5 Pointing out that during its 30 years of existence, the All India Handicrafts Board had not conducted any comprehensive study to collect basic data relating to the artisans as well as their problems in the country, the Committee had in para 1.17 of their 122nd Report observed as follows:—

“The All India Handicrafts Board was set up in 1952 as an advisory body to advise government generally on problems of handicrafts and to suggest measures for its co-ordinated development. The Board was entrusted with a number of functions including study of human socio-economic, technical, financial, organisational and artistic aspects of handicrafts in the country and in the light thereof recommend policies for development. The Committee are, however surprised to note that even though thirty years have elapsed, the All India Handicrafts Board has not as yet conducted any comprehensive study to collect such basic information as the number of artisans and craftsmen in the country, type of training required by them and training necessary to provide employment to them. It is beyond comprehension as to how in the absence of this basic information, the Board could take and suggest any concrete measures for development of handicrafts in the country. It is therefore, not surprising that the Board was admittedly not in a position to suggest any measures to Government with regard to matters like technological improvement, quality control, design development research and training etc. in the absence of a comprehensive study of these matters.”

1.6 In their action taken reply the Ministry of Commerce (Dept. of Textiles) have stated as follows:—

“The problems of data collection in the decentralised sector including handicrafts is under consideration of a standing Committee set up by the Planning Commission vide their O.M. No. 11017/1/83-M&I, dt. 5.3.83.

1.7 In their earlier Report, the Committee had pointed out that although the All India Handicrafts Board was set up in 1952 and was entrusted with a

number of functions including study of problems of artisans and various aspects of handicrafts in the country and to recommend policies for development of handicrafts, the Board had not yet conducted any comprehensive study to collect even such basic information as the number of the artisans and craftsmen in the country and the type of training required by them. Even such basic data as to how many of the aided artisans have survived is not available. It was, therefore, not surprising that the Board was not in a position to suggest any measures to Government with regard to improvements in the conditions of artisans. In their reply, the Ministry have informed that the problems of data collection in the decentralised sector including handicrafts is under consideration of a standing committee set up by the Planning Commission on 5.3.83. The Committee are not satisfied with the reply of Government. What the Committee actually intended was that the All India Handicrafts Board which allowed an expenditure of Rs. 11 Crores a year on their own should initiate studies regarding the conditions of artisans in the country and the type of training required by them and in the light thereof recommend policies for development. The Committee hope that the All India Handicrafts Board would take immediate measures for initiating such studies so as to be able to make useful contribution for improving the technological level of the artisans and to bring about substantial improvement in their earnings and living conditions.

Delay in the disposal of carpets produced in the carpet weaving centres (Sl. No. 10. para 3.22)

1.8 Pointing out that only 726 carpets out of 20500 carpets produced at the Carpets Weaving Trading Centres since 1976 had been disposed of, the Committee in para 3.22 of their 122nd Report had recommended as follows :—

“To meet the increased demand of Indian carpets in foreign markets, it was decided in 1975 that 30,000 weavers should be trained in carpet weaving during 1976 and 1979 and a massive programme of training in carpet weaving was launched in 1976-77. For this purpose, 817 centres were set up and 50 trainees were to be trained in each centre. The Committee have been informed that although 20,500 carpets were produced at the training centres run directly by the Board, only 726 carpets have been disposed so far. The Committee regret to note that although some of these carpets were produced as early as in 1976 no serious efforts have been made so far to dispose them off. Some of the carpets have been found to be faded, torn or soiled due to pro-longed storage resulting in considerable loss to the

public exchequer. The Committee cannot but conclude that the officers of the All India Handicrafts Board have failed to exercise the requisite prudence expected of them. The Committee recommend that the Board should take immediate measures to dispose the carpets expeditiously. Moreover, the responsibility should be fixed for the failure to devise a machinery or system by which the carpets could have been disposed off as they were produced."

1.9 In their Action Taken reply, the Ministry of Commerce (Dept. of Textiles) have stated as follows :—

"A policy for the disposal of carpets was devised during the early period of commencement of Massive Training Scheme in carpet weaving under which carpets were to be sold to marketing channels like HHEC, CCIC, State Corporations, Cooperatives, etc. Therefore, it is not as if no machinery or system was thought of, it so happened that the system was not effective in disposal. The question of fixing the responsibility for not devising a system does not therefore arise.

"A revised disposal policy has since been introduced under which carpets are being sold to public as well as to marketing agencies at different levels. It is expected that under the new policy, disposal of the accumulated stock will be faster."

1.10 In their earlier Report, the Committee had pointed out that although 20,500 carpets were produced at the Carpet Weaving Training Centres run directly by the Board since 1976, only 726 carpets had been disposed of. The Committee had recommended that the immediate measures to dispose of the carpets expeditiously should be taken by the Board and responsibility fixed for failure to devise machinery or system by which carpets could have been disposed of as and when produced. In their reply, the Ministry have stated that the machinery or system under which carpets were to be sold was thought of but it so happened that the system was not efficient in disposal. Hence the question of fixing the responsibility did not, therefore, arise. A revised disposal policy had since been introduced and it was expected that under the new policy disposal of the accumulated stock would be faster. The Committee find this reply to be evasive and unconvincing. They are of the view that the very fact that hardly 3% of the carpets manufactured were disposed of should have been enough to make the authorities aware of the fact that the policy pursued by them was not working satisfactorily and they should have initiated immediate measures to change the policy so as to expedite the dis-

posal of these carpets. Unfortunately, however, years elapsed before the authorities thought of changing their policy. This shows that the matter was not dealt with by the authorities with the seriousness that it deserved. The Committee reiterate their earlier recommendation that responsibility for failure to dispose of the carpets in time and the consequent loss should be fixed. The Committee would like to be informed how the revised policy is working.

In particular, they would also like to be informed about the number of carpets which have been disposed of since the introduction of the revised policy, how, where and at what price these have been disposed of and the number of carpets which are still in stock.

*Working of Carpet Weaving Training Centres
(Serial No. 14, Para 3.43)*

1.11 Expressing their dissatisfaction with the working of the carpet weaving training centres, the Committee in para 3.43 of their 122nd Report had observed as follows :

“The Committee have come across a large number of complaints regarding the working of the carpet weaving training centres run by the All India Handicrafts Board. When asked about these complaints, the representative of the Ministry of Commerce (Department of Textiles) admitted before the Committee “I received complaints. The impression is that all is not well...In my own inspection, I have found that the systems are defective”. In the case of one centre, it has been brought to the notice of the Committee that although the trainees were paid stipend of Rs. 60/- each per month, only Rs. 30/- was given to them and the remaining amount was misappropriated by the concerned officers. What is really shocking is that although such complaints which involved defalcation and misappropriation of Government money had come to the notice of the All India Handicrafts Board also, no substantial punishment appears to have been awarded to the guilty persons. The Committee cannot but express their displeasure at the attitude of the Department where officials involved in such irregularities have been allowed to go practically scot-free. The Committee would like the matter to be thoroughly investigated and deterrent punishment awarded to officers involved in such malpractices. The Committee would also like the All India Handicrafts Board to examine in depth the working of the various Training Centres, find out deficiencies in their working and take necessary remedial measures.”

1.12 In their Action Taken reply the Ministry of Commerce (Deptt. of Textiles) have stated as follows :—

“The working problems of the carpet weaving training scheme have been reviewed. Action has been initiated for payment of stipend etc. through banks to avoid misappropriation of funds. Whenever there were complaints, these have been investigated and disciplinary action is being taken.”

1.13 In their earlier Report the Committee had referred to a large number of complaints regarding the working of the carpet weaving training centres run by the All India Handicrafts Board. The Committee had specifically referred to the case of a centre where instead of a stipend of Rs. 60/- each per month to be paid to the trainees only Rs. 30/- were given to them and the remaining amount was misappropriated by the concerned officers. The Committee expressed their displeasure over the fact that the officers involved in such irregularities had been allowed to go practically scot-free. The Committee had desired the matter to be thoroughly investigated and deterrent punishment awarded to officers involved in such practices. The Committee had also desired the Board to examine in depth the working of various training centres, find out the deficiencies in their working and take necessary remedial measures. In their reply, the Ministry have stated that the working problems of the carpet weaving training centres have been reviewed and the action has been initiated for payment of stipend through bank to avoid misappropriation of funds. It has further been stated by the Ministry that whenever there were complaints these had been investigated and disciplinary action was taken. The Committee consider the reply of the Ministry evasive. They would like to be informed of the specification taken against the officers who were responsible for the misappropriation of funds as a result of which the trainees who mostly belong to the weaker sections of society were deprived of their legitimate dues. They would also like to be informed of the specific action taken against those found responsible for other irregularities. The Committee would also like to be informed if the misappropriated amount has since been recovered.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Conclusions/Recommendations

The All India Handicrafts Board was set up in 1952 as an advisory body to advise government generally on problems of handicrafts and to suggest measures for its co-ordinate development. The Board was entrusted with a number of functions including study of human, socio-economic, technical, financial, organisational and artistic aspects of handicrafts in the country and in the light thereof recommend policies for development. The Committee are, however, surprised to note that even though thirty years have elapsed, the All India Handicrafts Board has not as yet conducted any comprehensive study to collect such basic information as the number of artisans and craftsmen in the country, type of training required by them and training necessary to provide employment to them. It is beyond comprehensive as to how in the absence of this basic information, the Board could take and suggest any concrete measure for development of handicrafts in the country. It is therefore, not surprising that the Board was admittedly not in a position to suggest any measures to Government with regard to matters like technological improvement, quality control, design development: research and training etc., in the absence of a comprehensive study of these matters.

[S No. 1, Para 1.17 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

The problems of data collection in the decentralised sector including handicrafts is under consideration of a standing Committee set up by the Planning Commission vide their O.M.No. 11017/1/83-M & I, dt. 5-3-83. A copy of the terms of reference of the Committee is enclosed as per Annexure.

[M/O Commerce (Dept. of Textiles) O.M.No. HB/AO (HQ)/ Audit Para/
DAC W & M/79-80/ATN/183 dt. 27.8 1983

ANNEXURE 'A'

No. O-11017/1/83-M and I

GOVERNMENT OF INDIA
PLANNING COMMISSION

(Monitoring and Information Division)

Yojana Bhavan, Parliament Street,
New Delhi.

Dated the 5th March, 1983

OFFICE MEMORANDUM

Subject :—Standing Committee for improving the data base for decentralised sector.

It has been decided to reconstitute the standing Committee for improving the data base for decentralised sector (constituted vide this Commission's O.M. No. O-11017/1/79-M and I dated 10th May, 1979) with the following Composition :-

1. Dr. A. M. Khusro, Member, Planning Commission.	Chairman
2. Dr. K. C. Seal, Director-General, Central Statistical Organisation.	Member
3. Shri J. N. Tewari, Chief Executive Officer, NSSO.	Member
4. Shri V. K. Dar, Additional Secretary, Ministry of Industry.	Member
5. Shri S. K. Misra, Development Commissioner (Handlooms) and Vice Chairman, Silk Board.	Member
6. Shri Shiromani Sharma, Development Commissioner (Handicrafts).	Member
7. Shri A. M. Thomas, Chairman, Khadi and Village Industries Commission.	Member
8. Shri R. P. S. Verma, Economic Adviser, Development Commissioner, Small Scale Industries Office.	Member

9. Shri K. P. N. Nayar, Principal Adviser, Department of Statistical Analysis and Computer Service, Reserve Bank of India.	Member
10. Shri P. V. Swaminathan, Chairman, Coir Board.	Member
11. Shri S. K. Chakrabarti, Duputy Secretary, Ministry of Industry.	Member
12. Shri K. V. S. Murthy, Adviser. Village and Small Industries Division, Planning Commission.	Member
13. Shri P. Padmanabha; Registrar General and Census Commissioner.	Member
14. Smt. Sushila Rohatgi, Chairman, Central Social Welfare Board.	Member
15. Shri Nitin Desai, Adviser PAD and Monitoring, Planning Commission	Member
16. Shri J. C. Sandesara, Professor of Industrial Economic, University of Bombay, Bombay.	Member
17. Dr. Uddesh Kohli, Joint Adviser (Monitoring and Information), Planning Commission.	Convener

2. The terms and conditions of the Committee will continue to be as follows :-

- (i) To review the existing data base in respect of decentralised sectors and to identify gaps and deficiencies in relation to data requirements for planning and policy making.
- (ii) To evolve an approach and strategy for developing data base for decentralised sector.
- (iii) To suggest steps to be taken by defferent Government agencies and institutions for collecting, processing, maintaining, presenting and disseminating data relating to this sector.
- (iv) To review the implementation of the recommendations of the Committee.

3. The recommendations of the Committee will be taken into account in formulating plans and providing funds for statistical and other schemes relating to development of data base of the economy.

4. The Chairman of the Committee, may, if deemed necessary, constitute sub-committees and co-opt members from time to time.
5. The Committee will continue functioning on a long term basis and till such time its need is felt.
6. Non-official members will be entitled to TA/DA as admissible to Grade I Officer of the Government of India. The expenditure involved will be debit able to the Budget Grant of Planning Commission.
7. In the case of official members the expenditure on TA/DA in connection with the meetings/visits of the Committee will be borne by the parent Department/Ministry.

Sd/-

(K. C. AGARWAL)
Director (Administration)

Chairman, Convener and Members of the Committee.
Copy forwarded to :-

Secretary to Prime Minister

P. S. to Chairman, Dy. Chairman/Member (F)/Member (H)
Member (M).

Secretary, Planning Commission.

Secretary, Department of Industrial Development

Secretary, Department of Expenditure, Ministry of Finance.

Governor, Reserve Bank of India.

All Heads of Divisions, Planning Commission.

Sd/-

(K. C. AGARWAL)
Director (Administration)

Conclusions/Recommendations

The primary task of the Board was to make handicrafts an effective instrument of reducing unemployment and under-employment among artisans and to promote economic independence and social status and individual dignity of craftsmen. The Committee regret that the Board has not been able to achieve any concrete results in this regard as is borne out by the Report of the Working Group on Handicrafts (1978-83) for Sixth Five Year plan which was presided over by the Development Commissioner for Handicrafts himself. The Working Group had observed that the craftsmen were still living below the poverty line. They were not among the major beneficiaries of the banking system or of research and development and their living and working environment was unsatisfactory. While the representative of the Ministry of Commerce claimed that with the increase in exports of carpets, metalware etc., the wages of craftsmen and artisans had gone up, it was admitted that the cream of extra earnings had been taken away by the exporters and traders while the workers and the artisans had got only the crumbs. Moreover, in the absence of any formal study in this regard, it is difficult to judge the extent to which there has been any improvement in the living standards of the artisans consequent on the setting up of the All India Handicrafts Board. Thus, even after 30 years, the very object of setting up the Board remains to be realised.

[(S.N. 2) Para 1.18 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/Audit para/
DACW&M/79-80/ATN/183/Dt. 27.8.83]

Conclusions/Recommendations

For designs and technical development, four regional centres were set up in 1956 at Bombay, Calcutta, Delhi and Bangalore and a Technical Development Wing was added to each of them in December, 1974. The main objectives of the centres were to develop new designs based on demands and to render assistance to craftsmen and artisans. The Committee regret to note that these design centres have failed to fulfil the objectives for which these were set up as is clear from the fact that the centres have not been patronised either by the artisans or by exporters and the commercial acceptance of the designs developed and their dissemination to the trade was hardly 10 to 15 per cent. The Committee find that while at the time of sanction of technical wings of these centres, it was laid down that

the work of these wings would be evaluated no, such evaluation has so far been done. This is regrettable.

[Sl.N. 4, Para 2.11 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

An evaluation of the work of the Technical Wings of Design Centres, has now been assigned to a consultant *vide* Order No. HC/Tech/6(21)/83 dt. 18-5-83 as per Annexure.

[M/O Commerce (Dept. of Textiles) OM No.HB/AO(HQ)/Audit para/
DAC W & M/79-80 (ATN)/183 dt. 27-1-83].

Conclusions/Recommendations

The Committee note that some of the factors responsible for the unsatisfactory functioning of these centres are shortage of administrative and technical staff, location at fixed places and lack of publicity. The Committee recommend that an indepth study of all these centres should be taken up immediately to find out the deficiencies in these centres and measures taken to remove them. The Committee need hardly emphasise that it is only be introduction of attractive designs that our handicrafts can be popularised both in domestic as well as foreign markets.

[Sl.No. 5, Para 2.12 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Government has already approved in principle a major re-structuring of these centres and action has accordingly been initiated.

[M/O Commerce (Dept. of Textiles) OM. No. HB/AO (HQ)/Audit para/
DAC W & M 79-80/ATN/183 dt. 27-8-1983].

Conclusions/Recommendations

Although samples worth several lakhs of rupees have been prepared by these design centres, these are still lying at various centres. What is really shocking is that even annual physical verification of these samples is not being done and no satisfactory record in respect of these samples is being maintained. This is a sad reflection on the working of the Board. The Committee recommend that the Board should be instructed to ensure that proper records are maintained in respect of the samples produced in various design centres, annual physical verification done and concerted efforts made to dispose of these samples. The Committee would like to be informed of the concrete measures taken in this regard within Six months.

[Sl.No.6,Para No.2.13 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Necessary instructions were issued for the completion of stock registers. Physical verification of samples has since been completed for all the centres and Disposal of surplus stock is being arranged.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO/(HQ)/Audit Para/ DAC W & M/79-80/ATN/183 dt. 27-8-1983].

Conclusions/Recommendations

Under the Apprenticeship Training Schemes, training was imparted by master craftsmen of repute at their own places of work. During 1974-75 to 1978-79 training under the above schemes was imparted to 1470 apprentices in different crafts under 195 master craftsmen. The committee however, note that the All India Handicrafts Board have not undertaken any evaluation to ascertain as to how far the objectives of the schemes have been achieved and how many trainees had actually adopted the profession after the completion of their training. This is to say the least, surprising. The Committee recommend that in future as and when such a scheme is started by the All India Handicrafts Board, there should be a periodical evaluation/review of the scheme so as to ascertain if the scheme has been able to achieve the objectives for which it has been started to locate deficiencies, if any and to take timely corrective measures.

[Sl. No. 7. Para No. 3.1 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

It has been decided that in future, attempts would be made to entrust Apprentice Trainig Programme to marketing organisations such as Central or State Corporations. Under this pattern a built in clause for the submission of performance-cum-achievement report by the marketing organisation has been provided.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/Audit para/ DAC W & M /79-80/ATN/183 dt. 27.8.1983]

Conclusions/Recommendations

The Committee note that the All India Handicrafts Board sanctioned in March, 1979 Rs. 9.58 lakhs to Gandhi Peace Foundation, a voluntary organisation for organising 70 training schemes in gold embroidery, ivory, wood and jewellery crafts in Delhi and its surrounding areas and released

in March, 1979 Rs. 5.08 lakhs for the purpose. Although upto March, 1980 only a sum of Rs. 3.98 lakhs was spent, the Board issued a fresh sanction in August, 1980 Rs. 4.48 lakhs. Neither the sale proceeds of goods produced were deposited with the Board nor information about the number of trainees actually trained furnished. What is still more surprising is that utilisation certificates in respect of the amount spent by the Gandhi Peace Foundation have still not been given. The All India Handicrafts Board has not conducted any survey to find out if the apprentices trained under the scheme have been gainfully employed.

[Sl.No.8, Para No.3.12 of Appendix II of 122nd Report(Seventh Lok Sabha)]

Reply

Noted.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/Audit para/ DAC W & M/1979-80/ATN/183/ dt. 27-8-1983].

Conclusions/Recommendations

The Committee note that the All Handicrafts Board paid grants amounting to Rs. 6.70 crores between 1975-76 to 1978-79 to the Handicrafts and Handlooms Export Corporation and various State Corporations to set up 361 training centres for carpet weaving. The Committee are surprised to note that although one of the condition for grant of money to these Corporations was that the training centres would be converted into production centres, the All India Handicrafts Board has no information regarding the number of centres so converted. While the cost of assets created out of the grants was recoverable from these institutions, the same has not actually been recovered and even the proposal that the recovery be made in the form of AIHB participation in the share capital of the grants institution has not been agreed to by the concerned State Corporations. This is a very unsatisfactory state of affairs.

[Sl No.11 Para 3.30 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/ Audit Para/ DAC W & M/79-80/ATN/183 dt. 27-8-1983].

Conclusions/Recommendations

Although the Operational Assistance Cell at the Headquarters of the Board was responsible for overall supervision of training centres, this cell

did not maintain any consolidated record showing the number of trainees enrolled in each centre, the number of trainees who completed their training and the number who were absorbed in such centres and in other production centres. The Committee consider it to be a serious lapse on the part of the All India Handicrafts Board. The Committee are not convinced with the argument of the Board that as the cell had a limited staff and had been undertaking a number of other functions, it was not possible for the cell to undertake the monitoring of the training centres. The Committee feel that if the Board was convinced about the inability of the cell to undertake the monitoring function due to limited staff then either timely steps should have been taken to augment the staff or some other alternative arrangements should have been made for monitoring the scheme. The Committee expect the Board to ensure that such lapses do not recur.

[Sl.No.12, Para 3.31 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted.

**[M/O Commerce (Dept. of Textiles) O.M. No. HB/A O (HQ)/ Audit para/
DAC W & M/79-80/ATN/183 dt. 27-8-1983.]**

Conclusions/Recommendations

463 Carpet Weaving Centres are being run directly by the All India Handicrafts Board in different States. Between 1975-76 and 1980-81, 87,300 persons had been trained in carpet weaving in these centres. The Committee are, however, surprised to note that the All India Handicrafts Board is not maintaining any statistics regarding the number of trainees who have actually taken up the profession of carpet of carpet weaving after completion of their training nor the Board has conducted any survey to collect statistics in this behalf. The Committee feel that the collection of this feed back information is very necessary in order to judge the efficacy or otherwise of the scheme. The Committee, therefore, recommend that the All India Handicrafts Board should immediately conduct surveys in different carpet weaving centres/areas to find out how far the trainees who have completed their training have been absorbed in the profession and the extent to which the training received by them has contributed to increasing their earnings as well as in improving the quality of their products.

[Sl.No. 13, Para 3.42 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

A pilot project for evaluation of the carpet weaving training scheme has been assigned to a survey organisation. The programme Evaluation Organisation of the Planning Commission has also been requested to undertake a comprehensive evaluation of the scheme.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/Audit para/ DAC W & M/79-80/ATN/183 dt. 27-8-1983]

Conclusions/Recommendations

The Committee are surprised to note that the complaints sent by a member of Parliament regarding the working of the Training Centre at Fatehpur were not replied to by the All India Handicrafts Board. The reply of the Board that the letters were not traceable in the records of the Board clearly shows that complaints received in the office of the Board are not being handled with the requisite care. The Committee would like this situation to be remedied immediately.

[Sl.No. 15, Para 3.44 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/ Audit para/ DAC W & M/79-80/ATN/183 dt. 27-8-1983]

Conclusions/recommendations

The Committee are surprised to note that although the Rural Marketing centres scheme involved expenditure of Rs. 1.25 crores and required the approval of the Planning Commission and the Expenditure Finance Committee, no such approval was actually taken before launching the scheme. This is a serious irregularity. The Committee are not convinced with the reply of the Ministry that a composite approval to the scheme was obtained at an interministerial meeting under the chairmanship of Member, Planning Commission. It is seen from the minutes of the meeting that the member of the planning Commission had agreed that it was a good scheme and should be explored through a pilot scheme. It was therefore suggested that a few pilot schemes could be construed as a formal approval of the scheme. The Financial Adviser of the Ministry of Commerce also admitted before the Committee that "The Inter-Ministerial discussion of that nature

was not in the form of sanction. For the purpose of sanction, the procedure has to be followed, namely, the standing Finance Committee or the Public Investment Board has to examine and scrutinise the proposal". From this, the Committee cannot but conclude that the present stand of the Ministry is only an afterthought and a feeble attempt to justify a serious irregularity. The Committee would expect the Ministry to be more careful in future and to ensure that proper procedure for establishing feasibility and obtaining sanction is invariably followed.

[Sl. No. 17, Para 4.15 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ) Audit para/
DACW&M/79-80/ATN/183 dt. 27-8-1983]

Conclusions/Recommendations

Another serious irregularity in the release of funds for the RMCS brought to the notice of the Committee is that while the grants were to be released in suitable instalments, the entire amount of Rs. 116.85 lakhs was released to 17 organisations/institutions in March, 1979. The manner in which the funds were released towards the fag end of the financial year clearly shows that these grants were released just in order to avoid surrender of funds. The indiscriminate manner in which the grants were distributed is clear from the fact that while one institution (Orissa Gram—Vikas Foundation) had requested for grant of Rs. 1.03 lakh for 1 RMC only, the institution was sanctioned and paid a grant of Rs. 2.58 lakhs for 3 RMCs which were not set up till May, 1980 i. e. after more than one year of the payment of the grant. Even the codal requirements viz. maintenance of register of block account, verification of financial soundness of the institution etc. were not followed by the Board. No record regarding actual turnover of these Rural Marketing Centres has been maintained. The Board simply washed off its hands after releasing the grants without making any effort to find out whether the objectives of setting up these centres had actually been fulfilled. The Committee cannot but conclude that the All India Handicrafts Board has shown total disregard of Financial Rules and common prudence in starting the scheme as well as release of grants.

[Sl. No. 18, Para 4.16 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted.

[M/O Commerce (Dept. of Textiles) OM No. HB AO (HQ) Audit para/
DHC W & M (79-80) ATN/ 183 dt. 27.8.1983.]

Conclusions/Recommendations

The Committee note that remnants costing Rs. 8.40 lakhs had accumulated from various exhibitions which were not used in subsequent exhibitions and no serious effort has been made to dispose of these remnants. Moreover, the stores of the exhibitions have not been verified for the last 10 years. This is regrettable. The Committee recommend that immediate steps should be taken to dispose off the remnants on an urgent basis and to conduct physical verification of the stores. Steps should also be taken to ensure that such lapses do not recur.

[Sl.No. 20, Para 4.24 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted.

Two Committees of Officers have now been set up to dispose off the entire old stock of display material and handicrafts items. Three auctions have already been held and 18,160 items have been disposed off so far.

[M/O Commerce (Dept. of Textiles) AM No. HB/AO (HQ)/ Audit para/
DAC W & M/79-80/ATN/183 dt. 27.8.1983]

CHAPTER III

CONCLUSIONS OR RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENT

Conclusions/Recommendations

For popularising and stimulating demand in India and abroad, the All India Handicrafts Board had organised/participated in 33 exhibitions in India and 6 exhibitions abroad. A total expenditure of Rs. 33.92 lakhs was incurred on these exhibitions. The Committee are surprised to note that although the Board had an exhibition branch which had organised/participated in various exhibitions in the past, the Board sanctioned Rs. 11.30 lakhs to 7 State Handicrafts Corporations and voluntary institutions to organise exhibitions on behalf of the Board. The Committee are not convinced with the reply of the Ministry that these institutions were considered better suited to hold these exhibitions as the Board has not furnished any ground for the same. The Committee are of the view that since the All India Handicrafts Board had got its own exhibition branch, organisation/participation in exhibitions should as far as possible be arranged through its own branch. If the Board has to entrust the work to some other Corporation/Voluntary organisation, for any compelling reason the same should be clearly spelt out.

[S.No. 19, Para 4.23 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

The entire subject of holding and organising exhibition was reviewed in 1981 and a new policy has been evolved. Exhibitions were considered a valuable aid to marketing and were to be made use of accordingly. They would therefore, be combined with Sales. As the office of D.C. (Handicrafts) is not a marketing agency, it would not be possible for it to organise such exhibitions-cum-sales. Existing marketing agencies like State Handicrafts Corporations are being encouraged to organise such exhibitions-cum-sales. This new policy has been working satisfactorily.

[M/O Commerce (Dept. of Textiles) OM No. HB/AD (HQ)/Audit para/
DAC W & M/79-80/ATN/183 dt. 27-8-1983]

Conclusions/Recommendations

The All India Handicrafts Board introduced a number of schemes for setting up Common Facility Service Centres at different places. The Committee however, note with dissatisfaction that there has been inordinate delay in the setting up of these centres. In many cases, although the grant for setting up these centres were released in 1979, these centres have not yet been set up. For example Rs. 7.50 lakhs were released to U.P. Developments Systems Corporation Ltd. for setting up a Common Facility Centre at Banda. The Centre was not however set up and the unutilised amount of Rs. 7,28,486 was realised back in 1981. Similarly, the centre for rural pottery at Pondicherry for which Rs. 2 lakhs were released in 1979 has not yet been set up. This has resulted not only in the money remaining blocked but the artisans have also been deprived of the intended benefits for all these years. Moreover, while the society which was to set up the centre at Pondicherry had asked for financial assistance of Rs. 1.25 lakhs, a sum of Rs. 2 lakhs was released to the society. This clearly betrays the casual manner in which the All India Handicrafts Board distributed grants to the parties to undertake the work. In most of the cases, utilisation certificates have also not been received from the concerned parties. Another glaring irregularity that has come to light is that after releasing grants the Boards did not even care to ensure that the money was actually spent for the purpose for which it was meant as is seen from the case of the Association of the Voluntary Agencies for Rural Development, New Delhi. After receiving the grant-in-aid for Rs. 1.80 lakhs for conducting intensive survey of flow of credit to artisans in the States of Maharashtra, U.P., West Bengal, Manipur, Kerala and Haryana the Association did not render any account or utilisation certificate. The organisation has now been asked to refund the entire amount with interest. The Committee would like to be informed of the circumstances in which this organisation was selected for implementing this programme and why the Board did not pursue the matter with the organisation for all these years to ensure that the amount was being spent for the purpose for which it was given.

[Sl.No.21, Para 5.73 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Noted for future guidance.

Regarding the four organisations mentioned in the paragraph the following facts are placed for information:—

- (i) U. P. Development System Corporation have refunded the grant after preliminary investigations.

- (ii) Centre for Rural Pottery at Pondicherry—According to latest information the project has been completed. However accounts are awaited. They have been asked to expedite the same.
- (iii) Development Corporation of Vidharbha—According to latest information the Centres have been set up and the accounts have since been received.
- (vi) AVARD had approached the Board for grants-in-aid for their project of an intensive credit campaign in six areas. The project was approved and grant-in-aid sanctioned.

[MO Commerce (Dept. of Textiles) OM No. HB/AO/HQ/Audit para DAC W & M /79-80/ATN/ 183 dt 27-8-1983]

Conclusions/Recommendations

From the foregoing paragraphs, it is clear that the functioning of the All India Handicrafts Board has been most unsatisfactory. Not only has the Board failed to fulfil the objectives for which it was set up, it has also failed to observe the financial discipline expected of it. On the contrary, it has violated financial rules with impunity. Grants amounting to crores of rupees were distributed at the fag end of the financial year without ensuring that the organisations would be able to serve the purpose. After paying the grants, no efforts were made to ensure that money was spent for the purpose for which it was intended and that it produced the desired results. Accounts and utilisation certificates have not been rendered in a number of cases. The Committee would like to express their deep distress at this callous attitude towards taxpayers, money and the interests of ultimate beneficiaries. They would like that the ministry of Commerce should appoint a high powered Committee to evaluate the working of the Board, fix responsibility for various lapses and suggest necessary corrective measures to tone up the working of the Board so that the Board may actually function as a powerful catalytic agency for development of handicrafts in the country and for improving the lot of artisans.

Sl.No. 22, Para 6.1 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

A number of steps have been taken in the last two years to improve the working of the Office of the Development Commissioner (Handicrafts). The Scheme of Rural Marketing Centres which has been a major cause for irregularities has since been reviewed and a decision has been taken that

Rural Marketing in its general form should be taken up by the Ministry of Rural Development. The quantum of disbursement of grants has been considerably scaled down. The working of the Design Centres has been reviewed by a Committee of Experts and their reorganisation is in process. A new sales-oriented policy for Exhibitions has been put into effect. Efforts are under way to organise a statistical data base for this sector. The administration of the training centres has also been tightened up, and the two major sources of corruption in the training schemes namely purchase of raw materials and disbursement of stipends/wages have been checked. The financial powers delegated to the Development Commissioner in March, 1979 under which he could sanction any expenditure upto Rs. 10 lakhs without reference to Internal Finance, have been withdrawn. Finally the matters relating to grants made to the Gandhi Peace Foundation and AVARD which have attracted the most criticism in the Report are being looked into in detail by the Kudal Commission which has summoned all the connected files from this Office.

Under the circumstances mentioned above, it has not been considered necessary to constitute a High powered Committee.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/Audit para DAC W & M /79-80/ATN 183 dt. 27-8-1983]

CHAPTER IV

CONCLUSIONS OR RECOMMENDATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Conclusions/Recommendations

To meet the increased demand of Indian carpets in foreign markets, it was decided in 1975 that 30,000 weavers should be trained in carpet weaving during 1976 and 1979 and a massive programme of training in carpet weaving was launched in 1976-77. For this purpose, 817 centres were set up and 50 trainees were to be trained in each Centre. The Committee have been informed that although 20,500 carpets were produced at the training centres run directly by the Board, only 726 carpets have been disposed so far. The Committee regret to note that although some of these carpets were produced as early as in 1976 no serious efforts have been made so far to dispose them off. Some of the carpets have been found to be faded, torn or soiled due to prolonged storage resulting in considerable loss to the public exchequer. The Committee cannot but conclude that the officers of the All India Handicrafts Board have failed to exercise the requisite prudence expected of them. The Committee recommend that the Board should take immediate measures to dispose the carpets expeditiously. Moreover, the responsibility should be fixed for the failure to devise a machinery or system by which the carpets could have been disposed off as they were produced.

[S. No. 10, Para 3.22 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

A policy for the disposal of carpets was devised during the early period of commencement of Massive Training Scheme in carpet weaving, under which carpets were to be sold to marketing channels like HHEC, CCIC, State Corporations, Cooperatives etc. Therefore, it is not as if no machinery or system was thought of, it so happened that the system was not effective in disposal. The question of fixing the responsibility for not devising a system does not therefore arise.

A revised disposal policy has since been introduced under which carpets are being sold to public as well as to marketing agencies at different levels. It is expected that under the new policy, disposal of the accumulated stock will be faster.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ) Audit para DAC W & M /79-80/ATN/183 dt. 27.8.1983]

Conclusions/Recommendations

The Committee have come across a large number of complaints regarding the working of the carpet weaving training centres run by the All India Handicrafts Board. When asked about these complaints, the representative of the Ministry of Commerce (Department of Textiles) admitted before the Committee "I received complaints. The impression is that all is not well...In my own inspection, I have found that the systems are defective". In the case of one centre, it has been brought to the notice of the Committee that although the trainees were paid stipend of Rs. 60 each per month, only Rs. 30/- was given to them and the remaining amount was misappropriated by the concerned officers. What is really shocking is that although such complaints which involved defalcation and misappropriation of Government money had come to the notice of the All India Handicrafts Board also, no substantial punishment appears to have been awarded to the guilty persons. The Committee cannot but express their displeasure at the attitude of the Department where officials involved in such irregularities have been allowed to go practically scot free. The Committee would like the matter to be thoroughly investigated and deterrent punishment awarded to officers involved in such malpractices. The Committee would also like the All India Handicrafts Board to examine in depth the working of the various Training Centres, find out deficiencies in their working and take necessary remedial measures.

[S. No. 14, Para 3.43 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

The working problems of the carpet weaving training scheme have been reviewed. Action has been initiated for payment of stipend etc. through banks to avoid misappropriation of funds. Whenever there were complaints, these have been investigated and disciplinary action is being taken.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ) Audit para DAC W & M/79-80/ATN/183 dt. 27.8.1983]

CHAPTER V

CONCLUSIONS RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Conclusions/Recommendations

The Committee note that since its initial constitution in 1952, the Board has been reconstituted 11 items. From 1st July 1981, a Joint Board for Handlooms and Handicrafts consisting of 78 members has been set up. The Committee are unable to appreciate the rationale of setting up a Joint Board for Handlooms and Handicrafts when the problems relating to these sectors are entirely different and are in no way interconnected. Moreover, Board with 78 members is too unwieldy. Even the Board had a membership of less than half of the number it was not found possible to hold meetings even once in four months as laid in the rules. During a period of four years 1976 to 1979, the Board met only 4 times. The Committee would therefore like Government to examine if it would not be better to set up a compact Board exclusively for Handicrafts.

[S.No. 3, Para 1.19 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

The matter is under active consideration of the Government.

[M/O Commerce (Dept. of Textiles) OM No. /HB/AO/(HQ) / Audit para DAC W & M/79-80/ATN/183 dt. 27.8.1983]

Conclusions/Recommendations

The Committee fail to appreciate the basis on which Gandhi Peace Foundation which has no expertise or previous experience in the field of Handicrafts was entrusted with the responsibility of organising these apprenticeship schemes. Moreover, after having released the money, the Board did not take any steps to ensure that the amount was properly spent and only part of the account duly audited by the Chartered Accountants has been furnished. Steps have not been taken to obtain utilisation certificates

from the Foundation. The Committee cannot but conclude that the All India Handicrafts Board have failed to exercise due control and supervision to ensure that the expenditure on the schemes produces the expected results. The Committee would like to be apprised of the detailed reasons for this failure on part of the Board and the measures taken to ensure that at least now the utilisation certificates are obtained from the Gandhi Peace Foundation.

[S. No. 9, Para 3.13 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

Gandhi Peace Foundation has been asked to furnish the accounts of the grants released to them. Recently all original files and papers relating to Gandhi Peace Foundation have been requisitioned by the Kudal Commission.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ)/ Audit para/ DAC W & M/79-80/ATN/183 dt. 27.8 1983]

Conclusions/Recommendations

In March, 1979, the All India Handicrafts Board introduced a scheme for establishment of rural marketing and service centres (RMCs) at block level for village artisans and village industries with the object of providing an effective link with the market. The scheme was to be implemented in two phases viz. phase I for survey and phase II for implementation. Phase II i. e. establishment of the centres was to take place only if the survey clearly established the need and scope therefor. The Committee, however, regret to note that in as many as 128 blocks, grants were sanctioned and released for both survey and setting up of the centres without establishing the need for such centres. This was a clear and flagrant violation of the provision of the scheme. The Committee would like responsibility for this lapse to be fixed.

[Sl.No.16, Para 4.14 of Appendix II of 122nd Report (Seventh Lok Sabha)]

Reply

The matter is under examination.

[M/O Commerce (Dept. of Textiles) OM No. HB/AO (HQ) Audit para/ DAC W & M/79-80/ATN/183 dt. 27.8.1983]

NEW DELHI;
February 27, 1984,
Phalgun 8, 1905 (S)

SUNIL MAJTRA
Chairman,
Public Accounts Committee.

APPENDIX

Conclusions and Recommendations

Sl.No.	Para No.	Min./Deptt.	Recommendations
1	2	3	4
1	1.3	Commerce (Dept. of Textiles)	<p>The Committee regret that though a period of more than a year has elapsed since the Report was presented to the House, the Ministry have not yet furnished final action taken replies in respect of three recommendations. The Committee desire that final action taken replies to these recommendations duly vetted by audit, should be submitted to the Committee within a period of three months.</p>
2	1.7	-do-	<p>In their earlier Report, the Committee had pointed out that although the All India Handicrafts Board was set up in 1952 and was entrusted with a number of functions including study</p>

of Problems of artisans and various aspects of handicrafts in the country and to recommend policies for development of handicrafts, the Board had not yet conducted any comprehensive study to collect even such basic information as the number of the artisans and craftsmen in the country and the type of training required by them. Even such basic data as to how many of the aided artisans have survived is not available. It was, therefore, not surprising that the Board was not in a position to suggest any measures to Government with regard to improvements in the conditions of artisans. In their reply, the Ministry have informed that the problems of data collection in the decentralised sector including handicrafts is under consideration of a standing committee set up by the Planning Commission on 5.3.83. The Committee are not satisfied with the reply of Government. What the Committee actually intended was that the All India Handicrafts Board which is allowed an expenditure of Rs. 11 crores a year on their own should initiate studies regarding the conditions of artisans in the country and the type of training required by them and in the light thereof

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recommend policies for development. The Committee hope that the All India Handicrafts Board would take immediate measures for initiating such studies so as to be able to make useful contribution for improving the technological level of the artisans and to bring about substantial improvement in their earnings and living conditions.

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M/o Commerce
(Dept. of Textiles)

In their earlier Report, the Committee had pointed out that although 20,500 carpets were produced at the Carpet Weaving Training Centres run directly by the Board since 1976, only 726 carpets had been disposed of. The Committee had recommended that the immediate measures to dispose of the carpets expeditiously should be taken by the Board and responsibility fixed for failure to devise machinery or system by which carpets could have been disposed of as and when produced. In their reply, the Ministry have stated that the machinery or system under which carpets were to be sold was thought of but it so happened that the system was not efficient in disposal. Hence the question of fixing the responsibility did not, therefore,

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M/o Commerce
(Dept. of Textiles)

arise. A revised disposal policy had since been introduced and it was expected that under the new policy disposal of the accumulated stock would be faster. The Committee find this reply to be evasive and unconvincing. They are of the view that the very fact that hardly 3% of the carpets manufactured were disposed of should have been enough to make the authorities aware of the fact that the policy pursued by them was not working satisfactorily and they should have initiated immediate measures to change the policy so as to expedite the disposal of these carpets. Unfortunately, however, years elapsed before the authorities thought of changing their policy. This shows that the matter was not dealt with by the authorities with the seriousness that it deserved. "The Committee reiterate their earlier recommendation that responsibility for failure to dispose of the carpets in time and the consequent loss should be fixed" after the sentence ending with "deserved". The Committee would like to be informed how the revised policy is working.

In particular, they would also like to be informed about the number of carpets which

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have been disposed of since the introduction of the revised policy, how, where and at what price these have been disposed of and the number of carpets which are still in stock.

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In their earlier Report, the Committee had referred to a large number of complaints regarding the working of the carpet weaving training centres run by the All India Handicrafts Board. The Committee had specifically referred to the case of a centre where instead of a stipend of Rs. 10/- each per month to be paid to the trainees only Rs. 30/- were given to them and the remaining amount was misappropriated by the concerned officers. The Committee expressed their displeasure over the fact that the officers involved in such irregularities had been allowed to go practically scot-free. The Committee had desired the matter to be thoroughly investigated and deterrent punishment awarded to officers involved in such practices. The Committee had also desired the Board to examine in depth the working of various training centres, find out the deficiencies in their working and take necessary remedial measures. In their reply, the Ministry

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have stated that the working problems of the carpet weaving training centres have been reviewed and the action has been initiated for payment of stipend through bank to avoid misappropriation of funds. It has further been stated by the Ministry that whenever there were complaints these had been investigated and disciplinary action was taken. The Committee consider the reply of the Ministry evasive. They would like to be informed of the specific action taken against the officers who were responsible for the misappropriation of funds as a result of which the trainees who mostly belong to the weaker sections of society were deprived of their legitimate dues. They would also like to be informed of the specific action taken against those found responsible for other irregularities. The Committee would also like to be informed if the misappropriated amount has since been recovered.

PART II

MINUTES OF THE SIXTY-FIRST / SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 14 FEBRUARY, 1984

The Public Accounts Committee sat from 11.00 hours to 13.10 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

1. Shri Bhiku Ram Jain *In the Chair*
2. Shri Chitta Basu
3. Smt. Vidyavati Chaturvedi
4. Shri. G. L. Dogra
5. Shri Mahavir Prasad
6. Shri Jamilur Rahman
7. Shri Nirmal Chatterjee
8. Dr. Sankata Prasad

SECRETARIAT

Shri H. S. Kohli—*Chief Financial Committee Officer*

Shri K. K. Sharma—*Senior Financial Committee Officer*

Shri R. C. Anand—*Senior Financial Committee Officer*

REPRESENTATIVES OF AUDIT

1. Shri R. K. Chandrasekharan—*Addl. Dy. C & A G of India*
2. Shri S. P. Joshi—*Director of Audit, Commerce Works and Misc.,*
3. Shri R. S. Gupta—*Jt. Director, Defence Services*
4. Shri A. N. Mukhopadhyay—*Jt. Director (Reports-Central)*
5. Shri K. H. Chhaya—*Jt. Director (Railways)*
6. Shri N. R. Rayalu—*Jt. Director (Defence)*

In the absence of the Chairman, Shri Bhiku Ram Jain was chosen to act as Chairman of the sitting under Rule 258 (2) of the Rules of Procedure and Conduct of Business in Lok Sabha.

The Committee considered and adopted the following Draft Report subject to the amendments/modifications as indicated in Annexure.

(i) Action Taken Report on the recommendations of P A C contained in their 122nd Report (7th L S) relating to All India Handicrafts Board.

* * * *

The Committee also approved some minor modifications/amendments arising out of factual verification of draft Reports by Audit.

The Committee also authorised the Chairman to finalise the Reports and present the same to the House.

The Committee then adjourned.

ANNEXURE

Modifications/amendments made by the Public Accounts Committee in the draft Action Taken Report on the 122nd Report of Public Accounts Committee (7th Lok Sabha) at their sitting held on 14.2.1984.

Page	Para	Line (s)	Modifications/amendments
1	2	3	4
2	1.3	—	<p><i>Substitute the existing para:</i></p> <p>‘The Committee regret that though a period of more than a year has elapsed since the Report was presented to the House, the Ministry have not yet furnished final action taken replies in respect of three recommendations. The Committee desire that final action taken replies to these recommendations duly vetted by audit, should be submitted to the Committee within a period of three months’.</p>
4	1	10	<p><i>Insert the following after “by them”,</i> <i>‘Even such basic data as to how many of the aided artisans have survived is not available’.</i></p>
4.	1.7	21	<p><i>For the words “Board of” read “Board, which is allowed an expenditure of Rs.11 crores a year on”.</i></p>
4	1.7	29	<p><i>After ‘artisan and’ Add ‘to’</i></p>
6	1.10	20	<p><i>Add ‘and unconvincing’ After ‘evasive’</i></p>
6	1.10	3 (from bottom)	<p><i>Add “The Committee reiterate their earlier recommendation that responsibility for failure to dispose of the carpets in time and the consequent loss should be fixed” after the sentence ending with “deserved”.</i></p>

1	2	3	4
7	1.10	1to5	<p><i>For "In particular...in stock" read "In particular, they would also like to be informed about the number of carpets which have been disposed of since the introduction of the revised policy. how, where and at what price these have been disposed of and the number of carpets which are still in stock"</i></p>
	1.13		<p><i>Add the following at the end "The Committee would also like to be informed if the misappropriated amount has since been recovered".</i></p>

