

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE

ON

**PUBLIC UNDERTAKINGS
(2023-26)**

..... SIXTY THIRD REPORT

(Presented on ..17th September.. 2025)

**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM**

2025

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**PUBLIC UNDERTAKINGS
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**SIXTY THIRD
..... REPORT**

On

COIR & HANDLOOM

**[Kerala State Coir Corporation Limited,
Kerala State Coir Machinery Manufacturing Company Limited,
Kerala State Handloom Development Corporation (Hanveev),
Kerala State Handloom Weavers Co-operative Society Limited (Hantex)]**

**(Based on the Reports of the Comptroller and Auditor General of India for
the years ended 31st March, 2017 & 2019)**

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COMMITTEE ON PUBLIC UNDERTAKINGS

(2023-26)

COMPOSITION

Chairperson:

Shri E. Chandrasekharan

Members:

Shri A.P. Anil Kumar

Shri Anwar Sadath

Shri Ahammed Devarkovil

Shri T.V. Ibrahim

Shri P. Mammikutty

Shri K.P. Mohanan

Shri D.K. Murali

Shri P. Nandakumar

Shri Kadakampally Surendran

Shri P. Ubaidulla

Legislature Secretariat:

DR. N. Krishna Kumar, Secretary

Smt. Sheeba Varghese, Joint Secretary

Shri Anilkumar B., Deputy Secretary

Shri Mohanan O., Under Secretary

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2023-26) having been authorised by the Committee to present the Report on its behalf, present this...63rd.... Report on Coir & Handloom based on the reports of the Comptroller and Auditor General of India for the years ended 31st March, 2017 & 2019 relating to the Public Sector Undertakings of the State of Kerala.

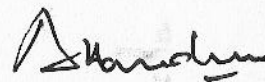
The aforesaid Reports of the Comptroller and Auditor General of India was laid on the Table of the House on 19.06.2018 and 10.06.2021 respectively. The consideration of the audit paragraphs included in this report and the examination of the departmental witness in connection thereto were made by the Committee on Public Undertakings (2021-2023) at its meeting held on 18.10.2023.

This Report was considered and approved by the Committee (2023-2026) at its meeting held on 06.08.2025.

The Committee place on record its appreciation for the assistance rendered to them by the Accountant General (Audit), Kerala in the examination of the Audit paragraphs included in this Report.

The Committee wishes to express thanks to the officials of the Industries Department of the Secretariat, Kerala State Coir Corporation Limited, Kerala State Coir Machinery Manufacturing Company Limited, Kerala State Handloom Development Corporation (Hanveev), Kerala State Handloom Weavers Co-operative Society Limited (Hantex) for placing the materials and information solicited in connection with the examination of the subject. The Committee also wishes to thank in particular the Secretaries to Government, Industries and Finance Department and the officials of the Kerala State Coir Corporation Limited, Kerala State Coir Machinery Manufacturing Company Limited, Kerala State Handloom Development Corporation (Hanveev), Kerala State Handloom Weavers Co-operative Society Limited (Hantex) who appeared for evidence and assisted the Committee by placing their views before the Committee.

Thiruvananthapuram,
17th September, 2025.



E. CHANDRASEKHARAN
Chairperson,
Committee on Public Undertakings.

**REPORT
ON
COIR & HANDLOOM**

**[Kerala State Coir Corporation Limited, Kerala State Coir Machinery
Manufacturing Company Limited, Kerala State Handloom Development
Corporation (Hanveev), Kerala State Handloom Weavers
Co-operative Society Limited (Hantex)]**

Audit Para : 2.1 (2016-17)

Promotion and Development of coir and handloom sectors in Kerala

Executive Summary

Introduction

In Kerala, as of March 2017, there were 1.89 lakh workers and 0.19 lakh weavers in coir and handloom sectors respectively under the co-operative fold. There were 564 working societies in coir sector and 409 working societies in handloom sector. Similarly, there were six PSUs/organisations, engaged in the promotion and development of the respective sectors.

Implementation of schemes and monitoring by Government of Kerala (GoK)

Measures outlined and suggested in the report of Coir Commission (2008) were not implemented. The mechanisations and modernisation of working units, liquidation/revival/reorganisation of dormant societies and welfare measures contemplated were not progressing at the expected pace in both sectors. Absence of reliable data prevented formulation of strategic approach for the coir and handloom sectors.

Promotion and development programmes

Raw material support

Coconut Husk collection scheme and revival of defibering units initiated by Directorate of Coir Development could not resolve the issue of non-availability of raw material in coir sector, which in turn made them dependent on other States and their products less market competitive.

Financial support

Financial support extended by GoK/GoI in the form of working capital assistance scheme for coir sector and Revival, Reform and Restructuring package for handloom sector was not effective due to absence of monitoring and deviation from scheme guidelines.

Marketing support

Societies could not avail full benefit of market assistance schemes and programmes due to the delays in processing of claims and release of assistance by Directorates. Failure to register under handloom mark scheme and non-conduct of expos resulted in loss of opportunity to showcase the handloom products.

Infrastructure development and modernisation

The infrastructure development and modernisation schemes and programmes implemented for the development of both coir and handloom sectors were not satisfactory because of inadequate coverage, delay in implementation, absence of/deviation from guidelines, etc.

Welfare of workers and weavers

Welfare measures initiated by GoK though ensured standard of living through minimum wages, pension and insurance, did not cover the entire sector. The implementation was also marred by delays in payments and deviation from guidelines.

2.1.1- Introduction

Coir industry is the largest agro based traditional and cottage industry in Kerala and is concentrated mainly in the rural areas. The coir industry provides livelihood to nearly 3.75 lakh people, of which women constitute 80 per cent¹ Co-operative societies in the coir sector are organised under yarn sector comprising of husk collection societies, defibering societies and

¹ As per Economic Review 2017, published by State Planning Board, Kerala.

yarn societies) and product sector (comprising of mats and matting societies and small scale producers' co-operative societies). The coir co-operatives in yarn sector and product sector are affiliated to Kerala State Co-operative Coir Marketing Federation Limited (Coirfed).

Among the traditional industries in Kerala, handloom sector stands second to coir sector in terms of employment generation. Handloom sector employed 19,321 weavers as of March 2017. Weavers outside the co-operative societies in the handloom sector are organised under the aegis of Kerala State Handloom Development Corporation Limited (Hanveev), a Public Sector Undertaking (PSU). Similarly, co-operative societies in the handloom sector are affiliated to Kerala State Handloom Weavers' Co-operative Society Ltd. (Hantex).

2.1.2 - Agencies involved in promotion of coir and handloom sectors under the Government of Kerala

The Directorate of Coir Development formulates and implements schemes for promotion and development of coir sector in the State. It has 10 Project Offices under it to implement various schemes for coir sector. Similarly, Directorate of Handlooms and Textiles formulates and implements schemes for the development of handloom sector. Policies and schemes of Government of India (GoI)/Government of Kerala (GoK) are administered through 14 District Industries Centres. Besides the co-operative societies, there are three² PSUs and two organisations³ in the coir sector and one⁴ PSU in the handloom sector engaged in the promotion and development of the respective sectors.

2.1.3 - Audit Objectives

The objectives of the Performance Audit were to assess whether:

² Foam Mattings (India) Limited, The Kerala State Coir Corporation Limited and Kerala State Coir Machinery Manufacturing Company Limited.
³ Kerala Coir Workers Welfare Fund Board and National Coir Research and Management Institute.
⁴ Kerala State Handloom Development Corporation Limited.

- policy initiatives and planning were adequate for promotion and development of coir and handloom sectors in the State;
- the activities of Government Departments/Directorates/Agencies and PSUs in financing, protecting and promoting the coir and handloom sectors in the State were adequate, efficient and effective; and
- functioning of Departments/Directorates/PSUs was efficient to support welfare and standard of living of workers.

2.1.4 - Audit Criteria

Audit criteria were drawn from the following sources:

- Industrial and Commercial Policy, 2007 of GoK;
- Guidelines issued by Central/State Governments for various schemes;
- Government Orders and Circulars;
- Memorandum and Articles of Association of the PSUs;
- Policies/Plans/Schemes formulated by the PSUs;
- Standard Industry Practice;
- State Plans for 2012-17; and
- Coir Commission Report, 2008.

2.1.5 - Scope of Audit

The Performance Audit covered the period from 2012-13 to 2016-17. The records at the following Government Departments/Agencies and PSUs were examined:

- Directorate of Coir Development and selected four Project Offices⁵ ;
- Foam Mattings (India) Limited (FOMIL);
- The Kerala State Coir Corporation Limited (KSCC);
- Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC);
- Kerala Coir Workers Welfare Fund Board (KCWWFB);

⁵ Alappuzha, Kayamkulam, Chirayinkeezhu and Kozhikode were selected from 10 Project Offices.

- National Coir Research and Management Institute (NCRMI);
- Directorate of Handlooms and Textiles and five District Industries Centres⁶ selected through sampling;
- Kerala State Handloom Development Corporation Limited (Hanveev); and
- The Kerala State Handloom Weavers Co-operative Society Ltd. (Hantex).

2.1.6 Audit Methodology

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining the audit objectives to top management of the PSUs, Directorates and GoK, scrutiny of records of the audited entities, analysis of data with reference to criteria, issue of audit requisitions and queries, joint physical verification and survey of workers in societies.

An Entry Conference was held with the audited entities and GoK in June 2017, wherein the scope and objectives of the Performance Audit were discussed. Field audit involving scrutiny of records was conducted during April 2017 to August 2017. The audit observations were reported (December 2017) to GoK, besides discussing in the Exit Conference held in January 2018. The views expressed by GoK were duly considered while finalising the Report.

2.1.7 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the management and staff of the PSUs, Directorates and Department of Industries in the conduct of this Performance Audit.

2.1.8 Audit Findings

The number of working societies and workers in coir sector increased from 441 and 1,61,950 respectively in 2012-13 to 564 working societies⁷ and 1,88,748 workers⁸ in 2016-17. Number of working societies and weavers in respect of handloom sector decreased from 431 societies and 52,171 weavers in 2012-13 to 409 societies and 19,321 weavers⁹ in 2016-17.

The audit findings are discussed in the succeeding paragraphs:

2.1.20 - Marketing Support

In order to address the marketing constraints faced by the coir sector and handloom sector, GoK and GoI implemented several schemes during 2012-13 to 2016-17 as shown in Table 2.2 below:

Table 2.2: Schemes implemented by GoK and GoI for marketing support in coir and handloom sectors

Sl.No.	Coir sector	Sl.No.	Handloom sector
1	Purchase Price Stabilisation scheme	1	Marketing Incentive Scheme
2	Market Development Assistance for coir sector	2	Handloom mark scheme
3	Production and Marketing Incentive for coir sector	3	Registration under Handloom brand
		4	Rebate scheme

(Source: Data collected from Directorates)

Audit examined the implementation of these schemes and audit observations are discussed in paragraphs 2.1.21 to 2.1.27.

⁷ As per Economic Review 2017, published by State Planning Board, Kerala.

⁸ As per Appendix 3.1.46 of Economic Review 2017 relating to 529 societies.

⁹ Up to 2012-13, number of weavers was taken from the data provided by handloom societies. From 2013-14 onwards, details of weavers were uploaded in the website of Directorate of Handlooms and Textiles after physical verification of assets and weavers. Hence, the decrease in number of weavers.

2.1.21- Purchase Price Stabilisation Scheme for the coir sector

Under Purchase Price Stabilisation Scheme (PPSS), the semi-finished/finished coir products and allied products manufactured by small scale producers and mats and matting societies will be procured by Kerala State Coir Corporation Limited (KSCC). The exporters purchasing coir products from KSCC were eligible for an incentive of 7.50 per cent of Freight on Board (FOB) value of hand woven products procured through this mechanism. KSCC was entitled for service charge from Directorate of Coir Development at the rate of three per cent of the value of products procured.

Audit observed that during the period 2013-14 to 2016-17, KSCC sold mats and mattings under Purchase Price Stabilisation Scheme (PPSS) to 146 parties for the purpose of export. As per the Scheme, KSCC was to ensure that the export obligations were met by the exporters. KSCC did not devise a mechanism to ensure that the export obligation was met by the exporters though ₹33.21 crore was paid as export incentive during 2013-17.

2.1.22 - Marketing Incentive Scheme for handloom sector

In the handloom sector, Marketing Incentive is given at the rate of 10 per cent of the average sales turnover of the last three years to support marketing of handloom products by marketing agencies. Incentive would be shared equally by GoI and GoK. Kerala State Handloom Development Corporation Limited (Hanveev), The Kerala State Handloom Weavers Co-operative Society Ltd. (Hantex) and PHWCS are eligible for incentive in the State. The share of GoK would be released in advance.

According to the revised (June 2015) guidelines, GoK should identify a nodal agency for implementation of the scheme. GoK appointed (January 2016) Hanveev as the nodal agency of the Scheme.

Audit examined implementation of Marketing Incentive scheme in five selected districts and observed that out of 35 PHWCSs in Kannur district, 30 PHWCSs submitted (November 2015 to March 2017) Marketing Incentive claim (₹1.89 crore) for the period 2013-17 to Hanveev. Hanveev did not forward the claims to the Development Commissioner (Handlooms) so far (December 2017) on the plea that Hanveev did not have adequate staff to verify the claims submitted by PHWCSs. Due to non-submission of claims by Hanveev, Marketing Incentive was not extended to PHWCSs.

GoK stated (March 2018) that Marketing Incentive was sanctioned earlier by a State Level Committee chaired by the Secretary (Industries), GoK. Claims approved and sanctioned by the State Level Committee were only forwarded to Government of India for assistance. On appointment of Hanveev, the role of Hanveev, was not made clear. The matter was now with Government and a clear direction in this regard would be issued shortly and all pending claims would be processed and submitted to GoI.

The reply was not acceptable as GoK did not clarify the role of nodal agency even after two years from the date of appointment of Hanveev and as a result, assistance envisaged under Marketing Incentive Scheme was denied to PHWCSs in the State.

2.1.25 - Revitalisation and strengthening of Hanveev and Hantex

Hantex and Hanveev offer marketing facilities for the weavers in the co-operative sector and outside the co-operative fold respectively. GoK sanctioned (2012-2016) ₹7.12 crore and ₹9.75 crore for revitalisation and strengthening of Hanveev and Hantex respectively. The fund was to be utilised within the respective financial year itself for modernisation and computerisation of showrooms for customer attraction, producing

innovative high value and value added products, etc., to exploit the existing market potential.

Audit observed that:

- Out of ₹7.12 crore sanctioned to Hanveev, ₹2.70 crore was not utilised for modernisation and computerisation of showrooms and for strengthening of pre loom and post loom facilities. Hanveev diverted ₹1.05 crore out of ₹2.70 crore for clearing Provident Fund arrears, dues on account of yarn purchase, dues on account of printing and dyeing, etc.
- As per the conditions of sanction of fund to Hantex, unspent amount should be refunded to GoK with interest at 12 per cent. Out of 30 showrooms, for which fund was sanctioned, modernisation and computerisation of only five showrooms were completed while two were ongoing. Work in respect of remaining 23 showrooms did not commence so far (August 2017). There were delays ranging between 18 and 42 months to utilise the fund sanctioned (2013-16) for renovation of these 23 showrooms.

Thus, the scheme intended for revitalisation of Hanveev and Hantex by attracting customers through renovated showrooms, easy business through computerisation, etc., was not implemented effectively.

GoK replied (March 2018) that a newly formed Monitoring Committee of the Directorate was instructed to verify the utilisation of funds by Hantex and Hanveev. Appropriate action would be taken on receipt of report of the Committee.

2.1.27 - National Handloom Expos (NHE) and Special Marketing Expos

With a view to promoting and developing market for the handloom sector, GoI implemented National Handloom Expos (NHE) and special

marketing expos. These expos would be organised for a period not less than 14 days in metropolitan and big cities to assist sale of handloom products.

PHWCSs/Hantex/Hanveev/Self Help Groups registered under the Handloom Mark Scheme would be eligible for participation in the expo. Financial assistance up to ₹38.00 lakh for organising NHE in cities with population of 25 lakh¹⁰ would be provided to Directorate of Handlooms and Textiles towards infrastructural support (stall rent, electricity charges, publicity, organising buyer-seller meet, backup services, administrative expenses etc.).

Besides the above, financial assistance at the rate of ₹20 lakh and ₹8 lakh would be provided for organising Special Expos (SE) at national level and State level respectively. According to conditions of scheme, GoI would release first instalment of 50 per cent as advance to meet preparatory expenses. Balance 50 per cent would be released on submission of performance cum achievement report within 10 days after completion of the event and claims in three months.

Audit observed that :

- During 2012-13 to 2014-15, GoK conducted three National Handloom Expos and for 2015-16, Hanveev was the implementing agency. For these NHEs, GoI released ₹66 lakh towards first instalment. Directorate of Handlooms and Textiles did not submit performance cum achievement report to the GoK within 10 days and claim for the balance 50 per cent within the stipulated period of three months. Claim and utilisation certificates were also not submitted by Hanveev for the year 2015-16. Due to delay in submission of claims,

10 ₹18.00 lakh for organising NHE in cities with population below ₹25 lakh.

GoI did not release balance share amounting to ₹66 lakh. Further, proposal (February 2017) against sanction for conducting NHE during 2016-17 was also not approved by Development Commissioner (Handlooms), GoI due to non-submission of utilisation certificate (UC) for the year 2015-16 leading to failure to obtain further GoI assistance of ₹38 lakh for marketing the products.

- In three NHEs conducted during 2012-15, 307 participants sold handloom cloth valuing ₹12.08 crore. Due to non-conduct of NHEs during 2016-17, handloom weavers were deprived of one of the avenues to sell their handloom products.
- Directorate of Handlooms and Textiles did not submit any proposal for conducting three Special Expos for the period 2016-17 against three special expos sanctioned by Development Commissioner (Handlooms) for Kerala.

Thus, due to non-conducting of NHEs and special expos during 2016-17, the handloom weavers were deprived of the opportunity to showcase their exquisite handloom products.

Directorate of Handlooms and Textiles admitted (January 2018) that due to non-submission of UC on time, 50 per cent of grant was not released by GoI. GoK replied (March 2018) that Hanveev, implementing agency of NHE for the period 2015-16, did not submit UC on time. Therefore, application for conduct of National Handloom Expos for 2016-17 was rejected by GoI.

2.1.30 Skill Development in coir sector

National Coir Research & Management Institute (NCRMI) was established by GoK in 1994 with the mission of conducting research and

imparting training to workers in the coir sector. Similarly, Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC) was to impart training to workers of co-operative societies which procure machineries from KSCMMC. The Coir Commission observed that low productivity of workers in the coir sector was on account of outdated technologies and machineries. The Coir Commission recommended modernisation of technology along with training to workers for production of different varieties of coir at improved productivity.

Audit observed that:

- Total number of workers trained through NCRMI during 2012-13 to 2016-17 was only 613. But, Coir Board had given training to 5,492 workers under its Mahila Coir Yojana Scheme and to 7,336 workers under training for manufacturing valued added products. The workers trained by Coir Board were from both co-operative and private sector.
- KSCMMC distributed (March 2015 to June 2017) 71 mini defibering machines, 65 willowing machines, 61 screeners, 20 conveyors, 10 screeners for pith, 6 bailing press and 6,490 electronic ratts. Despite supplying these machines to co-operative societies, KSCMMC did not train the workers of these societies due to staff shortage.
- From the data collected from 355 societies by Project Offices at the instance of Audit, it was noticed that no workers from 221 societies were selected for any training during the last five years.

These instances indicated scope for improvement of skills of coir workers by assessing training needs of workers, thus, improving viability of societies.

GoK stated (February 2018) that training programme of NCRMI was for longer duration than that of Coir Board. As part of speedy mechanisation of coir sector, KSCMMC was entrusted to manufacture various machines. As

most of coir workers are unaware of operating new machines, ₹1.42 crore was sanctioned for training. A list of 1,877 workers from various societies was sent to KSCMMC to impart training and adequate training will be given to coir workers to become familiar with these machines to enhance productivity.

The fact, however, remains that a large section of the workers were untrained even after commencement of mechanisation and the number of workers imparted training during the audit period was less than one per cent of work force in co-operative sector.

2.1.31- Procurement of modern equipment for the coir sector

As of June 2017, out of 355 co-operative societies, details of which were available, 153 societies were working in manual mode. As part of modernisation of coir sector, GoK approved the proposal of the Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC) to manufacture and supply 30 Integrated Coir Processing Units¹¹ (ICPU) to 20 co-operative societies/PSUs, free of cost and to 10 private units at 50 per cent subsidy. GoK sanctioned (October 2016) ₹4.31 crore to KSCMMC for supply of the equipment. The scheduled date of completion of supply was 31 March 2017. The Project Offices were to identify the co-operative societies/ PSUs and private parties requiring ICPUs.

Four¹² Project Offices submitted proposals for 15 societies and after assessing scope and infrastructure facilities, the Directorate of Coir Development recommended 14 societies and one private party for supplying the ICPU. Directorate of Coir Development later decided (April 2017) to

11 The units with an installed capacity of processing 8,000 husks per shift per day with proposed output of 2,40,000 Kg of fibre and 4,80,000 kg of coir pith annually.

12 Alappuzha, Ponnani, Kozhikode and Vaikom.

reassess the infrastructure facilities of the beneficiaries and postpone the issuance of ICPU till then.

Audit observed that:

- The machines were ready for supply by December 2016. However, due to delay in reassessment of infrastructural facilities, the machines were not delivered to the societies and were idling.
- Though the project envisaged free distribution of ICPUs to societies, the Project Office, Thrissur reported that societies were reluctant to purchase the machine due to financial constraints. This indicated that Project Offices themselves, who were to spread information among beneficiaries, were unaware that the machines were given free of cost.

GoK stated that delay occurred as physical inspection had to be carried out to ascertain the infrastructural facilities in societies before selecting suitable beneficiaries. A list of 17 coir societies was forwarded to KSCMMC for distribution of machines and the process of installing the machineries commenced in December 2017.

The reply was not acceptable as due to delay in assessment of infrastructural facilities, ICPUs manufactured by KSCMMC for mechanisation of societies remained unutilised. Moreover, there was lack of awareness about the scheme among project offices and beneficiaries to make use of the benefits.

[Audit Paragraphs 2.1 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2017]

The notes furnished by the Government on the audit paragraph are given in Appendix II

Discussions & Findings of the Committee

Kerala State Coir Corporation Limited (KSCC)

Para 2.1.21 – Purchase Price Stabilization Scheme for the Coir Sector

The audit observation was that KSCC did not devise a mechanism to ensure that the export obligation was met by the exporters who purchased coir products from KSCC though ₹33.21 Crore was paid as export incentive during 2013-17. The Committee sought explanation regarding the audit objection.

The Director, KSCC replied that during the above mentioned period there was no mechanism to scrutinise and cross check the purchase bill of exporters from Coir Board and shipping bill from Directorate of Shipping. During the said period KSCC had paid the incentive after receiving the shipping bill from the exporters. After the audit observation, KSCC introduced a strict mechanism to cross check the shipping bill and purchase bill of Corporation to ensure that the exported goods are bought from Coir Corporation, thereby meeting the obligations as per the Scheme.

To a query of the Committee the witness informed that goods worth about ₹1,000 Crore are being exported every year. He added that till 2016, the incentive was given at the rate of 7.5% and after that it was increased to 10% and that the funds are given by Government of Kerala only. The witness also informed that the verification for the audit period was conducted after the query of the A.G.

The Committee inquired whether there was any delay in submitting the shipping bill. The witness replied that there was no such delay. To a query of the Committee, the Director, KSCC assured that the Corporation would furnish a report comprising the details of cross verification conducted after the audit observation for the period 2013-17.

Conclusion/Recommendation of the Committee

1) *The Committee observes that only after the audit observation KSCC started to cross-check the purchase bill of exporters from Coir Board and shipping bill from Directorate of Shipping to ensure that the exported goods are bought from Coir Board. So the Committee recommends to furnish a report comprising the details of cross verification conducted by KSCC after the audit observation.*

Discussions & Findings of the Committee

Kerala State Handloom Development Corporation (Hanveev)

Para 2.1.22 – Marketing Incentive Scheme for Handloom Sector

The audit observation was that Hanveev which was appointed as the nodal agency for the Marketing Incentive Scheme did not forward the claims to the Development Commissioner (Handlooms) so far on the plea that Hanveev did not have adequate staff to verify the claims submitted by PHWCSs and as a result Marketing Incentive was not extended to PHWCSs during the period 2013-17. The Committee wanted explanation on the audit objection. The Director of Hanveev replied that the Central Government had directly appointed Hanveev as the nodal agency and Hanveev informed the government after a period of two years that they could not carry out the scheme since they do not have adequate staff. He added that the Central Government decided to cease the scheme from 2016 to 2020 on the ground that Marketing Incentive could be given only if the annual turnover of the Corporation is below ₹ twenty lakhs. Since the turnover of the Corporation is above ₹ two crores, the Government ceased to distribute incentive. But the Committee observed that the incentive scheme is applicable not only to Hanveev and Hantex, but is extended to PHWCS as well. And the marketing incentive to PHWCS was

denied owing to non-submission of claims by Hanveev, the nodal agency for submitting the claims, thus denying the benefit to actual workforce in the sector.

The Committee also mentioned that out of 35 PHWCS in Kannur, audit examined cases of 30 PHWCSs that entitled to the claim of ₹1.89 crore and this itself is a tip of the iceberg as many PHWCSs in the state were also the losers in the same period. The Committee laments about the pathetic situation prevailing in the Corporation in handling the case of claims of the primary societies and criticised the attitude on the part of the Corporation towards the labourers in the sector. The Committee also observed that if the Corporation could not verify the claims in time, it had to inform the Government about the inadequacy in its part. The Committee wanted the Government to strictly monitor such schemes that is beneficial to the primary societies that in turn benefit the whole sector.

From the above discussion, the Committee arrived at a conclusion that there was a serious lapse on the part of Hanveev in reporting the Government in time about the inadequacy of employees to perform the task which in turn resulted in the discontinuation of the scheme. So the Committee recommended to take stringent action against the responsible officials and to report the same to the Committee.

To a query of the Committee, the witness informed that a new marketing scheme was launched for the period 2020-26 in the financial year 2020-21 and again Hanveev was appointed as the nodal agency and they completed audit upto the year 2021-22. He added that as per the new scheme, ten percent of the total sale is given as incentive and assured the Committee that they would furnish a detailed report regarding the total sale of Hantex.

To a query of the Committee about the number of employees in Hanveev, the witness informed that in 2012 there were 300 employees but now it has reduced to 160. He added that since the financial status of the Corporation is very pathetic and that they could neither disburse salary to the employees nor re-deploy the former employees.

The witness further added that the computerisation will be completed within one month. He added that currently the Corporation has 36 showrooms, 31 procurement centres, more than 1950 weavers and altogether 14 quality control inspectors.

The Witness informed the Committee that last time the Corporation bought products worth about ₹50 lakhs from other states. He added that in 2012-13 and 2014-15 there was a Government Order intimating that only 20% of the total sale would be bought from other states. So the Corporation manufactured some products and bought some products from societies within the state.

The Committee enquired whether there is any mechanism to inspect the quality of the products which were bought from other states. The witness replied that Hanveev do not have the authority to do so and the Co-operative Inspectors are bound to perform the inspection.

When the Committee enquired about the steps taken to strengthen the marketing, the witness informed that about 25 showrooms of Hantex have been modernised with air conditioners and customer self service. He added that they could not deliver advertisements properly.

The Committee viewed that the old scheme which was stopped earlier was renewed for the period 2020-26 and wanted the Government to submit the claims to Central Government without delay. The Committee observed that now the number of employees in Hanveev is much lesser compared to

that in 2012 and pointed out that there will be considerable delay in forwarding the claims to the Development Commissioner, GoI. The Committee recommended to examine the possibility of appointing inspectors from Industries Department instead of entrusting the duty to Hanveev solely and wanted the Government to closely monitor the entire work.

Conclusions/Recommendations of the Committee.

2) The Committee arrives at a conclusion that there was a serious lapse on the part of Hanveev in reporting the Government in time about the inadequacy of employees to perform the task which in turn resulted in the discontinuation of the scheme. So the Committee recommends to take stringent action against the responsible officials and to report the same to the Committee.

3) The Committee observes that now the number of employees in Hanveev is much lesser compared to that in 2012 and pointed out that there will be considerable delay in forwarding the claims to the Development Commissioner, GoI. So the Committee recommends to examine the possibility of appointing inspectors from Industries Department instead of entrusting the duty to Hanveev solely and wanted the Government to closely monitor the entire work.

Discussions & Findings of the Committee

Kerala State Handloom Development Corporation (Hanveev) & Kerala State Handloom Weavers Co-operative Society Limited (Hantex)

Para 2.1.25 – Revitalisation and Strengthening of Hanveev and Hantex

The Audit observation was that the amount sanctioned for revitalisation of Hanveev and Hantex by attracting customers through renovated showrooms, easy business through computerisation etc was not implemented

effectively and did not spend the amount fully for the said purpose. The Committee sought explanation regarding the matter.

The witness replied that out of the ₹7.12 crore sanctioned to Hanveev, ₹2.70 crore remained unspent and ₹50 Lakh was kept aside according to the direction of Government of Kerala and the remaining amount was spent for clearing Provident Fund arrears, dues on account of yarn purchase, printing, dyeing etc. He added that a request was sent to the Government to divert the amount of ₹ 2.70 crores as working capital on 19-12-2016 and permission for the same was not granted yet.

The witness further informed that though ₹5.75 crore has been granted to Hantex, modernization and computerisation of only 5 showrooms were completed at that time because it was not practical to shutdown all the showrooms during festival seasons. However modernisation of 30 out of 79 showrooms were completed till date and the balance amount was remitted to treasury in 2016 itself. He added that the computerisation of Hantex has been completed and that of Hanveev will be completed within one month.

The Committee enquired the Finance Department about the status of the procedure to convert the diverted fund as working capital. The official from the Finance Department stated that there is no such procedure as to convert the diverted fund as working capital since if such a procedure was sanctioned by Finance Department for a particular Department/ Corporation, every other Department will follow the same and hence it is not encouraged as it will create wrong precedence generally.

To this, the Committee criticised the Corporation and observed that it is the duty of the Corporation to ratify the action of diverted fund utilisation

by Finance Department and the delay of more than 6 years for the purpose is not at all justifiable .

The Committee expressed its strong displeasure on the affairs of the Corporation on the matter and wanted the Government to take immediate action to ratify the said utilisation of fund and report the matter to the Committee. The Joint Secretary, Industries Department assured the Committee that proper follow up action would be taken and same be intimated to the Committee at the earliest.

Conclusion/Recommendation of the Committee

4) The Committee observes that a part of the fund for revitalisation of textile sector was diverted to meet operational expenses and further wanted the Finance Department to change the amount into working capital. The Committee commented it is absolutely a mockery that Government money was diverted and its ratification is still pending. The Committee expresses its strong displeasure on the affairs of the Corporation on the matter and recommends the Government to take immediate action to ratify the said utilisation of fund and report the matter to the Committee.

Discussions & Findings of the Committee

Kerala State Handloom Development Corporation (Hanveev)

Para 2.1.27 – National Handloom Expos (NHE) and Special Marketing Expos

The Committee sought explanation regarding the audit objection that due to non-submission of Utilisation Certificate in time, 50% of the grant was not released by Government of India for the Expos conducted during 2015-16 and subsequently resulted in the rejection of application to conduct

National Handloom Expos for 2016-17 that deprived handloom weavers of the opportunity to showcase their products.

The witness replied that the expos during 2012-13 to 2014-15 were conducted and utilisation certificate submitted properly. But during 2015-16, Hanveev was appointed as the implementing agency. Though Hanveev conducted the Expo, they could not submit the U.C. in time and as a result Government of India did not release balance (50%) share amounting to ₹66 lakhs. He added that the U.C. was submitted later after getting approval from GOI and the same was sent on 13.06.2018. He informed the Committee that special Expos had been restarted during 2020-21 under the aegis of GOI with District Industries Centre as implementing agency.

The Committee observed that it was clearly mentioned in the scheme by GOI that performance cum achievement report shall be submitted to the Development Commissioner (Handlooms) within 10 days of the completion of Expo which the Hanveev failed to submit and claim 50 percent within the stipulated period of 3 months. The Committee vehemently criticised the lackadaisical attitude on the part of the officials of the Corporation for not submitting the UC on time which led to the denial of not only the 50 percent share of the amount mentioned in the scheme but also deprived the opportunity of weavers to conduct the Expo in the succeeding year. The Committee also noticed that the amount was lost not to the officials of the Corporation but to the weavers and pointed out that if there occurred a loss in salary or incentive of the officials, they would have submitted the UC on time and this attitude shows their unfaithfulness to the society and opined that it is not at all justifiable.

The Committee expressed its concern on the mismanagement and inefficiency of the officials of the Corporation that led to the denial of the benefit to the workers and wanted to identify the officials who are responsible for the loss and to take stringent action against them and report to the Committee at the earliest.

Conclusion/Recommendation of the Committee:

5) The Committee observes that Hanveev had failed to submit the performance cum achievement report to the Development Commissioner (Handloom) within 10 days of the completion of the Expo. They also failed to submit the claim and utilization certificate in time which led to the denial of approval to conduct National Handloom Expo in the succeeding year and loss of 50 per cent of grant by GOI. The Committee expresses its concern over the mismanagement and inefficiency of the officials of the Corporation which deprived the opportunity of the weavers to showcase their handloom products. So the Committee recommends that stringent action should be taken against the officers responsible for the loss and a report should be submitted to the Committee at the earliest.

Discussions & Findings of the Committee

Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC)

Para 2.1.30 – Skill Development in Coir Sector

The Committee demanded explanation regarding the audit observation that KSCMMC which was entrusted to impart training to workers of Co-operative Societies that procure machines from KSCMMC, failed to train the workers of these societies due to staff shortage and

observed that during the audit period only less than one percent of work-force had been imparted training.

The witness replied that as a part of mechanisation KSCMMC manufactured electronic ratts and imparted training to labourers. He added that they issued about 30,000 ratts including 6490 electronic ratts till date. He informed the Committee that the usage of automatic spinning machine in coir industry attracted the youth also.

The Committee observed that though mechanization in Coir Industry is progressing, the machines in co-operative societies remain unused and sought explanation regarding the audit objection that out of the 355 societies, no workers from 221 societies were selected for training during the last five years.

The witness replied that during the audit period National Coir Reserach & Management Institute (NCRMI) has imparted training to 3845 labourers according to the direction of Coir Director. He added that 95% of the coir produced in Kerala is through electronic ratts and the remaining 5% from automatic spinning machines. He informed that nowadays NCRMI imparts training through both e-ratts and automatic spinning machine. He added that about 1500 automatic spinning machines were issued to the societies and have imparted training to almost all labourers of the societies except three or four societies.

The witness informed the Committee that Geotextile sector is progressing very fast and recently Government have granted permission to use geotextile in road construction also.

The Committee enquired about the current status of the training programme. The witness replied that in addition to KSCMMC, NCRMI have a wing to impart free training to labourers with stipend. He informed

that NCRMI has developed a syllabus for the training with the sanction of the Coir Directorate. He added that the training is imparted with the help of Coir Board and the trained labourers in turn imparts training to labourers of other societies.

The Committee opined that since the technology changes very fast, the coir industry also have to cope with changes in order to upkeep its market share. Hence the Committee recommended to update the working of coir industry with timely changes.

Conclusion/Recommendation of the Committee

6) The Committee opines that since the technology changes very fast, the coir industry also have to cope with changes in order to upkeep its market share. Hence the Committee recommends to update the technology and modernise the industry with timely changes.

Discussions & Findings of the Committee

Kerala State Coir Machinery Manufacturing Company Limited

Para 2.1.31 - Procurement of modern equipment for the coir sector.

The Committee sought explanation regarding the audit observation that due to delay in reassessment of infrastructural facilities, the machines were not delivered to societies and were idling.

The Managing Director replied that though administrative sanction was accorded for ₹4.31 crore in 2016, the amount was not released at that time and an amount of ₹2.58 crore was released in 2017 and they started manufacturing machines.

Conclusion/Recommendation of the Committee:

7) The Committee expresses its displeasure on the explanation given by the witness and observes that the lack of awareness of the project officers

about the scheme resulted in undue delay. The Committee recommends that the Company should be more vigilant while implementing such schemes in future.

Audit Para 5.2 (2018-19)

Kerala State Coir Machinery Manufacturing Company Limited

Electrical energy management by Public Sector Undertakings in the manufacturing sector

Delay in conducting energy audit, failure to achieve specific energy consumption norms, non-availing of open access facility etc. led to extra expenditure and non-achievement of energy savings.

Energy¹³ management activities in India are governed by the Energy Conservation Act, 2001 (Act). Government of Kerala (GoK) accords high priority to energy conservation and energy efficiency and issued guidelines (May/ November 1992) for conducting energy audit and directions (June 2015) to regulate energy consumption standards for equipment and appliances. Bureau of Energy Efficiency (BEE) is established under the Act to coordinate with designated consumers, designated agencies and others. Energy Management Centre (EMC) is the State Designated Agency to coordinate, regulate and enforce the provisions of the Act/guidelines/directions.

A sample of nine¹⁴ out of thirty Public Sector Undertakings (PSUs) functioning in the manufacturing sector was selected as per Stratified Random Sampling Method¹⁵ for assessing the level of compliance to the Act/ guidelines/ directions and evaluating the implementation of energy

13 As per Section 2(h) of Energy Conservation Act, 2001, energy means any form of energy derived from fossil fuels, nuclear substances or materials, hydro-electricity and includes electrical energy or electricity generated from renewable sources of energy or bio-mass connected to the grid.

14 Travancore Cochin Chemicals Limited (TCCL), Malabar Cements Limited (MCL), The Kerala Minerals and Metals Limited (KMML), Kerala State Coir Machinery Manufacturing Company Limited (KSCMMCL), Travancore Titanium Products Limited (TTPL), Keltron Component Complex Limited (KCCL), Steel Industries Kerala Limited (SILK), Sitaram Textiles Limited (STL) and Transformers and Electricals Kerala Limited (TELK).

15 Based on energy consumption bill data

conservation measures during the period 2016-17 to 2018-19. Audit findings in this regard are discussed below:

5.2.1 Delay in conducting energy audit

As per the GoK directions (1992/2015) read with Government Order (January 2011), all HT/EHT installations should conduct energy audit once in three years.

Audit observed that out of nine PSUs selected for audit, energy audit was not conducted in STL so far (October 2019). Though SILK conducted first energy audit in 2008, subsequent energy audits were not conducted till October 2019. In the case of remaining six¹⁶ PSUs, delay ranging from 7 to 59 months was noticed in conducting the latest energy audit which was due between May 2012 and March 2019. The energy audit conducted by MCL, KMML and KSCMMCL did not include all their HT/EHT connections¹⁷

Audit also noticed that EMC was appointed (January 2011) as the State Designated Agency to coordinate, regulate and enforce the provisions of the rules¹⁸ in force. EMC, however, did not regularly monitor the conduct of energy audit and follow-up measures implemented by the PSUs.

EMC stated (July 2020) that empanelled energy auditors would be directed to incorporate details including status of implementation of previous energy audit and recommendations in energy audit report.

5.2.3 Excess power consumption by non-designated PSUs

In the case of non-designated PSUs, Audit reviewed the existence of power consumption norms and power consumption pattern against such norms, if any.

16 TCCL, KMML, KSCMMCL, TTPL, KCCL and TELK. Since the last energy audit of MCL was conducted in April 2016, next audit was due in April 2019.

17 Mines at Walayar of MCL, Mineral Separation Unit and Titanium Sponge Plant of KMML and the administrative building of KSCMMCL.

18 The Energy Conservation Act 2001, Guidelines issued by the GoK in May 1992 and November 1992 and the Directions issued by GoK in June 2015

Audit observed that four¹⁹ out of seven PSUs did not fix any norms for power consumption. In the case of remaining three²⁰ PSUs, the consumption of power was higher than the norm fixed by them. The excess power consumption over the norms ranged between 0.47 per cent (TTPL) and 13.90 per cent (KMML) during 2016-17 to 2018-19. This resulted in extra expenditure of ₹11.36²¹ crore.

KSCMMCL replied (September/December 2020) that steps were being taken for fixing norms for consumption of energy for different productions levels, production mix etc.

5.2.6 Lapses in energy requirement planning and efficiency improvement measures

As per the tariff orders of KSEBL approved by the Kerala State Electricity Regulatory Commission, 75 per cent of the Contract Demand (CD) or the actual Recorded Maximum Demand (RMD) whichever is higher is considered as the billing maximum demand. If the RMD exceeds the CD, RMD is billed at 1.5 times. The tariff orders from time to time also provide for incentives²² to HT and EHT consumers for power factor²³ (PF) improvement. An increase in PF above 0.90 would thus reduce energy charges. If the PF falls below 0.90, one per cent of energy charges for reduction of every 0.01 unit is charged in addition to the applicable charges.

5.2.6.1 Analysis of the contract demand and the actual consumption pattern from the monthly electricity bills of nine PSUs (total 13 connections) from April 2016 to March 2019 was made in audit. In four connections of three

19 KSCMMCL, TELK, SILK and KCCL

20 KMML, TTPL and STL.

21 KMML (₹10.87 crore), TTPL (₹33.96 lakh) and STL (₹14.55 lakh).

22 0.50 per cent vide Kerala Gazette Order No. 782 dated 21/04/2017, 0.25 per cent vide Kerala Gazette Order No. 1305 dated 28/11/2012, No. 2652 dated 9/9/2013 and No. 2379 dated 27/09/2014.

23 Power Factor (PF) expresses the ratio of true power used in a circuit to the apparent power delivered to the circuit.

PSUs²⁴, the actual RMD was in the range of 15.25 per cent to 67.83 per cent of the CD. The PSUs did not analyse the need for reducing the CD and act accordingly which resulted in avoidable expenditure of ₹54.14 lakh²⁵

KSCMMCL replied (December 2020) that full level of production was not yet started and more machinery were being installed and assured that steps would be taken to reduce the CD to a safer level.

Audit, however, noticed that the energy audit reports of these PSUs also recommended for reduction in contract demand which was not yet complied with.

5.2.6.2 Analysis also revealed that seven PSUs²⁶ achieved PF above 0.90 in all the three years (total eight connections). Out of this, TCCL obtained PF incentive of 10 points for 34 months and nine points for two months. In the remaining five connections, three PSUs (KMML-2, KSCMMCL-2 and SILK-1) paid penalty of ₹7.21 lakh during this period for reduction in PF below 0.90. Continued reduction in the PF and payment of penalty indicated that the PSUs failed to investigate the reasons for poor PF and take remedial action. Though the energy audit report recommended (April 2018) replacement of capacitor in one of the HT connections.

The GoK and PSUs (January/ October 2020) replied that steps were being taken to improve the power factor.

Recommendation 5.2: The GoK/PSUs may accord priority for undertaking timely energy audit, to identify energy efficiency and conservation areas including availing open access facility in order to achieve efficient use of energy. A senior management level oversight mechanism may be contemplated to monitor the achievement in this regard.

24 Two connections in KSCMMCL, one connection each in TTPL and TELK.

25 Excess contract demand is worked out by taking difference between the actual connected load and the connected load recommended in energy audit reports. This excess contract demand is multiplied with applicable fixed charges.

26 TCCL, MCL, TTPL, TELK, KCCL, SILK (one connection) and STL.

[Audit Paragraphs 5.2 contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2019]

The notes furnished by the Government on the audit paragraph are given in Appendix II.

Discussions & Findings of the Committee

5.2.1 Delay in conducting energy audit

The Committee accepted the Government reply that the Company started its commercial production during 2017 and that energy audit was conducted for its factory as well as administrative building during March 2022.

The Committee accepted the reply. Hence no comments

Para-5.2.3 - Excess power consumption by non-designated PSUs

To a query of the Committee, the witness informed that in 2018 energy audit was conducted only in the factory and that energy consumption was reduced to 400 KV from 600 KV and power factor was increased to 0.96 from 0.86. He added that based on the energy audit conducted during March 2022 specific energy consumption norms for some of the major products were fixed and KSCMMC had taken steps for maintaining specific energy consumption within the limit.

The Committee accepted the reply. Hence no comments

Para-5.2.6 - Lapses in energy requirement planning and efficiency improvement measures

The Committee accepted the Government reply that based on the direction of KSEBL steps are being taken for reducing Contract Demand to a safer level.

The Committee accepted the reply. Hence no comments

Para - 5.2.6.1

The audit observation was that the PSUs did not analyse the need for reducing the CD which resulted in avoidable expenditure of ₹54.14 lakh. The Committee sought explanation regarding the matter.

The witness informed that the Government had given administrative sanction for ₹3.5 crore to install C.N.C machines but as the amount was not given, the effort to reduce Contract Demand from 400 KV was stopped. He added that if the machines are installed, the company will have to use 400 KV itself.

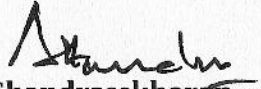
The Committee accepted the reply. Hence no comments

Para - 5.2.6.2

The witness informed that KSCMMC had already taken steps for improving power factor and for the past three years the average power factor is above 0.96.

The Committee accepted the reply. Hence no comments

Thiruvananthapuram,
17th September, 2025.


E. Chandrasekharan
Chairperson
Committee on Public Undertakings

APPENDIX – I SUMMARY OF MAIN CONCLUSIONS/RECOMMENDATIONS			
Sl. No.	Para. No.	Department Concerned	Conclusions/Recommendations
1	1	Industries	The Committee observes that only after the audit observation KSCC started to cross-check the purchase bill of exporters from Coir Board and shipping bill from Directorate of Shipping to ensure that the exported goods are bought from Coir Board. So the Committee recommends to furnish a report comprising the details of cross verification conducted by KSCC after the audit observation.
2	2	Industries	The Committee arrives at a conclusion that there was a serious lapse on the part of Hanveev in reporting the Government in time about the inadequacy of employees to perform the task which in turn resulted in the discontinuation of the scheme. So the Committee recommends to take stringent action against the responsible officials and to report the same to the Committee.
3	3	Industries	The Committee observes that now the number of employees in Hanveev is much lesser compared to that in 2012 and pointed out that there will be considerable delay in forwarding the claims to the Development Commissioner, GoI. So the Committee recommends to examine the possibility of appointing inspectors from Industries Department instead of entrusting the duty to Hanveev solely and wanted the Government to closely monitor the entire work.
4	4	Industries	The Committee observes that a part of the fund for revitalisation of textile sector was diverted to meet operational expenses and further wanted the Finance Department to change the amount into working capital. The Committee commented it is absolutely a mockery that Government money was diverted and its ratification is still pending. The Committee expresses its strong displeasure on the affairs of the Corporation on the matter and recommends the Government to take immediate action to ratify the said utilisation of fund and report the matter to the Committee.

5	5	Industries	The Committee observes that Hanveev had failed to submit the performance cum achievement report to the Development Commissioner (Handloom) within 10 days of the completion of the Expo. They also failed to submit the claim and utilization certificate in time which led to the denial of approval to conduct National Handloom Expo in the succeeding year and loss of 50 per cent of grant by GOI. The Committee expresses its concern over the mismanagement and inefficiency of the officials of the Corporation which deprived the opportunity of the weavers to showcase their handloom products. So the Committee recommends that stringent action should be taken against the officers responsible for the loss and a report should be submitted to the Committee at the earliest.
6	6	Industries	The Committee opines that since the technology changes very fast, the coir industry also have to cope with changes in order to upkeep its market share. Hence the Committee recommends to update the technology and modernise the industry with timely changes.
7	7	Industries	The Committee expresses its displeasure on the explanation given by the witness and observes that the lack of awareness of the project officers about the scheme resulted in undue delay. The Committee recommends that the Company should be more vigilant while implementing such schemes in future.

Report of the Comptroller & Auditor General of India for the year ended 31st March 2017

	Observations of the Audit	Reply / Remarks / Action Taken Report of the Corporation
2.1	Promotion and Development of coir and handloom sectors in Kerala	
2.1.1	Introduction Coir industry is the largest agro based traditional and cottage industry in Kerala and is concentrated mainly in the rural areas. The coir industry provides livelihood to nearly 3.75 lakh people, of which women constitute 80 percent. Co-operative societies in the coir sector are organised under yarn sector (comprising of husk collection societies, defibering societies and yarn societies) and product sector (comprising of mats and matting societies and small scale producers' co-operative societies). The coir co-operatives in yarn sector and product sector are affiliated to Kerala State Co-operative Coir Marketing Federation Limited (Coirfed). Among the traditional industries in Kerala, handloom sector stands second to coir sector in terms of employment generation. Handloom sector employed 19,321 weavers as of March 2017. Weavers outside the co-operative societies in the handloom sector are organised under the aegis of Kerala State Handloom Development Corporation Limited (Hanveev), a Public Sector Undertaking (PSU). Similarly, co-operative societies in the handloom sector are affiliated to Kerala State Handloom Weavers' Co-operative Society Ltd (Hantex).	<p>യുവ വീവ് തൊഴിൽരഹിതരായ യുവജനങ്ങളെ കൈത്തറി നെയ്യ് വ്യവസായരംഗത്ത് പരിശീലനം നൽകി നെയ്യ് തൊഴിലിലേക്ക് ആകർഷിക്കുന്നതിന് വേണ്ടി യുവവീവ് പദ്ധതി നടപ്പിലാക്കി വരുന്നു. 18 നും 40 നും മദ്ധ്യേ പ്രായമുള്ളവരാണ് ഈ പദ്ധതിയുടെ ഗുണഭോക്താക്കൾ. 20 പേർ അടങ്ങുന്ന ബാച്ചുകളിലായി സൗജന്യ നെയ്യ്പരിശീലനം നൽകുകയും, ആവശ്യമുള്ളവർക്ക് 5 വർഷം വരെ തൊഴിൽ സംരക്ഷണം ഉറപ്പ് വരുത്തുകയും ചെയ്യുന്നു. 6 മാസകാലയളവിൽ ആദ്യ മൂന്ന് മാസം സ്റ്റൈപ്പന്റോടുകൂടി പരിശീലനവും, തുടർന്നുള്ള മൂന്ന് മാസം സ്റ്റൈപ്പന്റും വേതനവും നൽകി വരുന്നു. പരിശീലനം പൂർത്തിയായവർക്ക് സൗജന്യമായി തറിയും ജോലിസ്ഥിരതയും ഉറപ്പുവരുത്തുന്നു.</p> <p>ഒരു വീട്ടിൽ ഒരു തനി സ്വന്തമായി തനി ഇല്ലാത്തതും എന്നാൽ നെയ്ത്തിൽ 5 വർഷത്തെ പ്രവർത്തി പരിചയമോ സർക്കാർ അംഗീകൃത ഏജൻസിയിൽ നിന്നു ലഭിച്ച യോഗ്യതാ സർട്ടിഫിക്കറ്റോ ഉള്ള ഒരാൾക്ക് നെയ്ത്ത് ആരംഭിക്കുവാൻ പുതിയ തനി വാങ്ങുന്നതിനായി തനി വിലയുടെ 75% തുക പരമാവധി 40,000/- രൂപ ധനസഹായമായി സർക്കാർ നൽകുന്നു.</p>

2.1.2	<p>Agencies involved in promotion of coir and handloom sectors under the Government of Kerala</p> <p>The Directorate of Coir Development formulates and implements schemes for promotion and development of coir sector in the State. It has 10 Project Offices under it to implement various schemes for coir sector. Similarly, Directorate Handlooms and Textiles formulates and implements schemes for the development of handloom sector. Policies and schemes of Government of India (GoI)/Government of Kerala (GoK) are administered through 14 District Industries Centres. Besides the co-operative societies, there are three PSUs and two organisations in the coir sector and one PSU in the handloom sector engaged in the promotion and development of the respective sectors.</p>	No comments
2.1.3	<p>Audit Objectives</p> <p>The objectives of the Performance Audit were to assess whether :</p> <ul style="list-style-type: none"> • policy initiatives and planning were adequate for promotion and development of coir and handloom sectors in the State; • the activities of Government Departments/ Directorates/Agencies and PSUs in financing, protecting and promoting the coir and handloom sectors in the State were adequate, efficient and effective; and 	No comments

	<ul style="list-style-type: none"> functioning of Departments/Directorates/PSUs was efficient to support welfare and standard of living of workers. 	
2.1.4	<p>Audit Criteria Audit criteria were drawn from the following sources:</p> <ul style="list-style-type: none"> Industrial and Commercial Policy, 2007 of GoK; Guidelines issued by Central/State Governments for various schemes; Government Orders and Circulars; Memorandum and Articles of Association of the PSUs; Policies/Plans/Schemes formulated by the PSUs; Standard Industry Practice; State Plans for 2012-17; and Coir Commission Report, 2008. 	No comments
2.1.5	<p>Scope of Audit</p> <ul style="list-style-type: none"> The Performance Audit covered the period from 2012-13 to 2016-17. The records at the following Government Departments/Agencies and PSUs were examined: Directorate of Coir Development and selected four Project Offices; Foam Mattings (India) Limited (FOMIL); The Kerala State Coir Corporation Limited (KSCC); Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC); 	No comments

	<ul style="list-style-type: none"> • Kerala Coir Workers Welfare Fund Board (KCWWFB); • National Coir Research and Management Institute (NCRMI); • Directorate of Handlooms and Textiles and five District Industries Centres selected through sampling; • Kerala State Handloom Development Corporation Limited (Hanveev); and • The Kerala State Handloom Weavers Co-operative Society Ltd. (Hantex). 	
2.1.6	<p>Audit Methodology</p> <p>The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining the audit objectives to top management of the PSUs, Directorates and GoK, scrutiny of records of the audited entities, analysis of data with reference to criteria, issue of audit requisitions and queries, joint physical verification and survey of workers in societies.</p> <p>An Entry Conference was held with the audited entities and GoK in June 2017, wherein the scope and objectives of the Performance Audit were discussed. Field audit involving scrutiny of records was conducted during April 2017 to August 2017. The audit observations were reported (December 2017) to GoK, besides discussing in the Exit Conference held in January 2018.</p> <p>The views expressed by GoK were duly considered while finalising the Report.</p>	No Comments

2.1.7	Acknowledgement Audit acknowledges the co-operation and assistance extended by the management and staff of the PSUs, Directorates and Department of Industries in the conduct of this Performance Audit	No Comments
2.1.8	Audit Findings The number of working societies and workers in coir sector increased from 441 and 1,61,950 respectively in 2012-13 to 564 working societies and 1,88,748 workers in 2016-17. Number of working societies and weavers in respect of handloom sector decreased from 431 societies and 52,171 weavers in 2012-13 to 409 societies and 19,321 weavers in 2016-17. The audit findings are discussed in the succeeding paragraphs:	കൈത്തറി തൊഴിലിന്റെ അക്ഷിതാവസ്ഥയും കുറഞ്ഞ വേതനവും കാരണ തൊഴിലാളികളുടെ എണ്ണത്തിന്റെ ഗണ്യമായ കുറവും സംഭവിച്ചിരുന്നു. കൈത്തറി തൊഴിലിൽ നിന്നും വിട്ടു നിന്ന 1300 തൊഴിലാളികളെ 2016 മുതൽ നടപ്പിലാക്കി വരുന്ന സൗജന്യ സ്കൂൾ യൂണിഫോം പദ്ധതി പ്രകാരം വീണ്ടും ഈ മേഖലയിലേക്ക് തിരികെ കൊണ്ടു വരുവാനും നെസ്റ്റ് അറിയാത്ത 1026 പേരെ നെസ്റ്റ് പഠിപ്പിച്ച് സ്കൂൾ യൂണിഫോം പദ്ധതിയിൽ പ്രവർത്തിപ്പിക്കുവാനും സാധിച്ചു. അങ്ങനെ പുതിയ തൊഴിലാളികളെ ഈ മേഖലയിലേക്ക് ആകർഷിക്കുവാനും കഴിഞ്ഞിട്ടുണ്ട്. വേതനത്തിൽ ഗണ്യമായ വർദ്ധനവ് ഉണ്ടാക്കാവാനും കഴിഞ്ഞു.
2.1.9	Policy Initiatives GoK appointed (July 2007) a Coir Commission in order to identify the problems and crisis faced by the coir sector in Kerala and to recommend measures for revival of the coir sector. The Coir Commission identified (2008) lack of coconut husk, absence of mechanisation, inadequate welfare measures, marketing constraints, etc., as the problems plaguing coir sector. Similarly, Report of the Working Group on Handlooms for the Twelfth Five year Plan (2012-17) of Planning Commission of India identified non-availability of raw material, cheap credit and marketing avenues, etc., as problems affecting	കൈത്തറി മേഖലയ്ക്കാവശ്യമായ പണി വാങ്ങുന്നതിനും, നൂൽ വിൽക്കുന്നതിനും മുന്നറിവിന്റെ അടിസ്ഥാനത്തിൽ പ്രവർത്തിക്കുവാൻ പ്രാപ്തിയുള്ള ഒരു സംവിധാനം രൂപീകരിക്കുന്നതിനുള്ള നടപടികൾ സ്വീകരിക്കുവാൻ റിയാബിനോടും കൈത്തറി ഡയറക്ടറേറ്റിനോടും ആവശ്യപ്പെട്ടിട്ടുണ്ട്.

	<p>growth of handloom sector in the country. In order to address these issues, policy initiatives and specific schemes were necessary on the part of GoK. Audit observations on these are discussed below:</p>	
2.1.10	<p>Non-implementation of recommendations of Coir Commission</p>	<p>Not applicable</p>
2.1.11	<p>Coverage of coir sector units for assistance</p>	<p>Not applicable</p>
2.1.12	<p>Registration of new societies and reorganisation of non-working societies As per Section 7 of the Kerala Co-operative Societies Act, 1969, a new society shall be registered only if its proposed area of operation does not overlap with the area of operation of another society of similar type. Section 71 of the Kerala Co-operative Societies Act, 1969 further provided that the Registrar may direct the winding up of a society if it has not commenced working within six months of registration unless extension of time is granted by the Registrar or has ceased to work. The Coir Commission also recommended (2008) Project Offices to examine feasibility of revival of non-working societies and to liquidate societies which were not feasible for revival.</p> <ul style="list-style-type: none"> In four test-checked Project Offices, 131 new co-operative societies were formed during 2012-13 to 2016-17. Two societies each in two locations were registered with the same area of operation in violation of the Act. 	<p>2017-18 വർഷത്തിൽ ഫാക്ടറി ടൈപ്പ് ഹാൻഡ് ലും സൊസൈറ്റികളിൽ പ്രവർത്തിക്കുന്നവ 98 ഉം അടഞ്ഞു കിടക്കുന്നവ 42 ഉം ലികിഡേഷൻ സൊസൈറ്റികൾ 30 ഉം പ്രവർത്തനം ആരംഭിക്കാത്ത സൊസൈറ്റികൾ 2 എണ്ണവുമാണ്. ഫാക്ടറി ടൈപ്പ് സൊസൈറ്റികൾ ആകെ 172 എണ്ണമാണ്. ടി കാലയളവിലെ കോട്ടേജ് ടൈപ്പ് പ്രവർത്തിക്കുന്ന സംഘങ്ങൾ 308, അടഞ്ഞു കിടക്കുന്ന സൊസൈറ്റികൾ 88 ഉം ലികിഡേഷൻ സൊസൈറ്റികൾ 80 ഉം പ്രവർത്തനം ആരംഭിക്കാത്ത സൊസൈറ്റികൾ 7 ഉം മൊത്തം കോട്ടേജ് ടൈപ്പ് സൊസൈറ്റികൾ 483 ഉം ആണ്. ആകെ സൊസൈറ്റികൾ (ഫാക്ടറി ടൈപ്പ് + കോട്ടേജ് ടൈപ്പ്) 655 ആണ്.</p>

- As of March 2017, there were 437 non-working co-operative societies (43.66 per cent) out of 1,001 registered societies in the coir sector. Out of this, liquidation process was initiated in respect of 219 co-operative societies. In respect of balance 218 co-operative societies, the respective Project Offices did not examine feasibility for their revival or reorganisation itself to make use of the fixed assets like land, building, etc. In eight cases, where liquidation process was undertaken, the process was pending completion for 50 years or more.

Similarly, in the handloom sector, there were 216 non-working primary handloom weavers' co-operative societies (PHWCSs), which were either to be revived or liquidated as of March 2017.

The delay on the part of Directorates of Coir Development and Handlooms and Textiles in reviving non-working societies made the assets of these societies idle and vulnerable to encroachments.

GoK stated (February 2018) that the four societies with overlapping areas of operation went into liquidation. GoK also assured that procedure would be streamlined to prevent registration of societies with overlapping areas of operation. The audit observation on non-liquidation of non-working societies in the coir sector was noted by GoK for compliance. In respect of handloom sector,

	<p>GoK stated (March 2018) that the status of non-working co-operative societies in the handloom sector was reviewed in the Plan Review Conference meetings and strict directions issued from time to time for their liquidation or revival as the case may be.</p>	
2.1.13	<p>Absence of reliable data</p> <p>Adequate and reliable data about any sector is inevitable to formulate suitable and appropriate policies and programmes for the promotion and development of the sector. Audit observed the following deficiencies in data collection in coir and handloom sectors:</p> <p>Coir Commission Report, 2008 identified absence of reliable information as one of the reasons preventing formulation of strategic approach for the development and marketing of the coir sector. Therefore, the Coir Commission recommended a detailed survey for fine-tuning of the coir sector. With this objective, Directorate of Coir Development initiated a survey belatedly in 2016 to identify targeted beneficiaries for implementation of schemes and welfare measures. However, the report was not finalised and published so far (February 2018).</p> <p>GoK stated (February 2018) that as part of the next Five Year Plan, an internet based Management Information System and Review Framework would be created to track cultivation and production of coconut and marketing of coir.</p>	<p>2013-14 വർഷത്തിൽ കൈത്തറി മേഖലയെ കുറിച്ച് ഒരു സംസ്ഥാനതല സർക്കാർ ഉത്തരവാകുകയും സെന്റർ ഫോർ മാനേജ്മെന്റ് ഡിവിഷൻ(സി.എം.ഡി)നെ ഇതിനായി നിയോഗിക്കുകയും ചെയ്തിരുന്നു. 2017 ൽ സി.എം.ഡി സമർപ്പിച്ച കരട് റിപ്പോർട്ട് സംസ്ഥാനതല മോണിറ്ററിംഗ് കമ്മിറ്റി ചർച്ച ചെയ്യുകയും റിപ്പോർട്ടിൽ സ്വകാര്യ മേഖലയെ സംബന്ധിച്ച വിവരങ്ങൾ കൂടി ഉൾപ്പെടുത്തി പുന:സമർപ്പിക്കുവാൻ ആവശ്യപ്പെടുകയും ചെയ്തിരുന്നു. അന്തിമറിപ്പോർട്ടിൽ വരുത്തേണ്ട ഭേദഗതി സംബന്ധിച്ച ആസൂത്രണ ബോർഡ് സി.എം.ഡി.ക്ക് നിർദ്ദേശം നൽകിയിരുന്നു. തുടർന്ന് സി.എം.ഡി സമർപ്പിച്ച ഭേദഗതി വരുത്തിയ റിപ്പോർട്ട് 23.04.2018 ൽ കൂടിയ സംസ്ഥാനതല നിരീക്ഷണകമ്മിറ്റി പരിഗണിക്കുകയും ആസൂത്രണ ബോർഡ് നിർദ്ദേശിച്ച കാര്യങ്ങൾ റിപ്പോർട്ടിൽ വന്നു എന്ന് പരിശോധിച്ച് അഭിപ്രായം നൽകുന്നതിന് ആസൂത്രണബോർഡിനോട് ആവശ്യപ്പെടുകയും ചെയ്തു.</p> <p>സംസ്ഥാനത്തെ മുഴുവൻ കൈത്തറി മേഖലയിലും ബന്ധപ്പെട്ടിരുന്നുവെങ്കിലും 552 സ്വകാര്യ നെയ്തുകാരുടെ വിവരങ്ങൾ മാത്രമേ ലഭ്യമായിട്ടുള്ളൂവെന്നും സ്വകാര്യ നെയ്തുകാരെക്കുറിച്ച് വിവരങ്ങൾ ലഭ്യമാക്കുന്നതിന് തടസ്സം നിൽക്കുന്നതായും സി.എം.ഡി 23.04.2018 ൽ നടന്ന സംസ്ഥാനതല നിരീക്ഷണ കമ്മിറ്റിയെ അറിയിച്ചു.</p> <p>ഭേദഗതി വരുത്തിയ അന്തിമ റിപ്പോർട്ട് സി.എം.ഡി സമർപ്പിക്കുകയും ആയത് അംഗീകരിക്കുകയും ചെയ്യുന്ന മുറയ്ക്ക് പ്രസ്തുത റിപ്പോർട്ടിലെ ശുപാർശകളിന്മേൽ തുടർ നടപടികൾ സ്വീകരിക്കുന്നതാണ്.</p>

GoK announced a detailed survey on handloom industry in Kerala and sanctioned (September 2013) ₹50 lakh for conducting the same. The survey was intended to study the present status of handloom sector in Kerala such as number of weavers, number of co-operative societies, number of looms and to study financial assistance received by each society under various schemes. Directorate of Handlooms and Textiles awarded (March 2014) the survey work to the Centre for Management Development (CMD), Thiruvananthapuram at a cost of ₹28.65 lakh. The CMD was to complete the study and submit the report within four months from the date of signing of MoU (July 2014). CMD submitted the report on handloom survey only in March 2017 after a delay of two years and seven months. The report was incomplete.

GoK stated (March 2018) that CMD was directed to revise the report with more clarity on issues such as the facilities available in the sector, availability of raw material and the constructive comparisons of sector wise growth (private versus co-operative) in handloom industry. Accordingly, CMD submitted (February 2018) their revised report, which would be placed in the next State Level Monitoring Committee and appropriate decision would be taken.

The fact remains that the absence of reliable information prevented formulation of strategic approach for the development of the handloom sector.

2.1.14	<p>Promotion and development measures for coir and handloom sectors</p> <p>Traditional industrial sectors of coir and handloom are dependent on availability of raw material at minimum cost, cheaper credit facility, sufficient marketing and infrastructure support and proper welfare measures for their survival. State Government and Government of India implemented several schemes to make available raw material, credit, marketing facility, etc., to the coir and handloom sectors as detailed in Appendix 3.</p> <p>Audit observations on the implementation of these schemes are discussed below:</p>	
2.1.15	<p>Schemes for raw material support</p>	Not applicable
2.1.16	<p>Inadequate husk collection and non-revival of defibering societies</p>	Not applicable
2.1.17	<p>Financial support</p> <p>In order to provide finance to the coir sector, GoK introduced scheme for working capital assistance (2006). In the handloom sector, GoK implemented a debt revival package introduced by GoI during 2012-13 to 2016-17.</p> <p>Audit reviewed the implementation of these schemes and audit observations are discussed in succeeding paragraphs.</p>	<p>ആർ.ആർ.ആർ പാക്കേജ് പ്രകാരം ഗുണഭോക്തൃ സംഘങ്ങൾക്ക്, ജില്ലാ സഹകരണ ബാങ്ക് മുഖേന പുനർവായ്പ നൽകണമായിരുന്നു. തിരുവനന്തപുരം ജില്ലയിലെ സംഘങ്ങൾക്ക് പുനർവായ്പ നൽകുന്നതിന്, ടി ബാങ്ക് തയ്യാറാകാത്തതിനാൽ ലക്ഷ്യമിട്ട രീതിയിൽ പദ്ധതി നടപ്പിലാക്കാൻ കഴിഞ്ഞില്ല. ഈ പദ്ധതി പൂർണ്ണമായി നടപ്പാക്കുന്നതിനായി, ബഹു.വ്യവസായ-സഹകരണ വകുപ്പ് മന്ത്രിമാരുടെ ആഭിമുഖ്യത്തിൽ 06.12.2018 ൽ ചേർന്ന സംയുക്ത യോഗത്തിൽ കൈക്കൊണ്ട തീരുമാനപ്രകാരം, തിരുവനന്തപുരം ജില്ലയിൽ ടി പദ്ധതിയുടെ സർക്കാർ ധനസഹായം ലഭിച്ച സംഘങ്ങൾ എത്രയെന്നും, അതിന്റെയടിസ്ഥാനത്തിൽ ലോൺ കുടിശ്ശിക പൂർണ്ണമായിത്തീർക്കുന്നതിനു ആവശ്യമായ തുകയുടെ വിശദാംശങ്ങൾ അടിയന്തിരമായി റിപ്പോർട്ട് ചെയ്യുവാനും തിരുവനന്തപുരം ജില്ലാ സഹകരണ ബാങ്കിന് നിർദ്ദേശം നൽകിയിട്ടുണ്ട്. പാക്കേജ് മാനദണ്ഡങ്ങൾ പ്രകാരം വ്യവസായവകുപ്പിൽ നിന്നും ലഭിച്ച തുക വകയിരുത്തിയിട്ടും സംഘങ്ങളുടെ ബാധ്യത നില നിൽക്കുകയും ആയതു</p>

		<p>ബാങ്കിന്റെ പ്രവർത്തനത്തെ ദോഷകരമായി ബാധിക്കുമെന്നതിനാലും, എഴുതി തള്ളേണ്ട പലിശ ബാധ്യത, താൽക്കാലികമായി ഫണ്ടഡ് ലോൺ ആയി വക മാറ്റുകയുണ്ടായി. ആർ.ആർ.ആർ പാക്കേജ് നടപ്പാക്കിയ സംഘങ്ങളുടെ, പാക്കേജ് തീയതിക്ക് ശേഷം, നടപ്പാക്കിയ തീയതി വരെയുള്ള പലിശ മാറ്റി നിർത്തി, ഫണ്ടഡ് ലോൺ ആയി വക മാറ്റിയിട്ടുള്ള 41.31 കോടി രൂപ എഴുതി തള്ളുന്നതിനു സഹകരണസംഘം രജിസ്ട്രാർക്കു അപേക്ഷ നൽകിയതായി തിരുവനന്തപുരം ജില്ലാ സഹകരണബാങ്ക് റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്. എന്നാൽ കണ്ണൂർ ജില്ലയിലെ 28 സംഘങ്ങൾക്ക് പുനർവായ്പ ലഭിച്ചതിനു ആനുപാതികമായി പലിശ സബ്സിഡിക്ക് 2015-16, 2016-17 വർഷങ്ങളിൽ, യഥാക്രമം 1,14,895/- രൂപയും 12,89,551/- രൂപയും, സംസ്ഥാന സഹകരണബാങ്ക് മുഖേന, നബാർഡിലേക്ക് ശുപാർശ ചെയ്തുവെങ്കിലും, നാളിതുവരെ പരിഗണിച്ചിട്ടില്ല. മാർഗ്ഗനിർദ്ദേശ പ്രകാരം, പദ്ധതി നിർവഹണം ഫലപ്രദമായി നടത്തുന്നതിനായി എല്ലാ ശ്രമങ്ങളും വകുപ്പിന്റെ ഭാഗത്തു നിന്നും ഉണ്ടായിട്ടുണ്ട്. എന്നാൽ ജില്ലാ സഹകരണ ബാങ്കുകൾ, കരാർലംഘനം നടത്തിയതു കാരണമാണ് പദ്ധതി പൂർണ്ണമായി നടപ്പാക്കുന്നതിൽ പരാജയപ്പെട്ടത്. നബാർഡിന്റെ ഭാഗത്ത് നിന്നാണ് ഉചിതമായി തീരുമാനം കൈക്കൊള്ളേണ്ടത്.</p>
2.1.18	Working Capital Assistance for the coir sector	Not applicable
2.1.19	<p>Implementation of Revival, Reform and Restructuring Package for the handloom sector</p> <p>Acknowledging the financial distress faced by handloom weavers and co-operatives due to their inability to repay debts, Government of India (GoI) introduced (November 2011) Revival, Reform and Restructuring (RRR) package with a total outlay of ₹3,884 crore. National Bank for Agriculture and Rural Development (NABARD) was the designated implementing agency of RRR package. Under the Scheme, funds equivalent to principal and 25 percent of interest as on the date of loan becoming Non-Performing Asset (NPA) and which was overdue as of March 2010 would be provided by</p>	<p>ആർ.ആർ.ആർ പാക്കേജ് പ്രകാരം ഗുണഭോക്തൃ സംഘങ്ങൾക്ക്, ജില്ലാ സഹകരണ ബാങ്ക് മുഖേന പുനർവായ്പ നൽകണമായിരുന്നു. തിരുവനന്തപുരം ജില്ലയിലെ സംഘങ്ങൾക്ക് പുനർവായ്പ നൽകുന്നതിന്, ടി ബാങ്ക് തയ്യാറാകാത്തതിനാൽ ലക്ഷ്യമിട്ട രീതിയിൽ പദ്ധതി നടപ്പിലാക്കാൻ കഴിഞ്ഞില്ല. ഈ പദ്ധതി പൂർണ്ണമായി നടപ്പാക്കുന്നതിനായി, ബഹു.വ്യവസായ-സഹകരണ വകുപ്പ് മന്ത്രിമാരുടെ ആഭിമുഖ്യത്തിൽ 06.12.2018 ൽ ചേർന്ന സംയുക്ത യോഗത്തിൽ കൈക്കൊണ്ട തീരുമാനപ്രകാരം, തിരുവനന്തപുരം ജില്ലയിൽ ടി പദ്ധതിയുടെ സർക്കാർ ധനസഹായം ലഭിച്ച സംഘങ്ങൾ എത്രയെന്നും, അതിന്റെയടിസ്ഥാനത്തിൽ ലോൺ കടിശ്ശിക പൂർണ്ണമായിത്തീർക്കുന്നതിനു ആവശ്യമായ തുകയുടെ വിശദാംശങ്ങൾ അടിയന്തിരമായി റിപ്പോർട്ട് ചെയ്യുവാനും തിരുവനന്തപുരം ജില്ലാ സഹകരണ ബാങ്കിന് നിർദ്ദേശം നൽകിയിട്ടുണ്ട്. പാക്കേജ് മാനദണ്ഡങ്ങൾ പ്രകാരം വ്യവസായവകുപ്പിൽ നിന്നും ലഭിച്ച തുക വകയിരുത്തിയിട്ടും സംഘങ്ങളുടെ ബാധ്യത നിലനിൽക്കുകയും ആയതു</p>

NABARD to lending institutions towards repayment of loan availed by viable Primary Handloom Weavers' Co-operative Societies (PHWCSs) and Apex societies and individuals. The balance 75 per cent of overdue interest and the entire penal interest, if any, would have to be written off by the lending banks as a pre-condition. The funds required for the scheme were to be shared by GoI and GoK.

The scheme also envisaged lending institutions to provide fresh loans to the PHWCSs and individual handloom weavers at 6 per cent rate of interest. NABARD sanctions maximum interest subsidy of 7 per cent on fresh loans given by lending institutions on submission of claims for subsidy.

GoI sanctioned (March 2013 to September 2014) ₹165.34 crore for implementation of the Scheme and GoK contributed ₹45.31 crore as State share in respect of 357 PHWCSs, Hantex and 1,204 individuals in two phases under the Scheme.

Audit reviewed the implementation of RRR package in five selected districts and observed that:

District Co-operative Bank (DCB), Thiruvananthapuram received (March 2013 to March 2015) ₹84.87 crore from NABARD towards repayment of loan and interest availed by 292 PHWCSs. NABARD repaid the loan after the DCBs committed to issue fresh loans and to waive interest. Despite this, in respect of 152 PHWCSs,

ബാങ്കിന്റെ പ്രവർത്തനത്തെ ദോഷകരമായി ബാധിക്കുമെന്നതിനാലും, എഴുതി തള്ളേണ്ട പലിശ ബാധ്യത, താൽക്കാലികമായി ഫണ്ടഡ് ലോൺ ആയി വക മാറ്റുകയുണ്ടായി. ആർ.ആർ.ആർ പാക്കേജ് നടപ്പാക്കിയ സംഘങ്ങളുടെ, പാക്കേജ് തീയതിക്ക് ശേഷം, നടപ്പാക്കിയ തീയതി വരെയുള്ള പലിശ മാറ്റി നിർത്തി, ഫണ്ടഡ് ലോൺ ആയി വക മാറ്റിയിട്ടുള്ള 41.31 കോടി രൂപ എഴുതി തള്ളുന്നതിന് സഹകരണസംഘം രജിസ്ട്രാർക്ക് അപേക്ഷ നൽകിയതായി തിരുവനന്തപുരം ജില്ലാ സഹകരണബാങ്ക് റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്. എന്നാൽ കണ്ണൂർ ജില്ലയിലെ 28 സംഘങ്ങൾക്ക് പുനർവായ്പ ലഭിച്ചതിന് ആനുപാതികമായി പലിശ സബ്സിഡിക്ക് 2015-16, 2016-17 വർഷങ്ങളിൽ, യഥാക്രമം 1,14,895/- രൂപയും 12,89,551/-രൂപയും, സംസ്ഥാന സഹകരണബാങ്ക് മുഖേന, നബാർഡിലേക്ക് ശുപാർശ ചെയ്തവെങ്കിലും, നാളിതുവരെ പരിഗണിച്ചിട്ടില്ല. മാർഗ്ഗനിർദ്ദേശ പ്രകാരം, പദ്ധതി നിർവഹണം ഫലപ്രദമായി നടത്തുന്നതിനായി എല്ലാ ശ്രമങ്ങളും വകുപ്പിന്റെ ഭാഗത്തു നിന്നും ഉണ്ടായിട്ടുണ്ട്. എന്നാൽ ജില്ലാ സഹകരണ ബാങ്കുകൾ, കരാർലംഘനം നടത്തിയതു കാരണമാണ് പദ്ധതി പൂർണ്ണമായി നടപ്പാക്കുന്നതിൽ പരാജയപ്പെട്ടത്. നബാർഡിന്റെ ഭാഗത്ത് നിന്നാണ് ഉചിതമായി തീരുമാനം കൈക്കൊള്ളേണ്ടത്.

<p>DCB, Thiruvananthapuram neither issued fresh loan nor did it waive interest amounting to ₹41.31 crore on the loan after it became NPA. Instead, the interest of ₹41.31 crore was treated as fresh loan, which was against the guidelines of the Scheme. As a result, loan liability remained with the PHWCSs without any additional cash inflow. Nonwaiver of interest was on the ground that the waiver would affect the financial position of DCB.</p> <p>GoK in their reply (March 2018) admitted the audit observation and stated that the matter was under their consideration. Directorate of Handlooms and Textiles assured that further follow up action would be taken.</p> <p>DCB, Kannur collected interest at the rate of 11.50 per cent, instead of 6 per cent, on fresh loan of ₹3.70 crore sanctioned to 27 PHWCSs without claiming interest subsidy from NABARD.</p> <p>General Manager, District Industries Centre, Kannur replied (July 2017) that though direction was given to the DCB in this regard, it was not considered favourably. Further, there was lapse on the part of bank authorities in not claiming interest subsidy of 5.50 per cent from NABARD.</p> <p>GoK replied (March 2018) that the matter was under their consideration and action to rectify the defects pointed out by Audit would be taken shortly.</p>	
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	Thus, breach of commitment by District Co-operative Banks resulted in denial of fresh loans/loans at cheaper rate to PHWCSs and thereby defeating the objective of the Scheme.																						
2.1.20	Marketing Support In order to address the marketing constraints faced by the coir sector and handloom sector, GoK and GoI implemented several schemes during 2012-13 to 2016-17 as shown in Table 2.2 below: Table 2.2: Schemes implemented by GoK and GoI for marketing support in coir and handloom sectors <table border="1"> <tr> <th>S.No</th><th>Coir Sector</th><th>S.No</th><th>Handloom Sector</th></tr> <tr> <td>1</td><td>Purchase Price Stabilisation scheme</td><td>1</td><td>Marketing Incentive Scheme</td></tr> <tr> <td>2</td><td>Market Development Assistance for coir sector</td><td>2</td><td>Handloom mark scheme</td></tr> <tr> <td>3</td><td>Production and Marketing Incentive for coir sector</td><td>3</td><td>Registration under India Handloom brand</td></tr> <tr> <td></td><td></td><td>4</td><td>Rebate scheme</td></tr> </table> <p>Audit examined the implementation of these schemes and audit observations are discussed in paragraphs 2.1.21 to 2.1.27.</p>		S.No	Coir Sector	S.No	Handloom Sector	1	Purchase Price Stabilisation scheme	1	Marketing Incentive Scheme	2	Market Development Assistance for coir sector	2	Handloom mark scheme	3	Production and Marketing Incentive for coir sector	3	Registration under India Handloom brand			4	Rebate scheme	1. Marketing Incentive Scheme മാർക്കറ്റിംഗ് ഇൻസെന്റീവ് പദ്ധതി നടപ്പിലാക്കുന്നതിന് പുതിയ മാർഗ്ഗ നിർദ്ദേശ പ്രകാരം സംഘങ്ങളിൽ നിന്ന് അപേക്ഷ സ്വീകരിച്ച് പുതിയ ഏജൻസി വഴി നടത്തണമെന്ന് ഹാൻഡ്ലൂം ഡവലപ്മെന്റ് കമ്മീഷണറുടെ നിർദ്ദേശ പ്രകാരം ഹാൻഡ്ലൂം നിർവ്വഹണ ഏജൻസിയായി നിയമിച്ചു. എന്നാൽ മാർക്കറ്റിംഗ് ഇൻസെന്റീവ് അപേക്ഷകൾ വെരിഫൈ ചെയ്യുന്നതിന് ജീവനക്കാരുടെ അഭാവം കാരണം ഫീൽഡിൽ പോയി ക്ലെയിമുകൾ പൂർണ്ണമായ രീതിയിൽ പരിശോധന നടത്താനുള്ള പ്രായോഗിക ബുദ്ധിമുട്ട് പരിഗണിച്ച് പദ്ധതി നിർവ്വഹണ ഏജൻസി ആയി നിശ്ചയിക്കപ്പെട്ട ഹാൻഡ്ലൂം അതാതു ജില്ലകളിൽ നിന്നുള്ള മുഖൻ അപേക്ഷകൾ സർക്കിൾ തലത്തിലുള്ള ക്ലൈംറ്റ് ഇൻസ്പെക്ടർമാർ പരിശോധിച്ചു സമയപരിധിയിൽ ജില്ലാ വ്യവസ്ഥാപന വഴി ലഭ്യമാക്കി ക്രോഡീകരിച്ചു ക്ലൈംറ്റ് ഡയറക്ടറുടെ ശുപാർശയുടെ അനുസരണമായി സെ. 365/18/വ്യവ. തിയതി. 28/03/2018 പ്രകാരം ഉത്തരവുകൾ വിവിധ ജില്ലകളിൽ നിന്ന് ലഭ്യമായ അപേക്ഷകൾ സൂക്ഷ്മ പരിശോധന നടത്തി വരികയാണ്. 01.04.2014 മുതൽ 30 ലക്ഷം രൂപയുടെ മേൽ വിറ്റുവരവുള്ള സംഘങ്ങളെ ഈ പദ്ധതിയിൽ നിന്ന് ഒഴിവാക്കി കേന്ദ്രസർക്കാർ ഉത്തരവിട്ടിട്ടുണ്ട് ആയത് അപേക്ഷകളിലെ അർഹത പരിശോധിച്ച് എസ്.എൽ.പി.സി മീറ്റിംഗ് കൂടുന്നതിലേക്ക് നോഡൽ ഏജൻസിയായ ഹാൻഡ്ലൂം അപേക്ഷകൾ അയച്ചു കൊടുക്കണമെന്നും ക്ലൈംറ്റ് ഡയറക്ടർ റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്.
S.No	Coir Sector	S.No	Handloom Sector																				
1	Purchase Price Stabilisation scheme	1	Marketing Incentive Scheme																				
2	Market Development Assistance for coir sector	2	Handloom mark scheme																				
3	Production and Marketing Incentive for coir sector	3	Registration under India Handloom brand																				
		4	Rebate scheme																				
			2. Handloom Mark Scheme സർക്കാർ ഉത്തരവ് (ആർ.റ്റി)നമ്പർ 1606/2013/വ്യവ.തീയതി 17/12/2013 പ്രകാരം സംഘങ്ങൾക്ക് ഹാൻഡ്ലൂം മാർക്ക് രജിസ്ട്രേഷൻ നിർബന്ധമാക്കി ഉത്തരവായിട്ടുള്ളതാണ്. ആയതിന് പ്രകാരം ഹാൻഡ്ലൂം മാർക്ക് രജിസ്ട്രേഷൻ സംഘങ്ങൾ നിർബന്ധമായി എടുക്കുന്നതിന് എല്ലാ ജനറൽ മാനേജർമാർക്കും കർശന നിർദ്ദേശം നൽകിയിരുന്നു. ഹാൻഡ്ലൂം മാർക്ക് രജിസ്ട്രേഷൻ																				

എടുക്കാത്ത സംഘങ്ങൾക്ക് റിബേറ്റ്, പ്രൊഡക്ഷൻ ഇൻസെന്റീവ്സ് തുടങ്ങിയ ഗവൺമെന്റ് ആനുകൂല്യങ്ങൾ നൽകുന്നതിൽ നിന്നും ഒഴിവാക്കുമെന്ന് നിർദ്ദേശം നൽകിയിരുന്നു. ഹാൻഡ്ലൂം മാർക്ക് രജിസ്ട്രേഷനുമായി ബന്ധപ്പെട്ട് അപേക്ഷകൾ സ്വീകരിക്കേണ്ടതും റീ-ഇംപേഴ്സിനുള്ള തുകയ്ക്ക് ശുപാർശ ചെയ്ത് നൽകേണ്ടതും അതാത് ജില്ലാ വ്യവസായ കേന്ദ്രം ജനറൽ മാനേജർമാർ ആകയാൽ രജിസ്ട്രേഷൻ എടുക്കാത്ത സംഘങ്ങളുടെ ലിസ്റ്റ് തരംതിരിച്ച് രജിസ്ട്രേഷൻ എടുപ്പിക്കുന്നതിന് ജനറൽ മാനേജർമാർക്ക് കർശന നിർദ്ദേശം നൽകിയിട്ടുണ്ട് കൂടാതെ കൈത്തറി ഉല്പന്നങ്ങളിൽ ഹാൻഡ്ലൂംമാർക്ക് നൽകുന്നതിനുള്ള ബോധവൽക്കരണ ക്ലാസുകൾ ഫീൽഡ്തല ഉദ്യോഗസ്ഥർ വഴി നൽകി വരുന്നു. ഹാൻഡ്ലൂം-മാർക്കിന്റെ പ്രോത്സാഹനത്തിനായി രജിസ്ട്രേഷൻ ഫീസായ 2000 രൂപയും, ലേബലിന് ചെലവാകുന്ന തുകയുടെ 75% ഉം സംഘങ്ങൾക്ക് നൽകേണ്ടത് ഹാൻഡ്ലൂംമാർക്ക് ഇല്ലാത്ത ഉല്പന്നങ്ങൾ പ്രദർശന വിപണന മേളകളിൽ വില്ക്കുന്നതിന് അനുമതി നൽകുന്നില്ല.

3.Registration under India Handloom Brand

കേരളത്തിലെ എല്ലാ കൈത്തറി സംഘങ്ങളും ഈ പദ്ധതിയുടെ വിശദാംശങ്ങൾ അറിയിച്ചിട്ടുണ്ട് എന്നാൽ വളരെ കുറച്ചു സംഘങ്ങൾ മാത്രമേ ഈ പദ്ധതിയിൽ രജിസ്റ്റർ ചെയ്തിട്ടുള്ളൂ.

4.Rebate Scheme

സംസ്ഥാനത്തെ കൈത്തറി സഹകരണ സംഘങ്ങൾ, ഹാൻഡ്ക്സ്, ഹാൻഡ്വീവ് എന്നീ സ്ഥാപനങ്ങൾക്ക് തുണിത്തരങ്ങളുടെ വിൽപ്പനയ്ക്ക് ആകെ വില്പന തുകയുടെ 20% ഡിസ്കൗണ്ട് വിവിധ ഉത്സവ സീസണുകളിൽ സർക്കാർ അനുവദിച്ചു നൽകുന്നതാണ് റിബേറ്റ് സ്കീം.

1)ഉല്പന്ന വില അസംസ്കൃത വസ്തു വിലയുടെ 6.5 ഇരട്ടിയിൽ അധികമാകാൻ പാടില്ല

2)കുലി ഉല്പന്ന വിലയുടെ 75% ൽ അധികരിക്കാൻ പാടില്ല.

3)റിബേറ്റ് വില്പനയുടെ 60% ൽ കുറയാത്ത വില ബാങ്കിൽ അടയ്ക്കണം

എന്നിങ്ങനെ 3 പ്രധാന മാനദണ്ഡങ്ങൾ കണക്കാക്കിയും റിബേറ്റ് വില്പന കാലയളവിലെ വിറ്റുവരവിന്റെ 60% ൽ കുറയാത്ത തുക സംഘങ്ങളുടെ ക്യാഷ് ക്രഡിറ്റ് അക്കൗണ്ടിൽ അടയ്ക്കണമെന്ന നിബന്ധനയോടെയുമാണ് സംഘങ്ങൾക്ക് റിബേറ്റ് ക്ഷേയിമുകൾ അനുവദിക്കുന്നത്.

Q.1.21	Purchase Price Stabilisation Scheme for the coir sector	Not applicable
2.1.22	<p>Marketing Incentive Scheme for handloom sector In the handloom sector, Marketing Incentive is given at the rate of 10 percent of the average sales turnover of the last three years to support marketing of handloom products by marketing agencies. Incentive would be shared equally by GoI and GoK. Kerala State Handloom Development Corporation Limited (Hanveev), The Kerala State Handloom Weavers Cooperative Society Ltd. (Hantex) and PHWCS are eligible for incentive in the State. The share of GoK would be released in advance.</p> <p>According to the revised (June 2015) guidelines, GoK should identify a nodal agency for implementation of the scheme. GoK appointed (January 2016) Hanveev as the nodal agency of the Scheme.</p> <p>Audit examined implementation of Marketing Incentive scheme in five selected districts and observed that out of 35 PHWCSs in Kannur district, 30 PHWCSs submitted (November 2015 to March 2017) Marketing Incentive claim (₹1.89 crore) for the period 2013-17 to Hanveev. Hanveev did not forward the claims to the Development Commissioner (Handlooms) so far (December 2017) on the plea that Hanveev did not have adequate staff to verify the claims submitted by PHWCSs. Due to non-submission of claims by Hanveev, Marketing Incentive was not extended to PHWCSs.</p> <p>GoK stated (March 2018) that Marketing Incentive was sanctioned earlier by a State Level Committee chaired by the Secretary (Industries), GoK. Claims approved and</p>	<p>മാർക്കറ്റിംഗ് ഇൻസെന്റീവ് പദ്ധതി നടപ്പിലാക്കുന്നതിന് പുതിയ മാർഗ്ഗ നിർദ്ദേശ പ്രകാരം സംഘങ്ങളിൽ നിന്ന് അപേക്ഷ സ്വീകരിച്ച് പുതിയ ഏജൻസി വഴി നടത്തണമെന്ന് ഹാന്റ്ലൂം ഡവലപ്മെന്റ് കമ്മീഷണറുടെ നിർദ്ദേശ പ്രകാരം ഹാന്റവീവിനെ നിർവ്വഹണ ഏജൻസിയായി നിയമിച്ചു. എന്നാൽ മാർക്കറ്റിംഗ് ഇൻസെന്റീവ് അപേക്ഷകൾ വെരിഫൈ ചെയ്യുന്നതിന് ജീവനക്കാരുടെ അഭാവം കാരണം ഫീൽഡിൽ പോയി ക്ലെയിമുകൾ പൂർണ്ണമായ രീതിയിൽ പരിശോധന നടത്താനുള്ള പ്രായോഗിക ബുദ്ധിമുട്ട് പരിഗണിച്ച് പദ്ധതി നിർവ്വഹണ ഏജൻസി ആയി നിശ്ചയിക്കപ്പെട്ട ഹാന്റവീവിനു അത്തരം ജില്ലകളിൽ നിന്നുള്ള മുഴുവൻ അപേക്ഷകളും സർക്കിൾ തലത്തിലുള്ള കൈത്തി ഇൻസ്പെക്ടർമാർ പരിശോധിച്ചു സാക്ഷ്യപ്പെടുത്തി ജില്ലാ വ്യവസായ കേന്ദ്രം വഴി ലഭ്യമാക്കി ക്രോഡീകരിച്ചു കൈത്തി ഡയറക്ടറുടെ ശുപാർശയുടെ അനുസരണമായി സെ. (സാധാ) നം. 365/18/വ്യവ. തീയതി. 28/03/2018 പ്രകാരം ഉത്തരവുകളും വിവിധ ജില്ലകളിൽ നിന്ന് ലഭ്യമായ അപേക്ഷകൾ സൂക്ഷ്മ പരിശോധന നടത്തി വരികയാണ്. ആയത് അപേക്ഷകളിലെ അർഹത പരിശോധിച്ച് എസ്.എൽ.പി.സി മീറ്റിംഗ് കൂടുന്നതിലേക്ക് നോഡൽ ഏജൻസിയായ ഹാന്റവീവിന് അപേക്ഷകൾ അയച്ചു കൊടുക്കണമെന്നു കൈത്തി ഡയറക്ടർ റിപ്പോർട്ട് ചെയ്തിട്ടുണ്ട്.</p> <p>മാർക്കറ്റിംഗ് ഇൻസെന്റീവുമായി ബന്ധപ്പെട്ട ഹന്തുക്കൾ പരിശോധിച്ചതിൽ 2014-15 വരെയുള്ള ക്ലെയിമുകളിൽ സംസ്ഥാന വിഹിതമായി 3,18,89,037/ രൂപയും 2011-12 വരെയുള്ള ക്ലെയിമുകളിൽ കേന്ദ്ര വിഹിതമായി 4,44,55,829/ രൂപയും യഥാക്രമം 2012-13, 2013-14 വർഷങ്ങളിൽ വിതരണം ചെയ്തിട്ടുണ്ട് എന്നാൽ 2014-15 വർഷത്തിൽ കേന്ദ്ര വിഹിതമായി 73,52,263/- രൂപ ആവശ്യപ്പെട്ടു എങ്കിലും ഇതുവരെ ലഭ്യമായിട്ടില്ല കഴിഞ്ഞ 3 വർഷമായി മാർക്കറ്റിംഗ് ഇൻസെന്റീവ് ഇനത്തിൽ സംസ്ഥാന വിഹിതത്തിലും കേന്ദ്രവിഹിതത്തിലുമായി ഫണ്ടുക്കളൊന്നും തന്നെ ലഭ്യമായിട്ടില്ല.</p>

	<p>sanctioned by the State Level Committee were only forwarded to Government of India for assistance. On appointment of Hanveev, the role of Hanveev, was not made clear. The matter was now with Government and a clear direction in this regard would be issued shortly and all pending claims would be processed and submitted to GoI.</p> <p>The reply was not acceptable as GoK did not clarify the role of nodal agency even after two years from the date of appointment of Hanveev and as a result, assistance envisaged under Marketing Incentive Scheme was denied to PHWCSs in the State.</p>	
<p>2.1.23</p>	<p>Handloom Mark Scheme</p> <p>Handloom Mark provides a guarantee to the buyer that the product is genuinely hand woven. PHWCSs manufacturing genuine handloom products could register under the Handloom Mark Scheme after payment of registration fee of ₹2,000 to the Textiles Committee constituted by GoI for implementation of the Scheme. After registration, PHWCSs can purchase labels from the Textile Committee for affixing the same on the handloom products sold. Handloom mark is compulsory for claiming Marketing Incentive and participation in national Expos. GoK reimburses 75 per cent of registration fee and cost of labels.</p> <p>Audit observed that out of the 409 working PHWCSs as of June 2017, 37 societies were not registered under Handloom Mark Scheme. Out of the registered 372</p>	<p>സർക്കാർ ഉത്തരവ് (ആർ.റ്റി)നമ്പർ 1606/2013/വ്യവ.തിയതി 17/12/2013 പ്രകാരം സംഘങ്ങൾക്ക് ഹാന്റ് ലൂം മാർക്ക് രജിസ്ട്രേഷൻ നിർബന്ധമാക്കി ഉത്തരവായിട്ടുള്ളതാണ്. ആയതിൻ പ്രകാരം ഹാന്റ് ലൂം മാർക്ക് രജിസ്ട്രേഷൻ സംഘങ്ങൾ നിർബന്ധമായി എടുക്കുന്നതിന് എല്ലാ ജനറൽ മാനേജർമാർക്കും കർശന നിർദ്ദേശം നൽകിയിരുന്നു. ഹാന്റ് ലൂം മാർക്ക് രജിസ്ട്രേഷൻ എടുക്കാത്ത സംഘങ്ങൾക്ക് റിബേറ്റ്, പ്രൊഡക്ഷൻ ഇൻസെന്റീവ് തുടങ്ങിയ സർക്കർ ആനുകൂല്യങ്ങൾ നൽകുന്നതിൽ നിന്നും ഒഴിവാക്കുമെന്ന് നിർദ്ദേശം നൽകിയിരുന്നു. ഹാന്റ് ലൂം മാർക്ക് രജിസ്ട്രേഷനുമായി ബന്ധപ്പെട്ട് അപേക്ഷകൾ സ്വീകരിക്കേണ്ടതും റീ-ഇംപേഴ്സിനുള്ള തുകയ്ക്ക് ശുപാർശ ചെയ്ത് നൽകേണ്ടതും അതാത് ജില്ലാ വ്യവസായ കേന്ദ്രം ജനറൽ മാനേജർമാർ ആകയാൽ രജിസ്ട്രേഷൻ എടുക്കാത്ത സംഘങ്ങളുടെ ലിസ്റ്റ് തരംതിരിച്ച് രജിസ്ട്രേഷൻ എടുപ്പിക്കുന്നതിന് ജനറൽ മാനേജർമാർക്ക് കർശന നിർദ്ദേശം നൽകിയിട്ടുണ്ട്. കൂടാതെ കൈത്തറി ഉല്പന്നങ്ങളിൽ ഹാന്റ് ലൂംമാർക്ക് നൽകുന്നതിനുള്ള ബോധവൽക്കരണ ക്യാമ്പുകൾ ഫീൽഡ് തല ഉദ്യോഗസ്ഥർ വഴി നൽകി വരുന്നു. ഹാന്റ് ലൂം-</p>

	<p>PHWCSs, 104 PHWCSs did not purchase any labels so far.</p> <p>Thus, popularisation and marketing of genuine handloom products through Handloom Mark Scheme was not done by 37 PHWCSs, which were not registered under the Scheme and 104 PHWCSs, which did not purchase labels.</p> <p>GoK replied (March 2018) that instructions were given to all PHWCSs to register them under Handloom Mark scheme.</p> <p>The fact, however, remains that despite the efforts of GoK, many PHWCSs were yet to register themselves under the Scheme.</p>	<p>മാർക്കിന്റെ പ്രോത്സാഹനത്തിനായി രജിസ്ട്രേഷൻ ഫീസായ 2000 രൂപയും, ലേബലിന് ചെലവാകുന്ന തുകയുടെ 75% ഉം സംഘങ്ങൾക്ക് നൽകുന്നത് ഹാന്റ്ലൂംമാർക്ക് ഇല്ലാത്ത ഉത്പന്നങ്ങൾ പ്രദർശന വിപണന മേളകളിൽ വിലക്കുന്നതിന് അനുമതി നൽകുന്നില്ല.</p>																																												
2.1.24	<p>Delay in releasing Rebate</p> <p>With a view to providing marketing support to PHWCSs, Hantex, Hanveev, etc., GoK offers rebate on the sale of handloom cloth during festival seasons of Onam, Christmas, Vishu and Ramadan. The period of rebate sale would extend between 5 days and 21 days. According to the conditions of sanctioning rebate, PHWCSs/Hantex/Hanveev would submit rebate claims within 30 days after the rebate period to the Co-operative Inspectors of the Circles concerned who, in turn, would submit the applications to General Managers of the District Industries Centers concerned within 30 days. General Managers would consolidate and submit the claims of each financial year by 30th of June to the Directorate of Handlooms and Textiles for releasing the fund.</p>	<p>കോഴിക്കോട് ജില്ലയിലെ കൈത്തറി സംഘങ്ങൾക്ക് 2013-14 മുതൽ 2016-17 വരെ കുടിശ്ശികയായിട്ടുള്ള റിബേറ്റ് തുക താഴെ പറയും പ്രകാരം നൽകിയിട്ടുണ്ട്</p> <table><tr><th></th><th>വർഷം</th><th>പ്രൊസിഡിംഗ്സ് നം.</th><th>തുക (in ₹)</th></tr><tr><td>1</td><td>2013-14</td><td>എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017</td><td>88328</td></tr><tr><td>2</td><td>2013-14</td><td>എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017</td><td>6140238</td></tr><tr><td>3</td><td>2013-14</td><td>എച്ച്.എൽ/സി8/8578/2016 തീയതി 21/01/2017</td><td>1361513</td></tr><tr><td>4</td><td>2013-14</td><td>എച്ച്.എൽ/100/2019-സി8(2) തീയതി 07/06/19</td><td>76525</td></tr><tr><td></td><td></td><td>ആകെ</td><td>7666604/-</td></tr><tr><td>1</td><td>2014-15</td><td>എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017</td><td>7332070</td></tr><tr><td>2</td><td>2014-15</td><td>എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017</td><td>325493</td></tr><tr><td></td><td></td><td>ആകെ</td><td>7657563/-</td></tr><tr><td>1</td><td>2015-16</td><td>എച്ച്.എൽ/സി8/8198/2016 തീയതി 07/06/2018</td><td>6683217</td></tr><tr><td>1</td><td>2016-17</td><td>എച്ച്.എൽ/100/2019-സി8(2) തീയതി 07/06/19</td><td>1281363/-</td></tr></table>		വർഷം	പ്രൊസിഡിംഗ്സ് നം.	തുക (in ₹)	1	2013-14	എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017	88328	2	2013-14	എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017	6140238	3	2013-14	എച്ച്.എൽ/സി8/8578/2016 തീയതി 21/01/2017	1361513	4	2013-14	എച്ച്.എൽ/100/2019-സി8(2) തീയതി 07/06/19	76525			ആകെ	7666604/-	1	2014-15	എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017	7332070	2	2014-15	എച്ച്.എൽ/സി8/8578/2016 തീയതി 19/01/2017	325493			ആകെ	7657563/-	1	2015-16	എച്ച്.എൽ/സി8/8198/2016 തീയതി 07/06/2018	6683217	1	2016-17	എച്ച്.എൽ/100/2019-സി8(2) തീയതി 07/06/19	1281363/-
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1	2015-16	എച്ച്.എൽ/സി8/8198/2016 തീയതി 07/06/2018	6683217																																											
1	2016-17	എച്ച്.എൽ/100/2019-സി8(2) തീയതി 07/06/19	1281363/-																																											

<p>Audit scrutiny revealed that:</p> <ul style="list-style-type: none"> Directorate of Handlooms and Textiles did not release rebate claim of ₹20.48 crore received from all 14 District Industries Centres for the period 2011-12 to 2017-18. Out of the five districts (District Industries Centres) examined in audit, General Manager, District Industries Centre, Kozhikode submitted the rebate claims for the year 2013 (₹11.59 lakh) after a delay of more than two years. <p>Audit observed that GoK was not serious in reimbursing the rebate claims to the PHWCSs on time. There was also no mechanism for effective monitoring of receipt and release of rebate claims. The delay in release of rebate claims would become a source of discouragement to the PHWCSs, which sell their products at reduced prices and wait indefinitely in the hope of getting funds.</p> <p>Directorate of Handlooms and Textiles replied that funds were released based on available budget and there was delay in releasing rebate claim each year. Directorate of Handlooms and Textiles requested GoK to release more funds to ensure availability and distribution of fund.</p> <p>Directorate of Handlooms and Textiles admitted (October 2017) that there were lapses on the part of District Industries Centre, Kozhikode to submit application relating to rebate claims.</p> <p>GoK stated (March 2018) that claim towards rebate of ₹20.48 crore was under its consideration.</p> <p>The replies are not acceptable as the inaction on the part</p>	<p>2013-14 വർഷം മുതൽ 2016-17 വരെയുള്ള കാലയളവുകളിലായി 2,34,19,571 രൂപ കോഴിക്കോട് ജില്ലയിലെ കൈത്തറി സംഘങ്ങൾക്ക് റിബേറ്റിനത്തിൽ നൽകിയിട്ടുണ്ട്</p> <p>2018-19 സാമ്പത്തിക വർഷത്തിൽ 8.90 കോടി രൂപ റിബേറ്റിനത്തിൽ പ്രാഥമിക സഹകരണ സംഘങ്ങൾ, ഹാൻഡ്സ്, ഹാൻഡ്സ് എന്നിവയ്ക്കായി അനുവദിച്ചിട്ടുണ്ട്</p> <p>2018-19 വർഷം വരെയുള്ള കുടിശ്ശിക തീർക്കുവാൻ 10 കോടി രൂപ, 10 ജില്ലകളിലെ സംഘങ്ങൾക്ക് അനുവദിച്ചിട്ടുണ്ട് കുടിശ്ശിക തീർക്കുവാൻ അധികമായി ആവശ്യമായ 10 കോടി രൂപ അനുവദിച്ചു നൽകാൻ ഉള്ള നടപടികൾ സ്വീകരിച്ചു വരുന്നു</p>
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	<p>of GoK to release rebate claims is a matter of concern to a sector, which is dependent on Government support for its survival.</p>	
<p>2.1.25</p>	<p>Revitalisation and strengthening of Hanveev and Hantex</p> <p>Hantex and Hanveev offer marketing facilities for the weavers in the co-operative sector and outside the co-operative fold respectively. GoK sanctioned (2012-2016) ₹7.12 crore and ₹9.75 crore for revitalisation and strengthening of Hanveev and Hantex respectively. The fund was to be utilised within the respective financial year itself for modernisation and computerisation of showrooms for customer attraction, producing innovative high value and value added products, etc., to exploit the existing market potential.</p> <p>Audit observed that:</p> <ul style="list-style-type: none"> • Out of ₹7.12 crore sanctioned to Hanveev, ₹2.70 crore was not utilised for modernisation and computerisation of showrooms and for strengthening of pre loom and post loom facilities. Hanveev diverted ₹1.05 crore out of ₹2.70 crore for clearing Provident Fund arrears, dues on account of yarn purchase, dues on account of printing and dyeing, etc. • As per the conditions of sanction of fund to Hantex, unspent amount should be refunded to 	<p>കൈത്തി ഡയറക്ടറിലെ ഫിനാൻസ് ഓഫീസറുടെ നേതൃത്വത്തിൽ രൂപീകരിച്ച മോണിറ്ററിംഗ് കമ്മിറ്റി ഫണ്ട് വിനിയോഗം സംബന്ധിച്ച് വെരിഫിക്കേഷൻ നടത്തി വരുന്നു. ആയതിന്റെ റിപ്പോർട്ട് ലഭിക്കുന്ന മുറയ്ക്ക് മറുപടി നൽകുന്നതാണെന്നു കൈത്തി ഡയറക്ടർ അറിയിച്ചിട്ടുണ്ട്.</p>

	<p>GoK with interest at 12 per cent. Out of 30 showrooms, for which fund was sanctioned, modernisation and computerisation of only five showrooms were completed while two were ongoing. Work in respect of remaining 23 showrooms did not commence so far (August 2017). There were delays ranging between 18 and 42 months to utilise the fund sanctioned (2013-16) for renovation of these 23 showrooms.</p> <p>Thus, the scheme intended for revitalisation of Hanveev and Hantex by attracting customers through renovated showrooms, easy business through computerisation, etc., was not implemented effectively.</p> <p>GoK replied (March 2018) that a newly formed Monitoring Committee of the Directorate was instructed to verify the utilisation of funds by Hantex and Hanveev. Appropriate action would be taken on receipt of report of the Committee.</p>	
<p>2.1.26</p>	<p>Handloom Export Promotion Scheme</p> <p>GoI introduced (2013) Handloom Export Promotion Scheme to enable apex societies /PHWCSs/handloom corporations (implementing agency) in developing export-worthy products. Apex society and Primary Handloom Weavers Co-operative Societies (PHWCSs) with minimum average domestic sales turnover of ₹50 lakh during last three years and minimum of 100 looms were eligible to submit proposals. Directorate of Handlooms and Textiles was to recommend export project. Financial assistance of ₹28 lakh, to be shared by</p>	<p>Handloom Export Promotion Scheme</p> <p>കേന്ദ്ര സർക്കാർ പദ്ധതിയായ “ഹാന്റൂലും എക്സ്പോർട്ട് പ്രൊമോഷൻ” പദ്ധതിയ്ക്കായി 2012-13 നു ശേഷം ബഡ്ജറ്റിൽ തുക നീക്കിവെച്ചിട്ടില്ല. ഹാന്റൂലും എക്സ്പോർട്ട് മാർക്കറ്റിംഗ് നടപ്പിലാക്കിയ വർഷം പദ്ധതി സംബന്ധിച്ച വ്യാപകമായ പ്രചാരണം നടത്തിയെങ്കിലും സംഘങ്ങളിൽ നിന്നും ഒരപേക്ഷയും ലഭിച്ചിട്ടില്ല.</p>

	<p>GoI (₹21 lakh) and implementing agency (₹7 lakh) was available under the Scheme.</p> <p>Audit observed that even though Directorate of Handlooms and Textiles had the overall responsibility to support the handloom sector in areas of infrastructure, marketing, export, etc., to compete in a globalised environment, the Directorate did not disseminate information about the Handloom Export Promotion scheme among PHWCSs. As a result, no PHWCSs submitted any proposals under the Scheme. Audit also noticed that three PHWCSs in Kannur district met the eligible criteria for assistance under the Handloom Export Promotion Scheme but, did not submit proposals due to lack of information about the Scheme.</p> <p>GoK admitted (March 2018) that there were lapses in the timely dissemination of important information and publicity of schemes. GoK also agreed that new means of print and electronic media would be used to address it and matters would be uploaded on the new web portal of the Directorate of Handlooms and Textiles. Further, the field level officers would be instructed and equipped to carry out the propaganda activity in a better way.</p>	
<p>2.1.27</p>	<p>National Handloom Expos (NHE) and Special Marketing Expos</p> <p>With a view to promoting and developing market for the handloom sector, GoI implemented National Handloom Expos (NHE) and special marketing expos. These expos would be organised for a period not less than 14 days in</p>	<p>National Handloom Expos (NHE) and Special Marketing Expos(SHE)</p> <p>2015-16 ൽ നടത്തപ്പെട്ട 'നാഷണൽ ഹാന്റ്‌ലൂം എക്സ്പോ'യുടെ വിനിയോഗ സാക്ഷ്യപത്രം പദ്ധതി നിർവഹണ ഏജൻസി കളിലൊന്നായിരുന്ന 'ഹാൻഡ്‌വീവ്', യഥാസമയം നൽകാതിരുന്നതിനാൽ കേന്ദ്ര സർക്കാരിന് നൽകാൻ കഴിഞ്ഞില്ല. ഇക്കാരണത്താൽ ടി</p>

metropolitan and big cities to assist sale of handloom products. PHWCSs/Hantex/Hanveev/Self Help Groups registered under the Handloom Mark Scheme would be eligible for participation in the expo. Financial assistance up to ₹38.00 lakh for organising NHE in cities with population of 25 lakh would be provided to Directorate of Handlooms and Textiles towards infrastructural support (stall rent, electricity charges, publicity, organising buyer-seller meet, backup services, administrative expenses etc.). Besides the above, financial assistance at the rate of ₹20 lakh and ₹8 lakh would be provided for organising Special Expos (SE) at national level and State level respectively. According to conditions of scheme, GoI would release first instalment of 50 per cent as advance to meet preparatory expenses. Balance 50 per cent would be released on submission of performance cum achievement report within 10 days after completion of the event and claims in three months.

Audit observed that:

- During 2012-13 to 2014-15, GoK conducted three National Handloom Expos and for 2015-16, Hanveev was the implementing agency. For these NHEs, GoI released ₹66 lakh towards first instalment. Directorate of Handlooms and Textiles did not submit performance cum achievement report to the GoK within 10 days and claim for the balance 50 per cent within the stipulated period of three months. Claim and

പദ്ധതിക്കുള്ള അടങ്കൽ ഗഡു തുകയും, തുടർന്നുള്ള എൻ.എച്ച്.ഇ/എസ്.എച്ച്.ഇ യും സംസ്ഥാനത്തിന് നിഷേധിക്കുകയും ചെയ്തു. ഈ സാഹചര്യത്തിൽ 2017-18 എൻ.എച്ച്.ഇ/എസ്.എച്ച്.ഇ നടത്താൻ നിർവഹണ ഏജൻസികളായ ഹാൻവീവ്, ഹാൻക്സ് എന്നിവർ സന്നദ്ധരാകാതിരുന്ന കാരണത്താൽ ജില്ലാ വ്യവസായ കേന്ദ്രം, തിരുവനന്തപുരം എസ്.എച്ച്.ഇ നടത്താൻ താൽപര്യപ്പെടുകയും, തിരുവനന്തപുരം ജില്ലാ വ്യവസായ കേന്ദ്രത്തെ നിർവ്വഹണ ഏജൻസിയാക്കി എസ്.എച്ച്.ഇ അനുവദിക്കണമെന്ന് കേന്ദ്ര സർക്കാരിനോട് 28.09.2017 ൽ ആവശ്യപ്പെട്ടെങ്കിലും പ്രസ്തുത അപേക്ഷ കേന്ദ്രസർക്കാർ നിരസിക്കുകയുണ്ടായത്.

2015-16 ലെ എൻ.എച്ച്.ഇ-യുടെ വിനിയോഗ സാക്ഷ്യപത്രവും അനുബന്ധരേഖകളും നിർവഹണ ഏജൻസിയായിരുന്ന ഹാൻവീവ് യഥാസമയം നൽകാതിരുന്നത് സമർപ്പിക്കാനായി 26.04.2018 ൽ കേന്ദ്ര സർക്കാർ തീയതി നിശ്ചയിച്ച് ഒരവസരം കൂടി നൽകുകയും ആയത് നിശ്ചിത കാലാവധിക്കുള്ളിൽ (22.06.2018 ൽ) തന്നെ സമർപ്പിക്കുകയും ചെയ്തിട്ടുണ്ട്. ടി വർഷത്തെ അടങ്കൽ ഗഡുവായ 18 ലക്ഷം രൂപ കേന്ദ്ര സർക്കാർ നാളിതുവരെയും സംസ്ഥാനത്തിന് ലഭ്യമാക്കിയിട്ടില്ല. കൂടാതെ തുടർന്നുള്ള വർഷങ്ങളിലൊന്നും തന്നെ സംസ്ഥാനത്തിന് എൻ.എച്ച്.ഇ/എസ്.എച്ച്.ഇ അനുവദിച്ചിട്ടില്ല.

utilisation certificates were also not submitted by Hanveev for the year 2015-16. Due to delay in submission of claims, GoI did not release balance share amounting to ₹66 lakh. Further, proposal (February 2017) against sanction for conducting NHE during 2016-17 was also not approved by Development Commissioner (Handlooms), GoI due to non-submission of utilisation certificate (UC) for the year 2015-16 leading to failure to obtain further GoI assistance of ₹38 lakh for marketing the products.

- In three NHEs conducted during 2012-15, 307 participants sold handloom cloth valuing ₹12.08 crore. Due to non-conduct of NHEs during 2016-17, handloom weavers were deprived of one of the avenues to sell their handloom products.
- Directorate of Handlooms and Textiles did not submit any proposal for conducting three Special Expos for the period 2016-17 against three special expos sanctioned by Development Commissioner (Handlooms) for Kerala.

Thus, due to non-conducting of NHEs and special expos during 2016-17, the handloom weavers were deprived of the opportunity to showcase their exquisite handloom products.

	<p>Directorate of Handlooms and Textiles admitted (January 2018) that due to non-submission of UC on time, 50 per cent of grant was not released by GoI. GoK replied (March 2018) that Hanveev, implementing agency of NHE for the period 2015-16, did not submit UC on time. Therefore, application for conduct of National Handloom Expos for 2016-17 was rejected by GoI.</p>	
<p>2.1.28</p>	<p>Assistance for Infrastructure Development and modernisation For infrastructure development and modernisation of coir and handloom sectors, GoK implemented many schemes during 2012-13 to 2016-17. Audit observations on implementation of these schemes are discussed in paragraphs 2.1.29 to 2.1.32.</p>	
<p>2.1.29</p>	<p>Scheme for Infrastructure Development in the coir sector GoK introduced Infrastructure Development Scheme (IDS) to increase production in coir societies, improve the overall quality of production and to fulfil the basic requirements of workers. The scheme assistance was extended for procurement of machinery, construction of work shed, etc., based on the feasibility of the proposed project and necessity of the societies. Under the scheme, assistance of ₹31.61 crore was disbursed to 548 societies during 2012-13 to 2016-17. Out of these, 40 societies received assistance worth ₹0.10 crore or more each till 2015-16.</p>	<p>Not applicable</p>

	<p>Audit observed that guidelines specifying eligibility criteria, quantum of assistance per beneficiary, etc., were not devised for effective, transparent and fruitful implementation of the scheme.</p> <p>GoK stated (February 2018) that majority of assistance extended fell in the category of construction/ renovation of work sheds, godowns, toilets, etc. Further, since almost 90 per cent of the workforce comprised of women, providing better gender sensitive infrastructure gets precedence. From 2016- 17 onwards, projects were sanctioned based on the activities and requirements stipulated in the “micro plan” of each society. GoK further stated that specific guidelines would be framed for selecting the beneficiaries stipulating the quantum of assistance.</p> <p>The fact, however, remains that in the absence of guidelines, the assistance was also extended for the purchase of machinery by societies, despite having another dedicated scheme for such purchase.</p>	
2.1.30	Skill Development in coir sector	Not applicable
2.1.31	Procurement of modern equipment for the coir sector	Not applicable
2.1.32	Promotion of Master Weavers Scheme for handloom sector Industrial and Commercial Policy, 2007 of GoK envisaged establishment of handloom units by master weavers. Directorate of Handlooms and Textiles implemented (2011-2016) ‘Promotion of Master	മാസ്റ്റർ വീവർ പദ്ധതി പ്രകാരം അനുവദിച്ച തുകയുടെ വിനിയോഗത്തെക്കുറിച്ച് പരിശോധന നടത്തുവാൻ കൈത്തറി വസ്ത്ര ഡയറക്ടറേറ്റ് തലത്തിൽ ഒരു ഓഡിറ്റ് ഇൻസ്പെക്ഷൻ ടീമിനെ നിയോഗിച്ചിരുന്നു. പ്രസ്തുത ഇൻസ്പെക്ഷൻ ടീമിന്റെ പരിശോധന റിപ്പോർട്ട് പ്രകാരം പദ്ധതിയുടെ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ പ്രകാരം അല്ലാതെ പദ്ധതിയുടെ തുക ലഭ്യമായിരിക്കുന്ന അനർഹരിൽ നിന്നും റവന്യൂ റിക്കവറി നടപടികൾ സ്വീകരിക്കുവാൻ തീരുമാനിച്ചു.

Weavers Scheme', intended to promote Master weavers to set up new production units or to revamp their existing production units so as to boost the handloom sector and maintain employment potential. According to the Scheme, the production unit should provide employment directly to 10 or more workers at a time. Maximum assistance available under the scheme for one individual would be ₹1,28,125 for purchase of looms, technology upgradation, design and training. Balance fund was to be arranged by the beneficiaries through banks. The applicant having own land and building to establish such units would be preferred. If the unit is intended to be set up in a rented building, copy of rent deed executed for a minimum period of five years should be furnished.

The progress of the implementation as well as the functioning of the unit would be periodically watched by the Directorate of Handlooms and Textiles and General Managers, District Industries Centres of the district concerned.

Directorate of Handlooms and Textiles sanctioned ₹85.64 lakh to 84 beneficiaries under the scheme during the period 2011-12 to 2015-16. Out of these 84 beneficiaries, 59 beneficiaries did not submit utilisation certificate so far.

Audit examined five projects sanctioned in Thiruvananthapuram district under Master Weaver Scheme and observed that:

Even though the grant was to be released to the financing bank concerned, in four out of five test checked cases,

ജില്ലാ വ്യവസായകേന്ദ്ര ജനറൽ മാനേജർക്ക് നിർദ്ദേശം നൽകിയിട്ടുണ്ട് ജില്ലയിൽ റവന്യൂ റിക്കവറിയുമായി ബന്ധപ്പെട്ട നടപടികൾ സ്വീകരിച്ചു വരുന്നു.

	<p>fund was released to the allottees directly.</p> <p>In one case, Directorate of Handlooms and Textiles released (2014) ₹1,28,125 to a beneficiary for strengthening of existing units. Before sanction of the assistance, Senior Co-operative Inspector of the Circle reported (September 2012) that the beneficiary owned five looms in her own property. Junior Co-operative Inspector of the Circle also reported (December 2012) that four looms were existing and five more looms could be installed in the work shed. The assistance was to be used for purchase of five looms, technological upgradation, margin money assistance, etc. During joint physical verification (August 2017) along with the officials of District Industries Centre, Audit could not identify any looms and work shed in the premises of the allottee.</p> <p>GoK replied (March 2018) that a new Monitoring Committee of the Directorate would be instructed to verify the utilisation of funds and that appropriate action would be taken on receipt of report of the Committee.</p> <p>The fact, however, remains that sanction of assistance under the scheme and release of assistance was not in accordance with the guidelines of the scheme.</p>	
2.1.33	<p>Welfare measures</p> <p>With a view to ensuring the welfare of workers in the coir sector, GoK introduced Pension Scheme and Income Support Scheme. Similarly, for the handloom sector,</p>	<p>Income Support Scheme</p> <p>ഒരു ദിവസം 75 രൂപയ്ക്കും 150 രൂപയ്ക്കും ഇടയിൽ വരുമാനം ലഭിക്കുന്ന നെയ്ത്തു തൊഴിലാളികൾക്ക് അവരുടെ ദിവസ വേതനം 150 രൂപയായി വർദ്ധിപ്പിച്ചു നൽകുന്ന പദ്ധതിയാണിത്. പ്രതിവർഷം 100 ദിവസങ്ങളിലേക്കാണ് ഈ പദ്ധതിപ്രകാരമുള്ള ആനുകൂല്യം നൽകുന്നത്.</p>

	GoK implemented Income Support Scheme and Productivity Improvement Scheme. Audit observations on implementation of these schemes are discussed in succeeding paragraphs	Production Incentive Scheme ഒരു ദിവസം നിശ്ചിത അളവിൽ അധികമായി ജോലി ചെയ്യുന്ന കൈത്തറി തൊഴിലാളികൾക്ക് നൽകിവരുന്ന പ്രോത്സാഹന പദ്ധതിയാണിത്. പ്രതിദിനം സർക്കാർ നിശ്ചയിച്ച അളവിൽ കൂടുതൽ നെയ്യുന്ന തൊഴിലാളികൾക്ക് ഓരോ അധിക മീറ്ററിനും ഇരട്ടി വേതനം ലഭിക്കും എന്നതാണ് ഈ പദ്ധതി കൊണ്ട് ഉദ്ദേശിക്കുന്നത്. പ്രതിമാസം ഒരു തൊഴിലാളിക്ക് 4000 രൂപ വരെ അധിക വരുമാനമായി ലഭിക്കാൻ ഈ പദ്ധതി വഴി സാധിക്കുന്നതാണ്.
2.1.34	Pension Scheme	Not applicable
2.1.35	Income Support Scheme GoK implemented income support scheme for both coir and handloom sectors. Audit observations on these schemes are discussed below:	Income Support Scheme ഒരു ദിവസം 75 രൂപയ്ക്കും 150 രൂപയ്ക്കും ഇടയിൽ വരുമാനം ലഭിക്കുന്ന നെയ്ത്തു തൊഴിലാളികൾക്ക് അവരുടെ ദിവസ വേതനം 150 രൂപയായി വർദ്ധിപ്പിച്ചു നൽകുന്ന പദ്ധതിയാണിത്. പ്രതിവർഷം 100 ദിവസങ്ങളിലേക്കാണ് ഈ പദ്ധതിപ്രകാരമുള്ള ആനുകൂല്യം നൽകുന്നത്.
2.1.36	Income support scheme for coir sector	Not applicable
2.1.37	Income Support Scheme for the handloom sector GoK implemented Income Support Scheme to assist the weavers/ allied workers to get better wages, which in turn would assist to retain them in the handloom sector. The weavers who were earning ₹50 or above per day and allied workers earning ₹35 or above per day but not above ₹150 would come under the purview of this Scheme. The preliminary target fixed under this Scheme was to get the workers ₹150 per day as wages for a maximum of 100 days in a year. The weavers to be eligible for this scheme should have an average attendance of minimum 10 days in a calendar month. Under the Scheme, GoK provided assistance of ₹75 per weaver.	Income Support Scheme 2018-19 സാമ്പത്തിക വർഷം ഇൻകം സപ്പോർട്ട് സ്കീമിന് ലേബർ ഡിപ്പാർട്ട്മെന്റിൽ നിന്നും അനുവദിച്ചു നൽകിയിട്ടുള്ള 3 കോടി രൂപ പ്രസ്തുത സാമ്പത്തിക വർഷത്തിൽ ജില്ലകൾക്കായി വിതരണം ചെയ്തിട്ടുണ്ട് ഇതിൽ തിരുവനന്തപുരം ജില്ലയ്ക്ക് 2018-19 വർഷത്തിൽ 2,47,22,000 രൂപയും കണ്ണൂർ ജില്ലയ്ക്ക് 15,00,000 രൂപയും വിതരണം ചെയ്തിട്ടുണ്ട് ലേബർ ഡിപ്പാർട്ട്മെന്റിൽ നിന്ന് കിട്ടിയ ഫണ്ട് സമയബന്ധിതമായി വിതരണം ചെയ്തിട്ടുണ്ട് മുൻ വർഷങ്ങളിലെ കുടിശ്ശിക തീർക്കുന്നതിന് 2019-20 വർഷത്തിൽ 4 കോടി രൂപ ആവശ്യപ്പെട്ടിട്ടുണ്ട്

Audit observed that:

- Share of GoK assistance was limited to ₹75 per weaver earning ₹50 or more. As such, a weaver earning ₹75 or above would get ₹150 while a weaver earning between ₹50 and ₹75 per day would not get ₹150. In two PHWCSs in Kannur district, Audit noticed instances of 23 weavers out of 103 weavers not getting targeted wage of ₹150 per day during October 2016 to May 2017 due to the above ceiling on share of GoK. This indicated that the Scheme was not conceived properly. Thus, the Scheme, which guaranteed minimum wage of ₹150
- per day can achieve its objective only if the ceiling on GoK support is enhanced proportionately.
- In Thiruvananthapuram district and Kannur district, share of GoK under Income Support Scheme amounting to ₹4.13 crore was pending for payment to the weavers from 2012-13 to 2016-17 due to shortage of funds, as shown in Table 2.3:

Table 2.3: Details of share of GoK under Income Support Scheme-pending for payment to weavers
(Amount in ₹lakh)

Year	Thiruvananthapuram		Kannur	
	Amount outstanding	No.of weavers	Amount outstanding	No.of weavers
2012-13	0.99	55	2.44	557
2013-14	224.80	4286	1.81	328
2014-15	135.79	2136	3.00	787
2015-16	41.09	1388	2.00	838
2016-17	1.05	34	0.36	238
Total	403.72	7899	9.61	2748

Directorate of Handloom and Textiles replied (January 2018) that funds towards Income Support Scheme are allotted by the Labour Department, GoK and requirement of fund is placed before the Labour Commissioner who makes the fund allotments based on the availability of funds. Out of ₹4.13 crore pending in Thiruvananthapuram and Kannur districts, an amount ₹2crore was released to the districts. A claim for the balance amount of ₹2.13 crore was submitted before the Labour Commissioner and the same would be released on receipt of the same from the Labour Commissioner. GoK endorsed (March 2018) the views of the Directorate of Handloom and Textiles.

	<p>Reply was not acceptable as delay in disbursement of dues defeated the purpose of ensuring better wages to the weavers due to delay in release of funds by the GoK. The GoK needs to streamline release of funds in a timely manner to avoid delay in disbursement of dues to the weavers under Income Support Scheme.</p>	
<p>2.1.38</p>	<p>Insurance Coverage Provision of social security through health insurance, life insurance and insurance against disabilities is the minimum requirement that is essential to enable coir workers and handloom weavers to work with dignity.</p> <p>Audit observed that: GoI implemented Mahatma Gandhi Bunkar Bima Yojana (MGBBY) during the Twelfth Five Year Plan period (2012-2017) with the basic objective to provide enhanced insurance coverage to the handloom weavers in case of natural as well as accidental death and in cases of total or partial disability. All weavers of Hantex/PHWCSs/Hanveev between the age group of 18 and 59 years were eligible to be covered under the Scheme. Directorate of Handlooms and Textiles was thenodal agency for the implementation of the Scheme. The Scheme was administered by Life Insurance Corporation of India (LIC). The annual premium of ₹470 was shared among GoI, LIC and weaver. The weaver was insured with the coverage of ₹60,000 for natural death, ₹1,50,000 for accidental death, ₹1,50,000 for total disability and ₹75,000 for partial disability. Audit observed that out of 19,321 weavers as of March</p>	<p>Insurance Coverage പന്ത്രണ്ടാം പഞ്ചവത്സര പദ്ധതി കാലത്ത് നടപ്പിലാക്കിയ മഹത്തമ ഗാന്ധി ബീമ യോജനാ പദ്ധതിയുടെ പ്രാഥമിക ലക്ഷ്യം സ്വാഭാവികമായും, അപകടം മൂലമുള്ള മരണമോ സംഭവിക്കുന്നവർക്കു മുഴുവനായോ ഭാഗികമായോ അഗാധം സംഭവിച്ചവർക്കു വർദ്ധിച്ച പരിരക്ഷ ലഭിക്കുക എന്നതുമാണ്. കേന്ദ്ര സർക്കാരിന്റെ നിർദ്ദേശ പ്രകാരം ടി പദ്ധതിയെ SSPMJBY/AABY എന്ന പുതിയ പദ്ധതിയിലേക്ക് 2016-17 വർഷം മുതൽ മാറ്റിയിരുന്നു പുതിയ പദ്ധതി പ്രകാരം 01/06/2016 മുതൽ നെയ്തുകാരെ പ്രയോജനപ്പെടുത്തുന്നതിനായി 2 ഗ്രൂപ്പുകളിലായി വിഭജിച്ചിട്ടുണ്ട്. 18 മുതൽ 50 വയസ്സുള്ളവരെ SSPMJBY യിലും, 51 മുതൽ 59 വയസ്സുള്ളവരെ AABY യിലും ഉൾപ്പെടുത്തിയിരിക്കുന്നു.</p> <p>പ്രസ്തുത പദ്ധതിയിൽ നെയ്തുകാരെ പുതുതായി ചേർക്കുന്നതിനും, മുൻപ് MGBBY പദ്ധതിയിൽപ്പെട്ടവരുടെ പോളിസി പുതുക്കുന്നതിനും ഡാറ്റ നിശ്ചിത മാതൃകയിലുള്ള പ്രൈമേറിയലിൽ നൽകുന്നതിന് ഫൈൻ ഇൻഷുറൻസ് കോർപ്പറേഷനിൽ നിന്ന് നിർദ്ദേശ ലഭിച്ചിരുന്നു ടി പ്രൈമേറിയലിൽ 34 ഇനം വിവരങ്ങൾ നൽകേണ്ടതുണ്ട് ഇതിൽ ആധാർ നമ്പർ, ജനന തീയതി, ബന്ധുക്കളുടെ നമ്പർ തുടങ്ങിയവയും ഉൾപ്പെട്ടിരുന്നു സമ്പന്നനായ എല്ലാ ജില്ലകൾക്കും ഡാറ്റ ബന്ധപ്പെട്ട പ്രാഥമിക ക്ലൈംത്തിന് സഹകരണ സംഘങ്ങൾ വഴി ശേഖരിച്ച് ക്രോഡീകരിച്ച് ക്ലൈംത്തിന് ആൻഡ് ടെക്സ്റ്റൈൽസ് ഡയറക്ടറേറ്റിൽ സമർപ്പിക്കേണ്ടതുണ്ട് ഇപ്രകാരം ഡാറ്റ ശേഖരിക്കുന്ന പ്രക്രിയക്ക് കൂടുതൽ സമയം ആവശ്യമായതിനാൽ പ്രാഥമിക ക്ലൈംത്തിന് സഹകരണ സംഘങ്ങൾ ഡാറ്റ കൃത്യസമയത്ത് സമർപ്പിക്കത്തക്ക മുഖ്യ എല്ലാ നെയ്തുകാരെയും യഥാസമയത്ത് പോളിസിയിൽ ചേർക്കുന്നതിന്/പുതുക്കുന്നതിന് സാധിച്ചിട്ടില്ല.</p> <p>കൂടാതെ, MGBBY പദ്ധതിയിൽപ്പെട്ടിരുന്ന എല്ലാ നെയ്തുകാരെയും പുതിയ പദ്ധതിയിൽ ഉൾപ്പെടുത്തുന്നതിന് എൻപിഎസ് ഓഫ് ഇന്ത്യയോട് കേന്ദ്ര സർക്കാർ 17/08/18 ൽ ആവശ്യപ്പെട്ടിരുന്നു മാനേജിങ് ഡയറക്ടർ, ഹാൻഡ്ലോംസ് എല്ലാ ജില്ലാ വ്യവസായ കേന്ദ്ര ജനറൽ മാനേജർമാർക്കും എല്ലാ ക്ലൈംത്തിന്</p>


<p>2017, 5,198 weavers were falling within the eligible age group of 18-59 years. Out of these, only 4,055 weavers were, however, enrolled in the scheme, leaving out 1,143 weavers (Hanveev - 687 weavers and PHWCSs -456). Thus, Directorate of Handlooms and Textiles, the nodal agency of the Scheme, did not provide the benefit of the Scheme framed by Government of India to 1,143 weavers. GoK replied (March 2018) that necessary action would be taken to enrol maximum weavers including those from Hanveev and PHWCS, not enrolled in MGBBY scheme, in the upcoming years.</p> <p>The Coir Commission recommended that all workers in coir sector should be extended insurance coverage. However, Directorate of Coir Development/KSCWWFB was yet to devise a scheme for this. Data collected by Project Offices from societies indicated that 10,070 workers in 110 societies had no personal insurance coverage.</p> <p>GoK stated (February 2018) that KCWWFB already initiated an insurance scheme in association with Life Insurance Corporation of India and Comprehensive Health Insurance Agency of Kerala, a State Government Agency, during 2015 and earnest efforts were made to enroll all 1.65 lakh workers registered. But, so far 68,000 workers only were covered under the insurance scheme. Though special drives were made, the rate of growth was tardy due to the possible coverage of workers under some other similar schemes.</p>	<p>നേതൃത്വം പുതിയ പദ്ധതിയിൽ അംഗമാകുന്നതിന് ഇന്ന് തീരിച്ചുള്ള ഡാറ്റ നിശ്ചിത പ്രൊഫൈലിൽ സ്ഥാപിക്കുന്നതിന് നിർദ്ദേശം നൽകിയിട്ടുണ്ട്. കണ്ണൂർ, ആലപ്പുഴ, കോഴിക്കോട് എന്നീ ജില്ലകളിൽ നിന്നും ലഭിച്ച ഡാറ്റ എൽഐസി ഓഫ് ഇന്ത്യയ്ക്ക് സ്ഥാപിച്ചിട്ടുണ്ട്.</p>
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	Thus, social security by way of insurance cover remained unavailable to a large number of workers in the handloom sector and coir sector.											
2.1.39	<p>Productivity Improvement Scheme for handloom sector</p> <p>GoK implemented productivity improvement scheme for providing incentive to weavers and allied workers for encouraging them to improve their productivity. According to the Scheme, if a weaver weaves over and above the standard meterage fixed by the expert committee, the weaver would be given additional wages equivalent to twice the wages for that additional meterage weaved. The incentive would be disbursed on quarterly basis.</p> <p>Audit observed that out of five selected districts, payment of productivity incentive of ₹3.56 crore was pending for disbursement since 2015-16 in respect of four districts while in respect of one district, the payment was pending since 2012-13 as shown in Table 2.4:</p> <p>Table 2.4: Details of productivity incentive pending for payment</p> <table><tr><th>Sl. No.</th><th>District</th><th>Period of productivity</th><th>Incentive Amount (₹ in lakh)</th><th>Range of beneficiary weavers</th></tr><tr><td>1</td><td>Thiruvananthapuram</td><td>2015-16 to</td><td>242.00</td><td>528-666</td></tr></table>	Sl. No.	District	Period of productivity	Incentive Amount (₹ in lakh)	Range of beneficiary weavers	1	Thiruvananthapuram	2015-16 to	242.00	528-666	<p>Production Incentive Scheme</p> <p>2018-19 വർഷത്തിൽ പ്രൊഡക്ഷൻ ഇൻസെന്റീവ് പദ്ധതിക്കായി വകയിരുത്തിയ 5 കോടി രൂപ മുഴുവനും 2018-19 വർഷം തന്നെ ജില്ലകൾക്കായി വിതരണം ചെയ്തിട്ടുണ്ട്. 2019-20 സാമ്പത്തിക വർഷത്തിലും 5 കോടി രൂപ വകയിരുത്തിയിട്ടുണ്ട്. 2018-19 സാമ്പത്തിക വർഷം വിതരണം ചെയ്ത തുകയുടെ വിനിയോഗ സാക്ഷ്യപത്രവും എല്ലാ ജില്ലകളിൽ നിന്നും ലഭ്യമായിട്ടുണ്ട്.</p>
Sl. No.	District	Period of productivity	Incentive Amount (₹ in lakh)	Range of beneficiary weavers								
1	Thiruvananthapuram	2015-16 to	242.00	528-666								

2	Kottayam	2016-17	1.99	20-31
3	Ernakulam		8.56	101-140
4	Kozhikode		55.01	369-665
5	Kannur	2012-13 to 2016-17	48.05	263-797

Directorate of Handloom and Textiles replied (January 2018) that Government was requested to allot additional fund via re-appropriation from other heads and efforts were being made to release this incentive timely.

The reply was not acceptable as delay in release of welfare assistance defeated the scheme objective of providing productivity incentive on quarterly basis.


C.K VINODAN
Joint Secretary to Govt
Industries Department
Govt Secretariat
Thiruvananthapuram

**Action Taken Report on Audit paras 2.1.21, 2.1.30, 2.1.31 related to Coir contained
in the C&AG Report (PSUs) for the year ended 31.03.2017**

Purchase Price Stabilisation Scheme for the coir sector

2.1.21 Under Purchase Price Stabilisation Scheme (PPSS), the semi-finished/ finished coir products and allied products manufactured by small scale producers and mats and matting societies will be procured by Kerala State Coir Corporation Limited (KSCC). The exporters purchasing coir products from KSCC were eligible for an incentive of 7.50 per cent of Freight on Board (FOB) value of hand woven products procured through this mechanism. KSCC was entitled for service charge from Directorate of Coir Development at the rate of three per cent of the value of products procured.

Audit observed that during the period 2013-14 to 2016-17, KSCC sold mats and mattings under Purchase Price Stabilisation Scheme (PPSS) to 146 parties for the purpose of export. As per the Scheme, KSCC was to ensure that the export obligations were met by the exporters. KSCC did not devise a mechanism to ensure that the export obligation was met by the exporters though Rs. 33.21 crore was paid as export incentive during 2013-17.

Under Purchase Price Stabilization Scheme (PPSS), the semi-finished/finished coir products manufactured by small scale and mats and mattings societies are procured by Kerala State Coir Corporation Ltd by paying 3% as Service Charges for meeting their expense. The Exporters purchasing coir products from KSCC are eligible for an incentive @ 7.5%/10 % (7.5% up to 20-09-2016 and 10% wef 21-09-2016) on FOB value for hand woven products procured through this mechanism. The main objective of this scheme is to eradicate the depot system, secure fair wages in the coir sector, and provide more employment opportunities in order to revitalize the coir industry.

To ensure export obligation, following measures are now initiated.

1. In order to ensure export obligation KSCC has introduced registration process to enroll in PPSS Scheme. Newly proposed exporters are required to produce documents along with IE Code and Shipping bill Copies for proving export history. This will ensure that product will be bought by genuine exporters only under this scheme.
2. Existing PPSS-registered exporters are asked to produce shipping bill copies for ensuring exporting activities, and exporters without shipping bills are not allowed to avail PPSS benefits. This is checked at random.
3. The objective of the financial incentive to exporters under the PPS

Scheme is to increase Coir product exports, thereby increasing the business volume of small-scale producers Societies and also increasing employment opportunities. Accurate and updated information on quantity and value of exports is published in the Coir News published by the Coir Board. Export data collected from Sea Ports and from shipping documents by the Ministry of MS&ME, Government of India, is authentic. The figures of a particular period can be compared and analyzed with those of the previous year. The increase or decrease denotes the effectiveness of the financial incentive extended to the exporters.

Skill Development in coir sector

2.1.30 National Coir Research & Management Institute (NCRMI) was established by Govt in 1994 with the mission of conducting research and imparting training to workers in the coir sector. Similarly, Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC) was to impart training to workers of Co-operative societies which procure machineries from KSCMMC. The coir commission observed that low productivity of workers in the coir sector was on account of outdated technologies and machineries. The coir commission recommended modernisation of technology along with training to workers for production of different varieties of coir at improved productivity.

Audit observed that:

- Total number of workers trained through NCRMI during 2012-13 to 2016-17 was only 613. But, Coir Board had given training to 5,492 workers under its Mahila Coir Yojana

NCRMI is implementing the skill up-gradation training programme across the State as part of their consultancy efforts. NCRMI has developed a most comprehensive skill training mechanism for the coir stakeholders especially in the co-operative segment. As part of the 2nd Reorganization Package, Government is infusing modernization and mechanization in all the process in coir sector by ensuring social protection of the traditional workforce. For better adaptation to mechanization by coir workforce, skill training plays a major role and is being effectively being delivered utilizing the expertise of NCRMI.

It may kindly be noted that, NCRMI has diligently been engaged in skill training programme in the spinning using traditional ratt& e-ratt from the early 2003. During the early 2000's, NCRMI training programme concentrated on upskilling the women workforce to manufacture the yarn based on market demand. The training demand then arises out of the necessity generated in the sector based on the

Scheme and to 7,336 workers under training for manufacturing valued added products. The workers trained by Coir Board were from both co-operative and private sector.

- KSCMMC distributed (March 2015 to June 2017) 71 mini defibering machines, 65 willowing machines, 61 screeners, 20 conveyors, 10 screeners for pith, 6 bailing press and 6,490 electronic ratts. Despite supplying these machines to co-operative societies, KSCMMC did not train the workers of these societies due to staff shortage.
- From the data collected from 355 societies by Project Offices at the instance of Audit, it was noticed that no workers from 221 societies were selected for any training during the last five years.

These instances indicated scope for improvement of skills of coir workers by assessing training needs of workers, thus, improving viability of societies.

GoK stated (February 2018) that training programme of NCRMI was for longer duration than that of Coir Board. As part of speedy mechanisation of coir sector, KSCMMC was entrusted to manufacture various machines. As most of coir workers are unaware of operating new machines, Rs. 1.42 crore was sanctioned for training. A list of 1,877 workers from various societies was sent to KSCMMC to impart training and adequate training will be given to coir workers to become familiar with these machines to enhance productivity.

need analysis conducted by Coir Department and in turn recommended to NCRMI for its implementation. Since 2003, NCRMI has conducted almost 397 batches of skilled training, each batch consisting of 10-20 trainees for a period of 45 days/batch. As informed during early 2000's Skill training by NCRMI on e-ratt& traditional ratt concentrated on equipping women coir workers to spin at least 5 varieties of coir yarn based on market demand. The training programme was the pioneering efforts in the State in creating a professional approach among the co-operative based spinning sector equipping them to imbibe and deliver the knowledge acquired for making of quality based yarn based on market demand.

NCRMI has been proactively involved in implementation of skill training for the manufacturing of frame mats, braided mats, corridor mats etc., in the product sector. Being the pioneer in Coir Geotextiles technology dissemination, NCRMI delivered skill training along with practical know-how on field level implementation. It is pertinent to note that it is the solitary agency in the State equipped with comprehensive infrastructure and expertise with most modern teaching methodology to impart skill based training in the coir sector. The intention of conducting these training programs was not just to make the workers of coir cooperative societies technically qualified and skillful at work, but also to make them aware of importance of quality and various factors that affect the quality and standard of any product and good practices to be followed in a production unit, thus to develop a responsible worker in a production unit. As part of the 2nd Reorganization Package, the spinning sector underwent a paradigm shift in the production process. Alongside with traditional production techniques, mechanized production units were installed in the Coir Co-operatives engaged in the spinning segment. 1000 Automatic

The fact, however, remains that a large section of the workers were untrained even after commencement of mechanisation and the number of workers imparted training during the audit period was less than one per cent of work force in co-operative sector.

Spinning machines were installed in 100 odd Coir Co-operatives' with 10 ASM's in each unit. NCRMI has been efficiently and timely implementing the skill training in ASM's as per the recommendation of Coir Department. Actual production of coir yarn and its quality improved exponentially in ASM based production as sequel to effective training imparted by NCRMI. The actual period for conducting one batch of training program is 30 days and the completion period is 45 days.

It may be intimated that, NCRMI has conducted 157 batches of skilled training during the period 2003-04 to 2016-17 training over 3845 workers of coir cooperative societies. Later, NCRMI during the period 2017-18 to 2021-22 has conducted 210 batches training with 1897 workers and during the period 2022-23, NCRMI has conducted 30 batches of training with 300 workers. Noting the above facts, it is also informed that, NCRMI is the sole agency in coir sector, nationally, engaged with implementation skill training on modern machinery, e-ratt etc. on a comprehensive training with dedicated staff.

As noted in the C&AG Report for the year ended 31.03.2017, M/s Coir Board has given training under various schemes which is spreading across the whole of India whilst, NCRMI training is State specific with modern technology. Moreover, NCRMI is organising skill training programme in-house utilizing the service of experienced trainers whereas M/s Coir Board is mainly involved in training handicraft products and are being implemented through NGO's and other outside agencies.

NCRMI is also not the selection agency for training batches, the societies being selected for conducting training program are shortlisted by respective Coir project office from the list

forwarded by M/s KSCMMC after inspection. On completion of inspection procedure, the list of societies is forwarded to NCRMI. On receipt of the list, NCRMI timely conducts training for workers of such societies. On approval of projects submitted by NCRMI for the conduct of training programs and sanctioning of fund, NCRMI timely initiates the training program. NCRMI is up to date in conducting the training program and shall continue with procedure and no delay shall be made in the conduct of the training programs to workers of coir cooperative societies which are approved by Coir Department officials.

Procurement of modern equipment for the coir sector

2.1.31 As of June 2017, out of 355 co-operative societies, details of which were available, 153 societies were working in manual mode. As part of modernisation of coir sector, Gok approved the proposal of the Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC) to manufacture and supply 30 Integrated Coir Processing Units (ICPU) to 20 co-operative societies/PSUs, free of cost and to 10 private units at 50 per cent subsidy. Gok sanctioned (October 2016) Rs. 4.31 crore to KSCMMC for supply of the equipment. The scheduled date of completion of supply was 31 March 2017. The Project Offices were to identify the co-operative societies/ PSU and private parties requiring ICPUs.

As per the approved proposal, scheduled date & Supply and installation of Integrated Coir Processing Units was 31st March, 2017. The machines were ready for supply only by December 2016. And these machines are to be transported to Societies of different places and to erect there, then to conduct the trial run. For the implementation of this Scheme, directions were given to Project officers for furnishing the details of the societies, which are willing to install the machine, and having adequate land and sufficient building space. Accordingly the project officers submitted list of societies. After Preliminary scrutiny, 14 societies and one private party were selected for Supplying ICPU.

Four Project Offices submitted proposals for 15 societies and after assessing scope and infrastructure facilities, the Directorate of Coir Development recommended 14 societies and one private party for supplying the ICPU. Directorate of Coir Development later decided (April 2017) to reassess the infrastructure facilities of the beneficiaries and postpone the issuance of ICPU till then.

It is a fact that, the project officers are not engineers, or qualified for assessing the technical specifications of the implementation of this project. The details i.e., the selected list of societies were given to KSCMMC, the implementing agency. On their site verification it is found that the land and building in many of the selected societies were not suitable to install the machines. So adequate changes have

Audit observed that:

- The machines were ready for supply by December 2016. However, due to delay in reassessment of infrastructural facilities, the machines were not delivered to the societies and were idling.
- Though the project envisaged free distribution of ICPUs to societies, the Project Office, Thrissur reported that societies were reluctant to purchase the machine due to financial constraints. This indicated that Project Offices themselves, who were to spread information among beneficiaries, were unaware that the machines were given free of cost.

Gok stated that delay occurred as physical inspection had to be carried out to ascertain the infrastructural facilities in societies before selecting suitable beneficiaries. A list of 17 coir societies was forwarded to KSCMMC for distribution of machines and the process of installing the machineries commenced in December 2017.

The reply was not acceptable as due to delay in assessment of infrastructural facilities, ICPUs manufactured by KSCMMC for mechanisation of societies remained unutilised. Moreover, there was lack of awareness about the scheme among project offices and beneficiaries to make use of the benefits.

to be made in the society's premises and sheds to accommodate the machines safely. This infrastructure assessment took time and that caused the noted delay in implementing the project.

Enough awareness regarding this project was given to all Project Officers and Field staff who was having direct contact with the Societies.


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GOVERNMENT OF KERALA
INDUSTRIES (E) DEPARTMENT

STATEMENT OF REMEDIAL MEASURES TAKEN ON THE COMPLIANCE AUDIT OBSERVATIONS RELATING TO
KERALA STATE COIR MACHINERY MANUFACTURING COMPANY LIMITED IN THE REPORT OF
THE COMPTROLLER & AUDIT GENERAL OF INDIA ON PUBLIC SECTOR UNDERTAKINGS FOR THE YEAR ENDED 31st MARCH, 2019

Para No.	AUDIT PARA	REMEDIAL MEASURES TAKEN
5.2	<p>Electrical energy management by Public Sector Undertakings in the manufacturing sector :</p> <p>Delay in conducting energy audit, failure to achieve specific energy consumption norms, non-availing of open access facility etc. led to extra expenditure and non-achievement of energy savings.</p>	<p>Kerala State Coir Machinery Manufacturing Company Limited (KSCMMC) is a manufacturing unit of jobbing nature, engaged in producing variety of machineries according to the requirement of the client. Many of the machineries are not of identical nature as it is custom made. Citing this reason, KSCMMC reported that they were not in a position to fix any specific energy consumption norms for its products.</p>
5.2.1	<p><i>Delay in conducting energy audit :</i></p> <p>As per the GoK directions (1992/2015) read with Government Order (January 2011), all HT/EHT installations should conduct energy audit once in three years. Delay ranging from 7 to 59 months was noticed in conducting the latest energy audit which was due between May 2012 and March 2019. The energy audit conducted by KSCMMCL did not include all their HT/EHT connections.</p>	<p>KSCMMC started its commercial production during 2017 and had conducted energy audit of its factory during November 2019. Energy audit was conducted for its factory as well as administrative building during March 2022.</p>

5.2.2	<p><i>Excess power consumption by non-designated PSUs :</i></p> <p>In the case of non-designated PSUs, Audit reviewed the existence of power consumption norms and power consumption pattern against such norms, if any. Audit observed that KSCMMCL not fix any norms for power consumption. KSCMMCL replied (September/ December 2020) that steps were being taken for fixing norms for consumption of energy for different productions levels, production mix etc.</p>	<p>KSCMMC is a manufacturing unit of jobbing nature, engaged in producing variety of machineries according to the requirement of the client. According to KSCMMC, many of the machineries it is producing are not of identical nature as it is custom made and hence they were not in a position to fix any specific energy consumption norms for its products. But, based on the energy audit conducted during March 2022 specific energy consumption norms for some of the major products were fixed and KSCMMC had taken steps for maintaining Specific Energy Consumption with in the limit.</p>
5.2.6	<p><i>Lapses in energy requirement planning and efficiency improvement measures :</i></p> <p>As per the tariff orders KSEBL approved by the Kerala State Electricity Regulatory Commission, 75 per cent of the Contract Demand (CD) or the actual Recorded Maximum Demand (RMD) whichever is higher is considered as the billing maximum demand. If the RMD exceeds the CD, RMD is billed at 1.5 times. The tariff orders from time to time also provide for incentives to HT and EHT consumers for poer factor (PF) improvement. An increase in PF above 0.90 would thus reduce energy charges. If the PF falls below 0.90, one per cent or energy charges for reduction of every 0.01 unit is charged in addition to the applicable charges.</p>	<p>After analysing the present product mix and Power Load KSCMMC had taken the matter with Kerala State Electricity Board Limited (KSEBL) and based on their direction steps are being taken for reducing the Contract Demand to a safer level.</p>
5.2.6.1	<p>Analysis of the contract demand and the actual consumption pattern from the monthly electricity bills of nine PSUs (total 13 connections) from April 2016 to March 2019 was made in audit. In four connections of three PSUs, the actual RMD was in the range of 15.25 percent to 67.83percent of the CD. The PSUs did not analyse the need for reducing the CD and Act accordingly which resulted in avoidable expenditure of ` 54.14 lakh. KSCMMCL replied (December 2020) that full level of production was not yet started and more machinery were</p>	<p>KSCMMC had installed certain new machineries for the factory and proposals are there for further expansion. After analysing the present product mix and Power Load KSCMMC had taken the matter with KSEBL and based on their direction steps are being taken for reducing the Contract Demand to a safer level.</p>

	<p>being installed and assured that steps would be taken to reduce the CD to a safer level.</p> <p>Audit, however noticed that the energy audit reports of these PSUs also recommended for reduction in contract demand which was not yet complied with.</p>	
5.2.6.2	<p>Analysis also revealed that seven PSUs achieved PF above 0.90 in all the three years (total eight connections). Out of this, TCCL obtained PF incentives of ten points for 34 months and nine points for two months. In the remaining five connections, three PSUs (KMML-2, KSCMMCL-2, SILK-1) paid penalty of ₹ 7.21 lakh during this period for reduction in PF below 0.90. Continued reduction in the PF and payment of penalty indicated that the PSUs failed to investigate the reasons for poor PF and take remedial action.</p> <p>RECOMMENDATIONS 5.2 : <i>The GoK/PSUs may accord priority for undertaking timely energy audit, to identify energy efficiency and conservation areas including availing open access facility in order to achieve efficient use of energy. A senior management level oversight mechanism may be contemplated to monitor the achievement in this regard.</i></p>	<p>KSCMMC had already taken steps for improving power factor and for the past three years the average power factor is above 0.96.</p>


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