

PUBLIC ACCOUNTS COMMITTEE (1977-78)

(SIXTH LOK SABHA)

TWENTY-THIRD REPORT

TRADE FAIRS AND EXHIBITIONS

MINISTRY OF COMMERCE

**[Action taken by Government on the Recommendations
of the Public Accounts Committee contained in
their 197th Report (Fifth Lok Sabha)]**

Presented in Lok Sabha on... 17.12.77

Laid in Rajya Sabha on... 12.12.77



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1977/Kartika 1899 (S)

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(1977-78)

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*Ceased to be a Member on his appointment as a Minister of State w.e.f. 14-8-77.

INTRODUCTION

I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Twenty Third Report on the action taken by Government on the recommendations of the Public Accounts Committee contained in their Hundred and Ninety Seventh Report (Fifth Lok Sabha) on Trade Fairs and Exhibitions relating to Ministry of Commerce.

2. On 10 August, 1977, an 'Action Taken Sub-Committee' consisting of the following members, was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports:

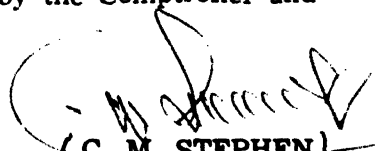
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5. Shri Kanwar Lal Gupta
6. Shri Zawar Hussain
7. Shri Vasant Sathe

3. The Action Taken Sub-Committee of the Public Accounts Committee (1977-78) considered and adopted this Report at their sitting held on 17th October, 1977. The Report was finally adopted by the Public Accounts Committee (1977-78) on 19 November 1977.

4. For facility of reference the conclusions/recommendations of the Committee have been printed in thick type in the body of the Report. For the sake of convenience, the conclusions/recommendations of the Committee have also been appended to the Report in a consolidated form.

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

NEW DELHI;
November 19, 1977.
Kartika, 28, 1899 (S)


(C. M. STEPHEN)
Chairman,
Public Accounts Committee

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the recommendations of the Committee contained in their 197th Report (Fifth Lok Sabha) on Trade Fairs and Exhibitions which was presented to the Lok Sabha on 31st March, 1976.

1.2. Action Taken Notes on all the 47 recommendations contained in the Report have been received from Government.

1.3. The Action Taken Notes on the recommendations of the Committee have been categorised as follows:—

- (i) Recommendations/observations which have been accepted by Government.

Sl. Nos. 2, 3, 4, 5, 6—9, 13, 16, 18, 19, 20, 21, 22, 24—28, 32—38, 42—47.

- (ii) Recommendations/observations which the Committee do not desire to pursue in the light of the replies of Government.

Sl. Nos. 10-12, 14, 15, 17, 23, 30.

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

Sl. No. 29.

- (iv) Recommendations/observations in respect of which Government have furnished interim replies.

Sl. Nos. 1, 31, 39-41.

1.4. The Committee expect that final replies to those recommendations/observations in respect of which only interim replies have so far been furnished will be made available to them expeditiously after getting them vetted by Audit.

1.5. The committee will now deal with the action taken on some of their recommendations.

Steering Committee of the Trade Development Authority
(Paragraph 1-30—S. No. 2)

1.6. During the progress of construction of TDA's Asia'72 Pavilion, the Executive Director, TDA had incurred an excess expenditure to the tune of Rs. 4.29 lakhs, without the prior formal approval of the Steering Committee. He was not able to consult the Steering Committee about the increased cost due to the fact that a meeting of the Committee could not be convened by its Chairman as laid down in the TDA's Memorandum of Association and Rules and Regulations. The then Chairman had expired and his successor had not been appointed by then. To avoid such a situation the Committee in paragraph 1.30 of their Report had observed:

"The Committee find that an excess expenditure to the tune of Rs. 4.29 lakhs was incurred by the Executive Director of the Trade Development Authority according to his own judgement without obtaining prior formal approval of the Steering Committee. The Committee were informed that by convention, the Secretary of the Commerce Ministry is appointed an Ex-Officio Chairman of the Steering Committee. The Steering Committee, it appears, could not meet as the then Secretary of the Ministry of Commerce died on 24th August, 1972 and no successor was appointed by Government till 12th January, 1973. As the Chairman alone is competent to call a meeting of the Steering Committee and as there was none during the period August 24, 1972 to January 11, 1973, the Steering Committee were left in a state of suspended animation and could not hold a meeting. Meanwhile an expenditure of Rs. 4.29 lakhs was incurred by the Executive Director on the basis of his 'informal consultations' with the officials of the Ministry. In the Committee's view, such substantial expenditure on the basis of informal consultations without the express approval of the competent authority can hardly be regarded as a sound arrangement. The Committee recommend that in order to avoid such situations in future, a provision should be made whereby the Steering Committee can hold its meetings even when the post of Secretary of the Ministry of Commerce is vacant for sometime for one reason or the other. It should be possible for Government to designate some other senior official of the Ministry to act as Chairman for the interim period."

1.7. In their Action Taken Note dated 27 August, 1976, the Ministry of Commerce have stated:

"The observations of the Committee have been noted. It will be ensured that the Chairmanship of the Trade Development Authority is not allowed to lie vacant at any time for an indefinite or long period."

1.8. In spite of the assurance given by Government that the Chairmanship of the Trade Development Authority will "not be allowed to lie vacant at any time for an indefinite or long period", the Committee fear that it does not adequately meet their suggestion. There might be occasions when it may not be possible to fill the post of Secretary of Ministry of Commerce, immediately after it falls vacant. To meet such an exigency, the Committee in their earlier recommendation had suggested that a suitable provision should be made in the relevant rules/by-laws so that the working of the Steering Committee of the Trade Development Authority is not hindered even when the post of Secretary of the Ministry of Commerce, who by convention, is ex-Officio Chairman of Steering Committee and is the only authority to convene a meeting of the Steering Committee, is vacant for some reason. The Committee trust that Government would reconsider the matter and amend the relevant rules/by-laws accordingly. Action taken in this behalf should please be intimated soon.

Use of standardised and prefabricated structures in construction of temporary pavilions. (Paragraph 1.32—9. No. 4)

1.9. The original pavilion built by the TDA at a cost of Rs. 6.41 lakhs for Asia 72 was demolished in March 1974 because it was a temporary structure and shortly thereafter a construction of a new pavilion estimated to cost Rs. 22.74 lakhs was undertaken by TDA for the Indian International Trade Fair (1974). In order to tackle the problem of infructuous expenditure involved in the construction of temporary pavilions at fairs/exhibitions, the Committee had, in paragraph 1.32 of the Report recommended:

"The Committee feel that in order to tackle the problem of infructuous expenditure on temporary pavilions when temporary pavilions at fairs/exhibitions are constructed it should be possible to make greater use of standardised and prefabricated parts which are capable of re-use and thereby effect savings in cost. Government should take the assistance of the Central Building Research Institute,

National Buildings Organisation etc. in order to devise measures to save public expenditure on this."

1.10. In their Action Taken Note dated 27 August, 1976 the Ministry of Commerce stated:

"The Ministry feels that while some construction elements can be standardised without seriously limiting the designer's creativeness, it would not be desirable to plan for whole-sale standardisation and use of prefabricated structures since such an approach would result in monotonous repetition of designs and style, and very little scope will be left for introducing any architectural or display innovations which are of fundamental importance to commercial advertisement or publicity through any medium. However, as suggested by the Committee, the Central Building Research Institute and the National Buildings Organisation will be consulted in the matter."

1.11. The Committee regret that a serious recommendation aimed at minimising infructuous expenditure on temporary structures constructed at fairs/exhibitions has not been considered with the care and sense of urgency it deserved. Without even consulting the Central Building Research Institute and the National Building Organisation, as suggested by the Committee, the Ministry appear to have reached the conclusion that the use of standardised and prefabricated material in the construction of temporary pavilions was not desirable. The Committee wish that the Ministry of Commerce had consulted the expert bodies before formulating their own views. This matter should be re-examined in consultation with the Central Building Research Institute and the National Buildings Organisation, and the precise action taken in this behalf intimated to the Committee.

Postponement of the India International Trade Fair in 1974
(Paragraphs 1.48 to 1.51—Sl. Nos. 6, 7, 8 and 9)

1.12. Government decided in July 1974 to postpone indefinitely the India International Trade Fair which was scheduled to be held from 14th November to 13th December 1974 when large sums had already been spent over construction of pavilions and other

preparatory work. Commenting on this decision, the Committee in paragraph 1.48 to 1.51 of the Report observed as under:

"Para 1.48:

The Committee regret that Government decided in July, 1974 to postpone indefinitely the India International Trade Fair scheduled to be held in New Delhi in November-December 1974. This was some fourteen months after the decision to hold the exhibition was first announced and widely publicised. To make things worse, the postponement, which has virtually meant abandonment, was announced only a little over three months before the scheduled opening of the Fair, that is to say, at a point of time when participants had progressed far in their preparations and many foreign exhibits had either arrived at the site or were on the way to Delhi. The Committee are unhappy not only because the decision came when large sums had already been spent over construction of pavilions and other preparatory work, but also because the sudden abandonment marred considerably the reputation in the world of commerce which India had earned by the spectacular success of Asia '72. It was admitted during evidence by spokesman of the Ministry of Commerce that foreign participants "were a little agitated about it." Though some friendly countries said publicly that they appreciated India's difficulties, others just as friendly like Poland and Hungary, found themselves constrained to prefer claims for compensation for losses incurred, through efforts had been made to dissuade them from that course. The Committee fear that the postponement decision has instead of brightening India's image in world trade circles, contributed considerably towards turning it rather dim. It is not known for certain if the decision has cost India the membership, that was almost certain, of the Bureau of International Trade Fairs, Paris, a prestigious body, membership of which means a definite place in the Fair map of the globe.

Para 1.49:

The Committee apprehend that in regard to fairs and exhibitions Government has followed an *ad hoc* policy and has not worked out, on the basis of comprehensive trade reports from different countries and a principled evaluation of the pros and cons of important Fairs to be organised on

our soil, a programme of well-timed Fairs and exhibitions. This is what should have been done on a review of Asia '72 and its widely applauded success, but unfortunately the country has been unable to build on that achievement.

Para 1.50:

The Committee consider the arguments of Government in favour of the indefinite postponement to be only very partially relevant. It is not easily conceivable that in 1973 the financial and other constraints referred to by Government were not known. It is strange to hear the plea of the scarcity of cement and steel and the paucity of power. This country is not so poor that such difficulties, no doubt, genuine at the time, were insurmountable. During evidence, the Committee learnt also that there was a brighter side to the shield and that pessimistic ideas notwithstanding, the Fair, if held in 1974, might well have given a boost to our economy, apart from being a feather in India's cap on account of our proved efficiency in exhibition organisation. That would, indeed, have been another way of India fighting her economic problems.

Para 1.51:

The Committee trust that Government has been reviewing the position since 1974 and evolving, without avoidable delay, a comprehensive Fairs and Exhibitions policy. Unless the International exhibition, which has not formally been abandoned yet, is held early and prospective participants are persuaded of our earnestness in this regard, the danger is the further decline of India's reputation in the world of trade. It would mean also that the entire expenditure of Rs. 1½ crores, already incurred on the construction of pavilions, would turn out to be totally infructuous. The Committee urge Government to take an early decision in this matter and make it known firmly to prospective participants, especially in foreign countries."

1.13. In their Action Taken Note dated 21 August, 1976, the Ministry of Commerce have stated:

"The observations of the Public Accounts Committee have been noted for future guidance. The decision to postpone

the Fair was very unpleasant to take, but Government had to take it due to circumstances beyond its control. Government would keep the observations of the Public Accounts Committee in view for future guidance when Fairs are announced.

As regards the suggestion that (i) the postponed Fair should be held at an early date; and (ii) a comprehensive Fairs and Exhibitions policy may be evolved, we have to report that the creation of the Fair Authority has recently been approved by the Cabinet. Steps are being taken to constitute the Authority as early as possible. As suggested by the Public Accounts Committee, we are entrusting to the Authority the responsibility to evolve a comprehensive Fairs and Exhibitions policy. The Authority will also host International Trade Fairs as well as specialised Commodity Fairs.

As soon as the Authority is established, a decision on hosting an International Trade Fair on a suitable date will be taken and the prospective participants will be informed."

1.14. The Committee regret that instead of taking a firm decision on the question of hosting an International Trade Fair, which was postponed in 1974. Government have chosen a passive line by leaving the decision to the Trade Fair Authority which has only recently been registered. Since already heavy expenditure to the tune of Rs. 1.50 crores had been incurred in 1974, it is essential that a decision on hosting the International Trade Fair is taken early.

*Organisational set up—Reversion of Executive Director
(Paragraph 2.25—S. No. 13)*

1.15. The Committee had learnt that the Director of Commercial Publicity who had been appointed on deputation as Executive Director in the Indian Council of Trade Fairs and Exhibitions, Bombay was reverted back for technical reasons to the Ministry of Commerce and given charge of not only Commercial Publicity but also the additional responsibility in regard to Exhibitions, a sphere of work where he had long experience already. Commenting on this, the Committee in Paragraph 2.25 of the Report had observed:

"The Committee heard from the former Secretary (IT) Ministry of Commerce some very disparaging remarks against the said official, which gave rise to serious mis-givings

since a person of the stature of the Secretary had made the allegations. In the absence of documented information it appears desirable for Government, in fairness to itself and to the officer concerned, to clarify the position to the extent possible and intimate it to the Committee."

1.16. In their reply dated 21st August, 1976 furnished in pursuance of the above observation, the Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity have clarified the position as under:

"In the light of the above observations of the Public Accounts Committee the matter has once again been carefully gone into by the Ministry. The Officer was selected for deputation to the Indian Council of Trade Fairs and Exhibitions in the year 1964. Initially the deputation was for a period of one year which was annually extended for nearly ten years on the very strong recommendations of the present Chairman of the Indian Council of Trade Fairs and Exhibitions and his predecessor in office. Both of them spoke highly about his abilities and considered his association with the Indian Council of Trade Fairs and Exhibitions indispensable. The Ministry's last proposal for extension of his deputation, was however not accepted by the Ministry of Finance on the ground that this deputation had continued too long and this officer was reverted to the Ministry.

In spite of sincere efforts it has not been possible to lay our hands on any evidence about any malpractice or misconduct by this officer or any officer of the Indian Council of Trade Fairs and Exhibitions relating to fair participations/exhibitions organised by them. Specific confidential enquiries on the subject made from our Missions abroad also did not reveal any adverse criticism regarding their conduct and performance.

The annual confidential Reports* on this Officer for his entire service period also show that there is nothing adverse against him."

1.17. The Committee fear that except on the hypothesis, on the face of it improbable, that an official in the position of Secretary to the Ministry would emphatically make observations about which no

*Not vetted by Audit.

factual basis can be traced in the Ministry's archives, Government's reply cannot be considered satisfactory. As the Committee said earlier, it is fair neither to Government nor to the officer concerned, that serious observations made during evidence by highly responsible people lead to no objective finding of the truth of the matter. The Committee feel that the matter should be further looked into and ways and means should even now be found by Government to put the position straight.

*Assessment of Performance—Procedure for Award of Contracts
(Paragraph 2.67—S. No. 20)*

1.18. In regard to the procedure adopted for engagement of architects/ contractors in respect of 59 fairs organised abroad by the Indian Council of Trade Fairs and Exhibitions through tenders or otherwise, the Committee in Paragraph 2.67 of their Report commented as under:

“The Committee find that out of 59 fairs organised by the Indian Council of Trade Fairs & Exhibitions, 19 fairs were held in East European countries where architects/ contractors were provided by the Fair Authorities. In 17 fairs/exhibitions the concerned Indian Missions appointed architects/contractors on the basis of tenders. In the case of 6 fairs the concerned Indian Missions are stated to have appointed the same architects/contractors as their rates were found reasonable and as their performance in previous fairs was considered satisfactory. In the remaining 17 fairs/exhibitions, information whether architects/contractors were appointed by the concerned Indian Mission on tender basis was stated to be not available with the Council who merely presumed that in these cases the concerned Missions “would have appointed the architects/contractors on the basis of tenders as per our request”. The Committee have been informed by the Ministry of External Affairs that information furnished by the Indian Missions in this regard has revealed that in the case of exhibition in Spain the lowest tender was not accepted by the Mission and the reasons for doing so were recorded by the competent authority. It was confirmed by the Ministry that High Commission of India, Dar-es-Salaam was the only Mission which had not called for the tenders but the work was entrusted to the firm after discussing the rates etc. from other firms. No information was said to be available with the Missions

concerned about exhibitions organised in Belgrade, Paris, The Hague and London. In the circumstances, the Committee recommend that Government should conduct an enquiry to make sure that there has been no favouritism or other lapses in the engagement of contractors/architects and that established procedure governing award of contracts was followed in all cases. Results of the enquiry should be intimated to the Committee.

The Committee also suggest that Government should have a close look at the contract system and where private contractors have to be engaged it should be ensured that payments made to them relate to specific items of work as and when these are satisfactorily completed. Approved panels for various assignments for construction and decoration of pavilions should be drawn up in advance to rule out the possibility of favouritism in the award of contracts and to make sure that the quality of work is not substandard."

1.19. In their Action Taken Note dated 31st August, 1976 the Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity have replied:

"As desired by the Public Accounts Committee in the course of discussions on this point on the 27th August, 1975, the Ministry of External Affairs collected information from all concerned Indian Missions in respect of the contracts awarded for construction and decoration work at the fairs and exhibitions organised during the past five years. Their enquiry covered the following points:—

- (i) whether the Indian Missions call for the tenders for the works in connection with exhibition/trade fairs and whether the lowest tenders are generally accepted;
- (ii) what is the normal procedure adopted by the Missions for calling for the tenders for the works for the exhibition;
- (iii) in how many cases the tenders were called for;
- (iv) number of cases where only a single tender was received and accepted; and

- (v) basis on which the tenders were accepted particularly in the case of a single tender.

The reply furnished to the Public Accounts Committee on 1st January, 1976 was based on the data received from the Missions as a result of this enquiry. Further enquiries are being held regarding the exhibitions organised in Belgrade, Paris, The Hague and London to ascertain whether there have been any lapses in the engagement of contractors/architects and that established procedures governing award of contracts were followed. Results of the enquiry will be intimated to the Committee.

For all services, contracts at fairs and exhibitions abroad, agreements are entered into with the contractors detailing contractual obligations. The contracts are finalised by the concerned Indian Missions. The procedures in this regard are laid down in the "Manual of Instructions to Commercial Representatives Abroad", which are to be strictly followed by the Indian Missions while finalising the contracts. The suggestion of the Committee regarding approved panels for various assignments will be brought to the notice of all Missions abroad for compliance."

1.20. The Committee are afraid that the very fact of information regarding exhibitions held long ago in Belgrade, Paris, The Hague and London being still awaited suggests some default in the modalities of their organisation, even where our Embassies/Legations are concerned, and the consequent delay in the communication to Government of the factual position. The Committee urge Government to apply its mind seriously and remove all undesirable lacunae.

Engagement of Indian architects and contractors for the exhibition work abroad (Paragraph 2.73—S. No. 21)

1.21. In regard to setting up Indian pavilions abroad, the Committee were informed that though a comparative study had not been made, the question of setting up the pavilion by sending workers and material from India had been considered by Government, particularly in relation to fair participation in countries where the costs were high or where the desired level of expertise was not available. Emphasising the desirability of engaging Indian architects and contractors for the exhibition work in foreign countries, the Committee, in paragraph 2.73 of the Report recommended:

"The Committee are glad that in two or three instances prefabricated structures were taken from India in a

knocked-down condition and re-assembled abroad, and that in view of the success of this experiment, Government had schemes to do it on a larger scale later on. The Committee regret that Government have not so far made any comparative study of the costs involved if contracts for setting up Indian Pavilions abroad are awarded to Indian contractors instead of foreign contractors. The Committee recommend that such a study should be undertaken early so that the feasibility and economics of having such jobs done by Indian contractors, could be determined. The Committee would like to draw special attention to the desirability of employing Indian architects and interior decorators in the matter of setting up exhibition so that they can import a truly distinctive Indian touch to enhance the attractiveness of our Exhibition area."

1.22. In their Action Taken Note dated the 13th August, 1976, the Ministry of Commerce have stated:

"The above recommendation of the Public Accounts Committee has been noted for working out the feasibility and economics of engaging Indian architects and contractors for the exhibition work abroad. The possibilities of sending pre-fabricated structures from India are being examined."

1.23. The Committee regret that even after a lapse of nearly five months after presentation of their report, Government have merely "noted" their recommendation for working out the feasibility and economics of engaging Indian architects and contractors for the exhibition work abroad. The Committee attach much importance to the employment of Indian architects and interior decorators for exhibition work in foreign countries, not only to provide an impetus to the Indian artists but also to help in projecting a true image of our country abroad. Early action on this recommendation requires to be taken.

Streamlining of the communication system in the Ministry of Commerce (Paragraph 2.135—S. No. 29)

1.24. There were some serious complaints from Ambassadors abroad about the conduct of the Indian Council of Trade Fairs and Exhibitions. The Prime Minister had *inter alia* directed that the attention of the Chairman of the Council should be specifically drawn so that the malpractices were not allowed to recur in the fairs allotted to the Council. There was no evidence on record whether the direc-

tion of the Prime Minister was conveyed to the Chairman, ICTFE. In the absence of any follow-up of the allegations/complaints, the Committee in paragraph 2.135 of the Report observed:

"The Committee find that the follow-up of allegations/complaints has been entirely slipshod and reveals serious communication gaps within Government. For example, when the note dated 1st May, 1973 was put up to the Commerce Minister, it was accompanied with another note about the performance of the Council, but no reference was made to the three specific allegations later mentioned in the former Secretary's note dated 6th August, 1973. Apparently, the note of 6th August, 1973, was not supported by relevant documents on the basis of which these allegations were recorded. On 12th August, 1973, however, the Prime Minister had desired that Chairman (ICTFE)'s attention should be specifically drawn to those allegations and had sharply "warned" that the Council must 'mend their ways.' The Committee are astonished and disturbed that no communication was sent by either the former Secretary, Ministry of Commerce or his successor to the Chairman, Indian Council of Trade Fairs and Exhibitions about it. On 22nd August, 1973 former Secretary had, however, recorded a note that he would fix a date to meet the Chairman, Indian Council of Trade Fairs and Exhibitions on return from tour. He relinquished charge of his post on 7th June, 1974. There is no further record about the matter and the meeting with the Chairman, Indian Council of Trade Fairs and Exhibitions never took place. The Prime Minister's orders of 12th August, 1973, thus remained a dead letter all the while. This is altogether an unpleasant story whose ramifications remain unexplained on account of the records not being available fully. The Committee urge seriously that the Ministry of Commerce streamline its communication system and effectively prevent repetition of such sorry episodes.

1.25. In their Action Taken Note dated 16 August, 1976, the Ministry of Commerce have stated:

"Recommendation of the Public Accounts Committee has been noted for compliance."

1.26. The Committee regret the cryptic reply of the Ministry to the effect that the "recommendation of the Public Accounts Committee has been noted for compliance". Taking a serious view of

the fact that even the Prime Minister's specific orders of 12th August, 1973 in regard to certain allegations against the Indian Council of Trade Fairs and Exhibitions had not been, for reasons unexplained, followed up, the Committee had emphasised the need for streamlining the communication system in the Ministry and preventing repetition of allegedly unsavoury episodes. The Committee consider it extremely important that necessary remedial action is initiated as soon as grave lapses of the nature alleged are brought to the notice of Government. They trust that adequate action even though belated, will now be taken by the Ministry.

India's participation in Trade Fairs (Paragraph 4.6—Sl. N. 37)

1.27. In paragraph 4.6 of the Report, the Committee had observed:

"The Committee note that, according to the Ministry of Commerce, at present India participates in about 25 to 30 out of 1500 fairs held every year all over the world and the annual budgetary allocation for this purpose has been of the order of Rs. one crore. This is barely 0.01 per cent of the value of our total exports. The Committee consider our participation to be far from adequate. The Committee wish that as trade fairs are an important factor in international commerce and help also to project the country's image abroad, it will be possible for Government not only to host more international fairs on its own soil but also to participate in such fairs elsewhere."

1.28. In their Action Taken Note dated 13 August, 1976 the Ministry of Commerce have stated.

"The observations of the P.A.C. have been noted for compliance."

1.29. The Committee are unhappy with the lukewarm response of the Ministry to their suggestion that as trade fairs are an important factor in international commerce and help also to project the country's image abroad, it will be possible for Government not only to host more international fairs on our own soil, but also to participate more often in such fairs elsewhere. The Committee would have welcome a more positive response. Our participation in international trade fairs is at present ridiculously low. Such participation should not only be frequent but also effective, and hence there is the need for budgetary allocations of commensurate size. The Committee wish Government to give careful thought to this matter.

*Setting up of Trade Fair Authority (Paragraphs 4.47 and 4.49—
S. Nos. 45 and 47)*

1.30. To avoid multiplicity of agencies handling trade fairs/exhibitions within the country and abroad, Government had mooted a proposal in October, 1973 for setting up a unified agency to be called the Indian International Trade Fair Authority. But this proposal was not given practical shape. Commenting in this regard, the Committee in paragraphs 4.47 and 4.49 of the Report observed:

Para 4.47:

The Committee find that at present there is multiplicity of agencies handling trade fairs/exhibitions within the country and abroad. This has implied avoidable duplication of efforts, overlapping of functions, high overheads and lack of co-ordinated planning and integrated approach. The proposal of the Ministry of Commerce mooted as early as in October, 1973 for setting up a unified agency to be called the India International Trade Fair Authority was, therefore, a step in the right direction. After the proposal was approved by the Expenditure Finance Committee in March, 1974, the next obvious step was to obtain the approval of Cabinet. For some reason, however, the Ministry of Commerce seems to have developed cold feet. In a note dated 19th July, 1974, problems like absorption of staff, economies of unification, financial flexibility, etc. which were by no means insurmountable, were cited by way of "new thinking". As far as the Committee can see this was nothing but a veiled attempt to put the idea of setting up a unified agency in cold storage. It is surprising that the very Ministry which had strongly favoured the idea a few months back should seek to put their own proposal in reverse gear.

Para 4.49:

The Committee fear there is a contradiction between the idea of the Ministry of Commerce that integration of diverse bodies operating at present is a part of the structural planning now being evolved and the proposition, which emerged in evidence, that even when the proposed unified authority is set up, the ICTFE would continue as a Service Agency. It is regrettable that no final decision in this regard has been made by Government, though the Committee were assured (October, 1975) that it was expected

"in a few weeks' time". The accumulation of allegations against the ICTFE though not clearly substantiated, is a serious matter. Besides, the Committee fear that if the ICTFE or for that matter the Directorate is retained under one garb or another, the unified agency idea will be infructuous. The Committee urge on Government to take long term decisions rather than adopt *ad hoc* measures on grounds of expediency rather than of principle.

1.31. In their Action Taken Note dated 13th August, 1976, the Ministry of Commerce stated:

"It has been decided to set up a unified central organisation to be called the 'Trade Fair Authority of India', for the purpose of undertaking planning, coordination and evaluation of India's fair participations and exhibitions abroad as well as for holding international fairs and exhibitions in India and for organising commercial publicity through other media. The Authority is being set up as a Government Company. It will have adequate resources and evolve suitable procedures for its functioning in the light of the experience gained in the past and the recommendations of various expert committees made from time to time. The proposal has been approved by the Cabinet and action is now under way for the establishment of this autonomous authority."

1.32. In their Action Taken Note dated 13th August, furnished on the Committee's recommendation contained in paragraph 2.8 of the Report, the Ministry of Commerce have *inter alia* stated:

"The Cabinet at their meeting held on the 27th April, 1976, approved the formation of a unified Central Fair Organisation, to be called the 'Trade Fair Authority of India.'"
Action for setting up the Authority is under way.

1.33. In a further note* submitted to the Committee on 4th January, 1977, the Ministry have indicated the latest position in this regard as under:—

"The Government of India has decided to abolish the multiplicity of organisations dealing with the subject and unify policy direction, control and implementation work by cre-

*Not vetted by Audit.

ating an autonomous agency called the "Trade Fair Authority". Accordingly, a Company under Section 25 of the Companies Act, 1956, has been registered. It is fully owned by the Government of India, with an authorised share capital of Rs. 50 lakhs and a paid-up capital of Rs. 25 lakhs. It will be a non-profit making body. Shri Mohammad Yunus, Prime Minister's Special Envoy will be the first Chairman of the Trade Fair Authority of India, and Shri B. Ramadorai its Managing Director.

1.34. The Committee note that a Central Organisation to be called the 'Trade Fair Authority of India' is being set up for the purpose of undertaking planning, coordination and evaluation of India's fair participations and exhibitions abroad as well as for holding international fairs and exhibitions in India and for organising commercial publicity through other media. A decision in this regard is stated to have been taken by the Cabinet at their meeting held on the 27th April, 1976. According to the information furnished on 4 January, 1977 the 'Authority' has been registered under Section 25 of the Companies Act, 1956. The Committee welcome the decision for the setting up of a unified authority which was long overdue. As pointed out by the Committee in paragraph 4.47 of the Report, the multiplicity of agencies handling trade fairs/exhibitions within the country and abroad implied avoidable duplication of efforts, overlapping of functions, high over-heads and lack of coordinated planning and integrated approach. With the coming into being of a unified authority the Committee trust that these deficiencies will now be overcome. The Committee urge that all necessary modalities for operating the said Authority be completed without further loss of time.

General observations

1.35. The Committee find that a number of important suggestions/recommendations made by them in the 197th Report have been merely noted for compliance or action thereon has remained pending on account of the proposed formation of a unified authority. The Committee wish that when the unified authority comes into operation, all their important suggestions/recommendations and particularly those mentioned below should be placed before the Authority for compliance:

2.35—Adequate representation of non-traditional goods in fairs held abroad.

2.45—Making greater use of banking facilities offered overseas by the State Bank of India and other nationalised banks.

- 2.54—Recording figures of business negotiated at the Fairs and the contracts actually entered to facilitate a meaningful evaluation of the contribution made in augmenting export earnings by participation in the Fairs.**
- 2.81—Drastic reformation of the manner and quality of our Fair management abroad.**
- 2.107—Proper discretion and rectitude to be observed in making presentations to foreign officials at the Fairs and Exhibitions.**
- 3.29—Careful selection and scrupulous screening of personnel for teams deputed for Fairs and Exhibitions held abroad.**
- 3.33—Review of the relevant chapters of the Manual of Instructions to Indian Commercial Representatives abroad in the light of the experience gained so far.**
- 4.7—Need for long term programme planning preferably to synchronize with the country's Five Year Plans so that our Fairs/Exhibitions are more purposeful and efficient.**

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The Committee find that an excess expenditure to the tune of Rs. 4.29 lakhs was incurred by the Executive Director of the Trade Development Authority according to his own judgement without obtaining prior formal approval of the Steering Committee. The Committee were informed that by convention, the Secretary of the Commerce Ministry is appointed as Ex-Officio Chairman of the Steering Committee. The Steering Committee, it appears, could not meet as the then Secretary of the Ministry of Commerce died on 24th August, 1972 and no successor was appointed by Government till 12th January, 1973. As the Chairman alone is competent to call a meeting of the Steering Committee and as there was none during the period August 24, 1972 to January 11, 1973, the Steering Committee were left in a state of suspended animation and could not hold a meeting. Meanwhile, an expenditure of Rs. 4.29 lakhs was incurred by the Executive Director on the basis of his 'informal consultations' with the officials of the Ministry. In the Committee's view, such substantial expenditure on the basis of informal consultations without the express approval of the competent authority can hardly be regarded as a sound arrangement. The Committee recommend that in order to avoid such situations in future, a provision should be made whereby the Steering Committee can hold its meeting even when the post of Secretary of the Ministry of Commerce is vacant for sometime for one reason or the other. It should be possible for Government to designate some other senior official of the Ministry to act as Chairman for the interim period.

[Para 1.30 S. No. 2 of Appendix VI to the 197th Report of PAC Fifth
Lok Sabha]

Action Taken

The observations of the Committee have been noted. It will be ensured that the Chairmanship of the Trade Development Authority is not allowed to lie vacant at any time for an indefinite or long period.

[Ministry of Commerce, O. M. No. 11(30)/76-TA, dated 27-8-1976].

Recommendations

The Committee find that the pavilion built by the Trade Development Authority for Asia 72 was demolished in March, 1974. The Committee was informed that Authority was bound by contract to dismantle the pavilion and restore the ground to its original condition. If that was so, the Committee are unable to understand why it was necessary for TDA to consult the Architects to see if the pavilion could be converted into a permanent one for the next Fair. The Architects' technical opinion was that the pavilion's foundation being weak, it would not be able to stand till the next Fair which was likely to be held in November, 1974. The Committee feel that a vital decision like demolition of a pavilion built at the heavy cost of Rs. 6.41 lakhs should not have been taken by the Executive Director on his own, and that it was advisable at least to obtain an independent technical opinion about the durability of the pavilion and enable the Steering Committee to take a decision after a fuller consideration of the matter.

The Committee also recommend that where, as in this case, a major portion of the expenditure on construction of a pavilion is met by Government, Government's prior approval for demolition of such structure should be obtained, notwithstanding the fact that the structure is a temporary one.

[Para 1.31 S. No. 3 of Appendix VI to the 197th Report of PAC
Fifth Lok Sabha].

Action Taken

The Committee's recommendation has been noted for compliance.

[Ministry of Commerce O. M. No. 11 (30)/76-TA, dated 27-8-1976]

Recommendation

The original pavilion built by the TDA at a cost of Rs. 6.41 lakhs for Asia 72 was demolished in March, 1974 because it was a temporary structure and shortly thereafter a construction of a new pavilion estimated to cost Rs. 22.74 lakhs was undertaken by TDA for the Indian International Trade Fair (1974). The Committee feel that in order to tackle the problem of infructuous expenditure on temporary pavilions when temporary pavilions at fairs/exhibitions are constructed, it should be possible to make greater use of standardised and pre-fabricated parts which are capable of re-use and thereby effect savings in cost. Government should take the assistance of the

Central Building Research Institute, National Buildings Organisation etc. in order to devise measures to save public expenditure on this.

[Para 1.32, S. No. 4 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

The Ministry feels that while some construction elements can be standardised without seriously limiting the designer's creativeness, it would not be desirable to plan for wholesale standardisation and use of prefabricated structures since such an approach would result in monotonous repetition of designs and style, and very little scope will be left for introducing any architectural or display innovations which are of fundamental importance to commercial advertisement or publicity through any medium. However, as suggested by the Committee, the Central Building Research Institute and the National Buildings Organisation will be consulted in the matter.

(Ministry of Commerce O.M.NO. 11(30)/76-TA dated 27-8-1976.)

Recommendation

The Committee are glad that as a result of Trade Development Authority's participation in Asia 1972, on-the-spot export orders worth Rs. 258 lakhs were booked and these included countries like USA, Sweden, Iran Spain, etc. The contacts established by the TDA enabled it to attract as many as 60 buyers' missions to India during the last two years or so. In electronics, on-the-spot orders worth Rs. 43,800/- were stated to have been booked. While Asia 1972 did enable the Authority to make a dent in the markets of developed countries for the first time, the Committee feel that considering the response to the Fair, and possibilities opened up thereby, the results achieved by TDA fell considerably short of expectations. The Committee trust that contacts established at the Fair would be exploited to the fullest extent for promotion of the country's exports.

[Para 1.33, S. No. 5 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

The observations of the Public Accounts Committee have been noted and instructions have been issued to TDA that they should

ensure full utilisation of the contacts developed by them at trade fairs/exhibitions etc. for the promotion of country's exports.

[Ministry of Commerce, O.M. No. 11(30)/76-TA dated 27-8-1976].

Recommendation

1.48. The Committee regret that Government decided in July, 1974 to postpone indefinitely the India International Trade Fair scheduled to be held in New Delhi in November-December 1974. This was some fourteen months after the decision to hold the exhibition was first announced and widely publicised. To make things worse, the postponement, which has virtually meant abandonment, was announced only a little over three months before the scheduled opening of the Fair, that is to say, at a point of time when participants had progressed far in their preparations and many foreign exhibits had either arrived at the site or were on the way to Delhi. The Committee are unhappy not only because the decision came when large sums had already been spent over construction of pavilions and other preparatory work, but also because the sudden abandonment marred considerably the reputation in the world of commerce which India had earned by the spectacular success of Asia '72. It was admitted during evidence by spokesman of the Ministry of Commerce that foreign participants "were a little agitated about it". Though some friendly countries said publicly that they appreciated India's difficulties, others, just as friendly like Poland and Hungary, found themselves constrained to prefer claims for compensation for losses incurred, though efforts had been made to dissuade them from that course. The Committee fear that the postponement decision has instead of brightening India's image in world trade circles, contributed considerably towards turning it rather dim. It is not known for certain if the decision has cost India the membership, that was almost certain, of the Bureau of International Trade Fairs, Paris, a prestigious body, membership of which means a definite place in the Fair map of the globe.

1.49. The Committee apprehend that in regard to fairs and exhibitions Government has followed an ad hoc policy and has not worked out, on the basis of comprehensive trade reports from different countries and a principled evaluation of the pros and cons of important Fairs to be organised on our soil, a programme of well-timed Fairs and exhibitions. This is what should have been done on a review of Asia '72 and its widely applauded success, but unfortunately the country has been unable to build on that achievement.

1.50. The Committee consider the arguments of Government in favour of the indefinite postponement to be only very partially relevant. It is not easily conceivable that in 1973 the financial and other constraints referred to by Government were not known. It is strange to hear the plea of the scarcity of cement and steel and the paucity of power. This country is not so poor that such difficulties, no doubt genuine at the time, were insurmountable. During evidence, the Committee learnt also that there was a brighter side to the shield and that pessimistic ideas notwithstanding, the Fair, if held in 1974, might well have given a boost to our economy, apart from being a feather in India's cap on account of our proved efficiency in exhibition organisation. That would, indeed, have been another way of India fighting her economic problems.

1.51. The Committee trust that Government has been reviewing the position since 1974 and evolving, without avoidable delay, a comprehensive Fairs and Exhibitions policy. Unless the International exhibition, which has not formally been abandoned yet, is held early and prospective participants are persuaded of our earnestness in this regard, the danger is the further decline of India's reputation in the world of trade. It would mean also that the entire expenditure of Rs. 1½ crores, already incurred on the construction of pavilions, would turn out to be totally infructuous. The Committee urge Government to take an early decision in this matter and make it known firmly to prospective participants, especially in foreign countries.

[Paras 1.48, 1.49, 1.50 & 1.51 (S. Nos. 6, 7, 8. & 9) of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)].

Action Taken

1.48, 1.49, 1.50 & 1.51. The observations of the Public Accounts Committee have been noted for future guidance. The decision to postpone the Fair was very unpleasant to take, but Government had to take it due to circumstances beyond its control. Government would keep the observations of the Public Accounts Committee in view for future guidance when Fairs are announced.

As regards the suggestion that (i) the postponed Fair should be held at an early date; and (ii) a comprehensive Fairs and Exhibitions policy may be evolved, we have to report that the creation of the Fair Authority has recently been approved by the Cabinet. Steps are being taken to constitute the Authority as early as possible. As

suggested by the Public Accounts Committee, we are entrusting to the Authority the responsibility to evolve a comprehensive Fairs and Exhibitions policy. The Authority will also host International Trade Fairs as well as specialised Commodity Fairs.

As soon as the Authority is established, a decision on hosting an International Trade Fair on a suitable date will be taken and the prospective participants will be informed.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 21st August, 1976].

Recommendation

The Committee learn that the Director of Commercial Publicity who had been appointed on deputation as Executive Director in the Indian Council of Trade Fairs and Exhibitions, Bombay was reverted back for technical reasons to the Ministry of Commerce and given charge of not only Commercial Publicity but also the additional responsibility in regard to Exhibitions, a sphere of work where he had long experience already.

The Committee heard from the former Secretary (IT) Ministry of Commerce some very disparaging remarks against the said official, which gave rise to serious mis-givings since a person of the stature of the Secretary had made the allegations. In the absence of documented information it appears desirable for Government, in fairness to itself and to the officer concerned, to clarify the position to the extent possible and intimate it to the Committee.

[Para 2.25 S. No. 13 of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

In the light of the above observations of the Public Accounts Committee the matter has once again been carefully gone into by the Ministry. The Officer was selected for deputation to the Indian Council of Trade Fairs and Exhibitions in the year 1964. Initially the deputation was for a period of one year which was annually extended for nearly ten years on the very strong recommendations of the present Chairman of the Indian Council of Trade Fairs and Exhibitions and his predecessor in office. Both of them spoke highly about his abilities and considered his association with the Indian Council of Trade Fairs and Exhibitions indispensable. The Ministry's last proposal for extension of his deputation, was however not accepted by the Ministry of Finance on the ground that this deputa-

tion had continued too long and this officer was reverted to the Ministry.

In spite of sincere efforts it has not been possible to lay our hands on any evidence about any malpractice or misconduct by this officer or any officer of the Indian Council of Trade Fairs and Exhibitions relating to fair participations/exhibitions organised by them. Specific confidential enquiries on the subject made from our Missions abroad also did not reveal any adverse criticism regarding their conduct and performance.

The annual confidential Report's on this Officer for his entire service period also shows that there is nothing adverse against him.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 21st August, 1976]

Recommendation

The Committee note that during the period 1964-65 to 1973-74, Indian Council of Trade Fairs and Exhibitions organised 57 fairs. As against total foreign exchange of Rs. 121.42 lakhs sanctioned to it, its actual expenditure in foreign exchange was Rs. 108.54 lakhs. Its foreign exchange expenditure on deputation of exhibition teams amounted to Rs. 9.28 lakhs. The Committee find that during 1965-66 to 1974-75, ICTFE negotiated business to the extent of Rs. 9551 lakhs and earned a total foreign exchange of Rs. 41.34 lakhs. The Committee feel that this achievement is not very impressive. No doubt since the ICTFE is not primarily a sales organisation, its performance has more appropriately to be judged in terms of business negotiated and foreign exchange earned. The Committee recommend that effective steps should be taken by the ICTFE to generate adequate export business and steps up its foreign exchange earnings by projecting a more meaningful image of the export potential of the country particularly in semi-manufactured and non-traditional goods and industrial products and by establishing contacts with the leading importers/agencies of the country.

[Para 2.35, S. No. 16 of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

The Committee's recommendations regarding adequate representation of non-traditional products etc., in the display, have been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 13th August, 1976].

Recommendation

The committee regret that the Council's funds remain locked up in foreign banks for a number of years after the fair/exhibition is over. For example, the amount of Rs. 419.88 lying in Rumanian Bank of Foreign Trade since 1970, Rs. 583.77 lying in Nairobi Bank since 1971 and Rs. 6,180.25 in Commercial Bank of Iraq since 1972 were repatriated to India only in 1975. The Committee recommend that steps be taken to settle all outstanding bills relating to a fair/exhibition promptly and repatriate all outstanding amounts of India without such delays. Now that nationalised banks and the State Bank of India have set up a large number of Branches abroad, the Committee recommend that, considering the experience with foreign banks, Government should impress on Indian Council of Trade Fairs and Exhibitions and such other agencies as get substantial aid from Government to make greater use of the banking facilities offered overseas by the State Bank of India and other nationalised banks for their internal and external transactions.

[Para 2.45 S. No. 18, of Appendix IV to the 197th Report of
the Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

The recommendation of the Public Accounts Committee has been noted for compliance and action is in hand to issue necessary instructions to the concerned authorities.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated the
13th August, 1976].

Recommendation

The Committee are glad that the Council earned some awards for the country. It may be that such awards are not always a genuine indicator of excellence, but in so far as they go, they are welcome. A more valuable evidence of success, however, is the amount of business negotiated. The Committee note that during the period 1967-68 to 1974-75, the Indian Council of Trade Fairs and Exhibitions negotiated business to the extent of Rs. 83.50 crores. The Committee feel that more important than the figures of business negotiated are the figures of firm contracts actually entered and the exports which have been effected. The Committee feel that it should be possible for Government in consultation with the Council devise the suitable proforma to record all these vital statistics and

information to facilitate a meaningful evaluation of the contribution made in augmenting export earnings by participants in the Fairs.

[Para 2.54 S. No. 19, of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

The recommendation of the Public Accounts Committee has been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions and Commercial] Publicity O.M. No. 19-Ech. GA(8)/76 dated the 13th August, 1976.]

Recommendation

The Committee find that out of 59 fairs organised by the Indian Council of Trade Fairs & Exhibitions, 19 fairs were held in East European countries where architects/contractors were provided by the Fair Authorities. In 17 fair/exhibitions the concerned Indian Missions appointed architects/contractors on the basis of tenders. In the case of 6 fairs the concerned Indian Missions are stated to have appointed the same architects/contractors as their rates were found reasonable and as their performance in previous fairs was considered satisfactory. In the remaining 17 fairs/exhibitions, information whether architects/contractors were appointed by the concerned Indian Mission on tender basis was stated to be not available with the Council who merely presumed that in these cases the concerned Missions "would have appointed the architects/contractors on the basis of tenders as per our request." The Committee have been informed by the Ministry of External Affairs that information furnished by the Indian Missions in this regard has revealed that in the case, of exhibition in Spain the lowest tender was not accepted by the Mission and the reasons for doing so were recorded by the competent authority. It was confirmed by the Ministry that High Commission of India, Dar-es-Salaam was the only Mission which had not called for the tenders but the work was entrusted to the firm after discussing the rates etc. from other firms. No information was said to be available with the Missions concerned about exhibitions organised in Belgrade, Paris, The Hague and London. In the circumstances, the Committee recommend that Government should conduct an enquiry to make sure that there has been no favouritism or other lapses in the engagement of contractors/architects and that established procedure governing award of contracts was followed in all cases. Results of the enquiry should be intimated to the Committee.

The Committee also suggest that Government should have a close look at the contract system and where private contractors have to be engaged it should be ensured that payments made to them relate to specific items of work as and when these are satisfactorily completed. Approved panels for various assignments for construction and decoration of pavilions should be drawn up in advance to rule out the possibility of favouritism in the award of contracts and to make sure that the quality of work is not substandard.

[Para 2.67 S. No. 20 of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

As desired by the Public Accounts Committee in the course of discussions on this point on the 27th August, 1975, the Ministry of External Affairs collected information from all concerned Indian Missions in respect of the contracts awarded for construction and decoration work at the fairs and exhibitions organised during the past five years. Their enquiry covered the following points:—

- (i) whether the Indian Missions call for the tenders for the works in connection with exhibition/trade fairs and whether the lowest tenders are generally accepted;
- (ii) what is the normal procedure adopted by the Missions for calling for the tenders for the works for the exhibition;
- (iii) in how many cases the tenders were called for;
- (iv) number of cases where only a single tender was received and accepted; and
- (v) basis on which the tenders were accepted particularly in the case of a single tender.

The reply furnished to the Public Accounts Committee on 1st January, 1976 was based on the data received from the Missions as a result of this enquiry. Further enquiries are being held regarding the exhibitions organised in Belgrad, Paris. The Hague and London to ascertain whether these have been any lapses in the engagement of contractors/architects and that established procedures governing award of contracts were followed. Results of the enquiry will be intimated to the Committee.

For all service, contracts a fairs and exhibitions abroad, agreements are entered into with the contractors detailing contractual

obligations. The contracts are finalised by the concerned Indian Missions. The procedures in this regard are laid down in the Manual of Instructions to Commercial Representatives abroad," which are to be strictly followed by the Indian Missions while finalising the contracts. The suggestion of the Committee regarding approved Panels for various assignments will be brought to the notice of all Missions abroad for compliance.

[MINISTRY OF COMMERCE, DIRECTORATE OF EXHIBITIONS
AND COMMERCIAL PUBLICITY, O.M.N.O. 19-Exh. GA(8)\$76
DATED 31ST AUGUST, 1976]

Recommendation

The Committee are glad that in two or three instances pre-fabricated structures were taken from India in a knocked-down condition and re-assembled abroad, and that in view of the success of this experiment, Government had schemes to do it on a larger scale later on. The Committee regret that Government have not so far made any comparative study of the costs involved if contracts for setting up Indian Pavilions abroad are awarded to Indian contractors instead of foreign contractors. The Committee recommend that such a study should be undertaken early so that the feasibility and economics of having such jobs done by Indian contractors, could be determined. The Committee would like to draw special attention to the desirability of employing Indian architects and interior decorators in the matter of setting up exhibition so that they can import a truly distinctive Indian touch to enhance the attractiveness of our Exhibition area.

[Para 2.73 S. No. 21, of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

The above recommendation of the Public Accounts Committee has been noted for working out the feasibility and economics of engaging Indian architects and contractors for the exhibition work abroad. The possibilities of sending pre-fabricated structures from India are being examined.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O. M. No. 19-Exh. GA(8)'76 dated 13th August, 1976]

Recommendation

The Committee are unhappy that some of the fairs/exhibitions organised by the Indian Council of Trade Fairs & Exhibitions left much to be desired and if the reports received from the Indian Mis-

sions concerned are any indication, these fairs/exhibitions revealed many avoidable deficiencies and inadequacies. The main points of criticism of these fairs/exhibitions were: prominence to traditional items, 'retailing mentality,' inadequate reflection of industrial development, display of shop-soiled goods, unsatisfactory packing, gross mismanagement of winding-up work, 'pavilion's look resembling a contilevered green-house', etc. The Committee feel that if the Indian Council of Trade Fairs & Exhibitions had tried to profit from such criticism, its management of fairs/exhibitions would have shown a distinct improvement. In case it is decided to retain the Council, the Committee would ask Government to undertake drastic reformation of the manner and quality of our fair management abroad.

[Para 2.81 S. No. 22. of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

Retail selling at the few fairs where it was undertaken by the Indian Council of Trade Fairs & Exhibitions was done with a view to introducing Indian products in the market. It may be mentioned in this connection that wherever facilities exist for retail selling most of the participating countries avail themselves of these facilities. It has been reported by the Council that display arrangements at all the fairs participated in it were made on the basis of the plans approved by the Missions. Further the representation of traditional items was generally limited to only those recommended by the concerned Missions. Nevertheless, the observations of the Public Accounts Committee provide a valuable guideline and will be kept in view while organising exhibitions and fairs participations in future.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O. M. No. 19-Exh. GA (8)/76 dated the 13th August, 1976].

Recommendation

The Committee note that in their Report on the Zagreb International Fair (1973), the Indian Embassy had pointed out that the preponderance given, willy-nilly, to "retail sales" had transformed the Indian Pavilion into a bazaar "with all the attendant din and pilferage". The Indian Ambassador, however, felt that discontinuance of retail sales would "deal a death blow to our popularity". The Committee also heard complaints of dishonourable conduct at the Yugoslavia Fair from the former Secretary, Ministry of Commerce. The Committee trust that agencies which organise India's participation in fairs abroad and the persons deputed to such fairs would always

follow the highest standards of conduct expected of them and ensure that no aspect of work is handled in a way that may bring discredit to the organisers and tarnish the image of the country".

[Para 2.92 S. No. 24 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

It has already been reported to the Public Accounts Committee that the Ministry made enquiries from Indian Missions in all the countries where fair participations or exhibitions had been organised from 1964 onwards whether any complaints of malpractice or misconduct by any officer had been received by them and that no such complaint had been reported by any Mission. The Embassy in Yugoslavia did not also have any such complaint on its record. The Ministry fully accepts the recommendations of the Public Accounts Committee that the persons deputed to fairs must always follow the highest standard of conduct expected of them. Any lapses which come to notice will be dealt with severely.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O. M. No. 19-Exh. GA(8)/76 dated the 13th August, 1976.]

Recommendation

The Committee find that the Exhibition Team of the Indian Council of Trade Fairs and Exhibitions had imported for the 8th Baghdad Industrial Fair 1971, a consignment of 12 bottles of Johny Walker Red, 24 of Johny Walker Black, 12 of Dewar white label, 12 of Dimple Haig (i.e. 60 bottles of whisky in all) and 12 bottles of "Cognac-Martell" from Beirut at a cost of USp 269.68. 34 bottles of Black label and Dimple out of 36 imported were stated to have been presented to various officials and the rest were used for "official entertainment purposes". The considerations which had weighed with the Exhibition Team in going in for the import of hard drinks of these brands were stated to be (i) the difference in the price for Black Label, Dimple Haig and Johny Walker (Red Label) was negligible, (ii) ordinary brands of whisky were not available in stock at that time, (iii) presentation of Black Label and Dimple Haig was more appreciated as these brands were not available in the Baghdad Market. The Committee consider these arguments to be puerile. While the Chairman of the Council called the practice of presentation of liquor as a "necessary evil and a way of life", the representative of the Ministry of Commerce admitted unhesitatingly that presentation of liquor in Baghdad "exceeded limits of propriety". The Indian Em-

bassy itself felt that when the country was undergoing severe financial strain and acute foreign exchange shortage some discretion was certainly, called for on the part of the Director of the Indian Pavilion. It came out during evidence that the presentation of liquor bottles by Indian officials abroad is by no means a laudable practice and can, in certain circumstances and in countries like Iraq prove even counter-productive apart from tarnishing the image of our country. The Committee find that the lapse has, to some extent, been acknowledged by the Chairman of the Council stating in evidence that he had reprimanded the Director for his "error of judgement" and "conspicuous display". This, however, should not be the end of the matter.

[Para 2.107 S. No. 25, of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)].

Action Taken

The observations of the Public Accounts Committee have been noted. The Chairman of the Indian Council of Trade Fairs & Exhibitions has been informed of these and asked to pursue the matter further to intimate to the Ministry the action taken against the Director of the Indian Pavilion at the Fair. The Council as well as all other organisations connected with the Ministry are being directed that proper discretion and rectitude should be observed in making presentation to foreign officials at the fairs and exhibitions to be participated in by them.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O.M. No. 19-Exh. GA(8)/76 dated the 21st August, 1976]

Recommendation

The Committee were perturbed to hear some complaints in relation to the return to India of certain cases of exhibits from Iraq. Though the complaints could not be substantiated from the record, the Committee would like to reiterate their hope that officials deputed to organise our participation in fairs/exhibitions abroad would make a special point of not even remotely indulging in any activity which could be construed as unwarranted or unbecoming.

[Para 2.108 S. No. 26 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

Government fully agrees with the recommendation of the Public Accounts Committee that all officers sent on duty abroad should take special care that their conduct is in no way found to be objectionable. [Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 13-8-76]

Recommendation

2.118. The Committee feel perturbed that in the Barcelona Fair (1973) organised by the Directorate of Exhibitions and Commercial Publicity, 15 cases diverted from Paris were withheld by the Fair Customs on the ground that the settlement of the outstanding accounts from the Barcelona Fair (1972) had not been made. The consignment was cleared only after the intervention of the Indian Ambassador who pointed out in his letter of 18th April, 1973 that the problem at the Barcelona Fair (1972) had arisen because goods were sold at the Pavilion although they were imported only for exhibition. The Committee fail to see why formal permission of the fair authority could not be obtained by the Council's Exhibition team, even if, as claimed by the Council, they had obtained verbal permission to sell the goods imported ostensibly for exhibition only. It is regrettable that even when the Executive Director of the Council saw the Indian Ambassador before leaving, he gave him the impression that "every-thing was under control," whereas in fact this matter was still outstanding and an embarrassment for our Embassy.

2.119. The Barcelona Fair (1972) had ended on 13th June, 1972. Normally, this matter should have been settled during the period of the Fair itself or soon thereafter but the Executive Director sought the good offices of the Indian Ambassador only in April, 1973. This delay, deplorable as it was, cast its shadow on the Barcelona Fair held in the subsequent year, when goods meant for the fair were held up and cleared only a day before that Fair was to be held. The Committee recommend that in order to avoid the slur on India implied in such unsavoury incidents, an undertaking should be obtained from the relevant bodies like the Directorate of Exhibitions and Commercial Publicity or the Council that all issues arising out of a fair/exhibition would be settled during the course of the fair itself or within a month of completion of the fair at the latest, failing which the agency concerned must seek the good offices of the Indian Ambassador for settling the matter at a higher level. Such a step is clearly called for to ensure that issues outstanding from one fair do not adversely affect the conduct of subsequent fairs in a manner consistent with India's reputation and self-respect.

Such matters should also be specifically reported contemporaneously to the Ministry of Commerce so that they are kept in the picture about developments.

[Paras 2.118 and 2.119 S. No. 27 & 28 of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action Taken

2.118 and 2.119. The Director of India Pavilion at Barcelona Fair (1972) had, before his departure from Spain given a note to the Commercial Secretary in the Embassy, detailing the position with regard to the winding up work and had specifically mentioned the action which was to be taken for obtaining licences in respect of items sold at the Fair with the verbal permission of the Fair and Customs Authorities. The relevant excerpt from this note (dated June 24, 1972) is reproduced below:—

“Except for presentations made (list enclosed) all other items were sold during the fair period. the sale proceeds amounting to Pts. 4,52,034/- against the c.i.f. value of Pts. 2,09,294/- having been utilised towards payment of bills. For items presented, bought under diplomatic privileges and given to the Embassy for use at their discretion, separate lists have been forwarded to the Commercial Secretary with the request that application for waiver of customs duties, taxes etc., may be made to the concerned authority. Sale of other items was undertaken after obtaining the verbal permission of the Director of the Fair and the customs office which was later followed by an application made through the clearing agents as per advice of the Fair Authority. The import licence for which this application was made will relate only to items actually sold (other than those in respect of which exemption of duties is being applied for by the Embassy) and duties will be paid out of the sale proceeds.”

It may be mentioned that if sale of exhibits had not been agreed to both by the Fair Authority and the Customs, as mentioned in the above note, none of the remaining exhibits would have been allowed to be returned. As per normal procedures, all applications for customs clearance, payment of duties and settlement of other taxes had to be made by the clearing agents which had been appointed by the Embassy. Delays however occurred in the settlement

of the matter despite the reminders sent by the Council from time to time.

The Missions and all concerned agencies will be instructed to finalise all matters connected with Fair participation Exhibition with utmost speed and to keep the Ministry of Commerce informed about any undue delays.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76, dt. 16-8-76]

Recommendation

The Committee note that CBI's report dated 30-12-1975 on the enquiry into the loss of the original letter written by Mahatma Gandhi to Jawaharlal Nehru in October, 1935 loaned to the Ministry of Commerce for display at the Indian Pavilion in Expo' 67 at Montreal-Canada, has been received in the Ministry of Commerce. The Committee recommended that necessary action in the light of CBI's report may be taken soon. The Committee also recommend that existing arrangements for the safe custody of documents/goods sent for display in fairs/exhibitions abroad may be reviewed and strengthened.

[Para 3.11, S. No. 32. of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

On the basis of CBI's Report, disciplinary proceedings have been initiated against the concerned officers.

Ministry is reviewing the arrangements for the safe custody of documents and goods sent for display in Fairs/Exhibitions abroad, with a view to strengthening them as recommended by the P.A.C.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 16-8-1976]

Recommendation

Though assured by the Ministry of Commerce that selection of personnel for teams deputed to fairs/exhibitions abroad 'was a matter of great scrutiny at different levels', the Committee find no well thought out pattern of staffing for such teams. While in some, there was only one Investigator, in others two Investigators were sent. Instances are not lacking when teams included Stenographers and even Clerks. The fact that these personnel were not included in some, of the teams demonstrates that they were not indispensable.

The Committee are not sure how far the resources of the Indian Missions for rendering Stenographic assistance for short duration of exhibitions were tapped by Government before determining the staffing strength of each such teams. The Committee recommend that selection and screening of personnel for such teams should be more stringent than what it has been. In view of recurrent allegations that strings are often pulled to get into exhibition teams and have a jaunt abroad at public expense the task of selection needs to be done on the basis of carefully observed norms and principles.

[Para. 3.29 S. No. 33 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

The recommendation of the Public Accounts Committee is accepted and will be complied with. A committee is being set up in the Ministry under the Chairmanship of the Joint Secretary in charge of Exhibitions for laying down norms and guidelines for determining the requirements of deputation of staff to fairs and exhibitions and for their selection.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O.M. 19-Exh. GA(8)/76 dated 21st August, 1976].

Recommendation

Though Indian Missions are stated to have a major share of responsibility in the entire effort of organisation of fairs/exhibitions abroad and the same has been spelt out in the Manual of Instructions to Indian Commercial Representatives abroad, the Committee feel that as the Indian Missions are in a better position to know the local conditions of the country in which fair/exhibition is to be held they should be involved in a more meaningful way not only in the organisation but also in the planning of fairs/exhibitions. It is not enough to seek the good offices of the Indian Missions when exhibition teams find themselves in trouble over some unfortunate act of omission or of commission. There should be a broad arrangement under which the head of the Exhibition team should always consult and be generally guided by the Indian Mission on all vital matters. The Committee trust if the advice and assistance of our Missions is sought in time and implemented on the basis of mutual understanding, there would not be many complaints which our missions have to point out so often after the fair/exhibition is over.

The Committee also suggest that in the light of the experience gained so far a review of the relevant chapters of the 'Manual of Instructions to Indian Commercial Representatives Abroad' should be undertaken jointly by the Ministry of Commerce and the Minis-

try of External Affairs to make coordination with Missions abroad more effective.

[Para 3.33 S. No. 34, of Appendix VI to the 197th Report of P.A.C.
(Fifth Lok Sabha)]

Action Taken

The Missions are closely associated with the entire planning of fair participations and exhibitions. The Manual of Instructions to Indian Commercial Representatives abroad clearly indicates the large share of responsibility assigned to the Missions in the entire organisational effort. The observations of the Committee regarding revision of the relevant chapters of the Manual have been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh. GA(8)/76 Dated 16-8-1976]

Recommendation

3.38. The Committee find the Directorate of Exhibitions & Commercial Publicity is virtually content with obtaining Report of Indian Missions and Director in charge of the Exhibition Team. It is rather surprising that till recently the assessment of fair participations and exhibitions was being done in the Ministry only by means of noting and no separate evaluation reports were prepared. It is only from September 1974, that the system of holding Presentation Meetings to discuss evaluation has been introduced. The Committee recommend that the pattern of the Evaluation Report should be rationalised and the broad aspects which such Reports must expound should be formulated on the basis of the experience gained by the Directorate over the years. This pattern should be kept under regular review and modified from time to time to enhance utility and ensure follow up action. These Reports should highlight achievements and also pinpoint inadequacies as well as complaints of malpractices and misconduct, with a view to their rectification.

3.39. The Committee suggest that Government should lay down standard proforma for submission of reports by the authorities holding Fairs. A suitable proforma may also be laid down for timely submission of reports by the Indian Missions abroad so that Government have one more dependable source to furnish data and report to facilitate proper evaluation of the benefits accruing from participation in the Fair. The Committee have no doubt that a critical scrutiny of the proforma and report of the Indian Missions abroad could help in identifying the shortcomings and in evolving concrete measures to obviate them in future.

The Committee suggest that in the light of the study of the proforma Government may review periodically Guidelines for holding of Fairs and Exhibitions so as to project a better and more meaningful image for stepping up exports of industrial manufactured and non traditional goods.

The Committee also recommend that there should be some arrangement for contemporaneous monitoring of fairs lasting more than two weeks so that inadequacies and deficiencies noticed are got rectified without delay.

[Para 3.38 and 3.39 S. No. 35 and 36, of Appendix VI to 197th Report of P.A.C. (Fifth Lok Sabha)].

Action Taken

3.38 and 3.39. The recommendation of the Public Accounts Committee is accepted and the Ministry would prescribe the form in which Reports on fair participation and exhibitions should be prepared by the Missions as well as by the organising agencies in India and would also lay down evaluation norms and procedures. the pattern of the evaluation reports will be kept under review as recommended by the Public Accounts Committee.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O.M. No. 19Exh. GA(8)/76 dated 21st August, 1976]

Recommendation

The Committee note that, according to the Ministry of Commerce, at present India participates in about 25 to 30 out of 1500 fairs held every year all over the world and the annual budgetary allocation for this purpose has been of the order of Rs. one crore. This is barely 0.01 per cent of the value of our total exports. The Committee consider our participation to be far from adequate. The Committee wish that as trade fairs are an important factor in international commerce and help also to project the country's image abroad, it will be possible for Government not only to host more international fairs on its own soil but also to participate in such fairs elsewhere.

[Para 4.6 S. No. 37 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action Taken

The observations of the P.A.C. have been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 13th August, 1976]

Recommendation

The Committee regret that in spite of the existence of Directorate of Exhibitions, one of whose principal functions is to "formulate and coordinate the programmes of fair participations and exhibitions abroad" Government appeared to have failed to give adequate programmes in advance to the Council. If other countries can plan their participation in International Exhibitions/Fairs, 2 or 3 years in advance, the Committee fail to understand why the Ministry of Commerce has been unable to do so and earn valuable foreign exchange.

The Committee are of the view that the organisation of fairs|exhibitions at short notice leaves very little time for advance planning which is essential to success. The Committee recommend that as exhibitions/fairs both as media of export promotion and projection of the country's image have assumed increasing importance, Government should undertake long-term programme planning, preferably to synchronise with the country's Five Year Plans, so that our fairs|exhibitions are more purposeful and efficient.

[Para 4.7. S. No. 38 of Appendix VI of the 197th Report of P.A.C.
(Fifth Lok Sabha)]

Action taken

The recommendations of the Public Accounts Committee have been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity, O.M. 19-Exh. GA(8)/76 dated 21st August, 1976].

Recommendations

4.33. The Committee find that Government had taken a decision on 1st May, 1973 to wind up the Council. This decision seems to have been taken behind the back of the Council who was not given a reasonable opportunity to place its case before Government. Even the Prime Minister was constrained to observe on 16th July, 1973 that "it is also not fair to confront the Council with a situation of this kind without adequate prior notice and discussion"

4.34. The Committee also find that Government's views about the role of the Indian Council of Trade Fairs and Exhibitions which was set up in 1964 had been shifting vague and inconsistent. Hardly had the Council functioned for two years, the Economy Committee headed by the Cabinet Secretary decided in 1966 that the Council should be wound up. Before this decision could be implemented,

the Committee reversed its own decision on pleas made to it. In 1967, the Administrative Reforms Commission recommended that "the activities of the Directorate of Exhibitions should, as early as possible, be transferred to the Indian Council of Trade Fairs and Exhibitions." Had Government accepted and implemented that recommendation, it would have been possible to put an end at least to multiplicity of organisation entailing high cost of overheads and perhaps also to achieve some economies of scale. While accepting ARC's recommendation, Government, however, decided that only fairs and displays in which the trading element predominates should be transferred to the Indian Council. This demarcation of work between the Indian Council and the Directorate was not followed by Government in letter and spirit because, as observed by the Study Group headed by Shri P. K. Samal in 1971, some of the events with predominant trading element which were at one time allotted to the Indian Council were subsequently allotted to the Directorate on the plea that the participation in the same fair by the same organisation for a number of years had degenerated into a routine participation. In April, 1972, the Study Group had recommended enlargement of the scope of allocation to the Council. On 1st May, 1973, Government instead of agreeing to the recommendation, again decided to wind up the Council because of its alleged poor performance. This time again the decision was not implemented but it was subsequently decided to give a "reasonable number of fairs". This decision was neither communicated to the Council nor implemented, for what was given to the Council in 1973-74 was only one fair. Viewing the course of these developments, the Committee cannot resist the impression that having set up the Council of Trade Fairs and Exhibitions in 1964, Government did not quite know what to do with it.

4.35. Government's stand in regard to the role of the Directorate of Exhibitions and Commercial Publicity too has been vague and inconsistent, and shifting so frequently, that any demarcation between the Directorate and the Council could hardly be made. The Mudaliar Committee which had recommended setting up of an autonomous body to bring about re-orientation of approach to the organisation of fair participations and exhibitions had recommended in 1963 that the Directorate of Exhibitions should be converted into a policy-making and coordinating body. Government chose not to take any steps to elevate the Directorate to that level and continued to assign fair participations to it with the result that there was no organisation charged with the specific responsibility of planning, coordination and evaluation for India's participation in international fairs. In 1967, the Administrative Reforms Commission recommended that

the activities of the Directorate of Exhibitions should, as early as possible, be transferred to the Indian Council of Trade Fairs and Exhibitions. This afforded another opportunity to Government to transfer all organisational work if it was thought fit to the Council and thereby put an end to duplication of efforts but Government let slip this opportunity also when it decided to assign those fairs to the Directorate which were designed "to build the image of the country, to portray developments in India, to attract and develop interest in Indian products and to build up through visual means, industrial and commercial cooperation with the rest of the world". According to Government's own admission, instances are not lacking when participation in different years was arranged sometimes by the Directorate and sometimes by the Council. To quote one instance, the Frankfurt fairs in 1969, 1970 and 1971 were organised by the Council, but the fair organised there in 1975 was handled by the Directorate. The Committee are not impressed by the argument that for development of a healthy spirit between the two organisations, rotation of responsibility is desirable. As far as the Committee can see such a rotation has only led to dilution of the role of the Directorate and has served little purpose. Inability to make up Government's mind has delayed the emergence of a sound organisational base for planning, coordination and evaluation of India's participation in fairs/exhibitions abroad. A Directorate which has the lion's share of participation and is deeply involved in the day-to-day organisation of fairs/exhibitions can hardly be expected to evaluate its own performance. The Committee, therefore, suggest that Government should take concerted measures to create a sound organisational base for the purpose of undertaking, planning coordination and evaluation of India's participation in fairs/exhibitions abroad. As informed, bold and imaginative approach can put India on the fair map of the world.

4.47. The Committee find that at present there is multiplicity of agencies handling trade fairs/exhibitions within the country and abroad. This has implied avoidable duplication of efforts overlapping of functions, high overheads and lack of co-ordinated planning and integrated approach. The proposal of the Ministry of Commerce mooted as early as in October, 1973 for setting up a unified agency to be called the India International Trade Fair Authority was, therefore, a step in the right direction. After the proposal was approved by the Expenditure Finance Committee in March, 1974, the next obvious step was to obtain the approval of Cabinet. For some reason however, the Ministry of Commerce seems to have developed cold feet. In a note dated 19th July, 1974, problems like absorption of staff, economics of unification, financial flexibility, etc.

which were by no means insurmountable, were cited by way of "new thinking". As far as the Committee can see this was nothing but a veiled attempt to put the idea of setting up a unified agency in cold storage. It is surprising that the very Ministry which had strongly favoured the idea a few months back should seek to put their own proposal in reverse gear.

4.48. The Committee have pointed out elsewhere how the Ministry of Commerce had once decided to wind up the Indian Council of Trade Fairs and Exhibitions but soon reversed that decision. The Ministry had also decided that on reversion, the Executive Director should be entrusted with the work of Commercial Publicity alone, but that decision was also reversed and he was given the work also of Exhibitions. When one decision after another is reversed by the same Ministry, and that too within a short span of time, it casts a serious reflection on the decision-making process in the Ministry concerned. The Committee strongly emphasize the need to review the existing decision-making process and to streamline it adequately.

4.49. The Committee fear there is a contradiction between the idea of the Ministry of Commerce that integration of diverse bodies operating at present is a part of the structural planning now being evolved and the proposition, which emerged in evidence, that even when the proposed unified authority is set up, the ICTFE would continue as a Service Agency. It is regrettable that no final decision in this regard has been made by Government, though the Committee were assured (October, 1975) that it was expected "in a few weeks' time". The accumulation of allegations against the ICTFE though not clearly substantiated, is a serious matter. Besides, the Committee fear that if the ICTFE or for that matter the Directorate is retained under one garb or another, the unified agency idea will be infructuous. The Committee urge on Government to take long term decisions rather than adopt *ad hoc* measures on grounds of expediency rather than of principle.

[Paras 4.33, 4.34, 4.35, 4.47, 4.48, & 4.49, Sl. Nos. 42, 43, 44, 45, 46, 47 of Appendix VI to the 197th Report of the P.A.C. (Fifth Lok Sabha)]

Action taken

It has been decided to set up a unified central organisation to be called the 'Trade Fair Authority of India', for the purpose of undertaking planning, coordination and evaluation of India's fair participations and exhibitions abroad as well as for holding international

fairs and exhibitions in India and for organising commercial publicity through other media. The Authority is being set up as a Government Company. It will have adequate resources and evolve suitable procedures for its functioning in the light of the experience gained in the past and the recommendations of various expert committees made from time to time. The proposal has been approved by the Cabinet and action is now under way for the establishment of this autonomous authority.

[Ministry of Commerce O.M. No. 19-Exh. GA(8)/76 dated 13-8-76].

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES OF GOVERNMENT.

Recommendation

The Committee are surprised that the question of setting up the 'General Council' which, under clause 9 of the Memorandum of Association, was to be the supreme authority empowered to take measures for the attainment of objectives for which the Indian Council of Trade Fairs and Exhibitions had been set up, remains unresolved for more than 10 years. In the absence of the General Council, all powers and functions of the General Council have been exercised by the Governing Body. Even this body met thrice in 1971-72 and only once in 1972-73, thrice in 1973-74 and twice in 1974-75. It could have met more frequently but on the Chairman's evidence, there was not much business to be transacted because of only limited assignments being given by Government to the Indian Council. With no General Council and the Governing Body meeting very rarely, the Indian Council became virtually a two-manshow, namely, the Chairman and the Executive Director. The Committee were informed that the main hurdle in constituting the General Council was that its original Constitution had certain flaws. It appears that the Council had suggested to Government amendments to the Constitution as far back as February, 1971, the advice of the Ministry of Law was obtained in March 1972 and that of the Ministry of Finance in July 1972 but no further action was taken because in the meantime, Government had started examining the idea of establishing a single authority for organisation of Fairs and Exhibitions, which implied the winding of both the Indian Council and the Directorate of Exhibitions. As the idea of having a single authority was mooted only in 1973, the Committee fail to understand why this matter could not be settled in eight years from 1964 to 1972. The Committee are convinced that at no stage this matter was handled with the requisite seriousness and sense of urgency. The Committee recommend that unless Government come to decide that the Indian Council should be wound up forthwith, early steps should be taken to set up the General Council. Absence of an authority like the General Council for as many as 10 years must have left a serious vacuum in the functioning of the

Council and there is no reason why this state of affairs should be allowed to continue.

[Para 2.8 S. No. 10 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action taken

The Cabinet at their meeting held on the 27th April, 1976, approved the formation of a unified Central Fair Organisation, to be called the "Trade Fair Authority of India". Action for setting up the Authority is under way. With its formation, the ICTFE will be wound up. There is therefore no need now to pursue the question of setting up the General Council in the ICTFE.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh. GA(8)/76, dated 13-8-76]

Recommendation

2.12. The Committee regret to note that the Indian Council of Trade Fairs and Exhibitions has failed to enlarge its membership which has fallen from 77 in 1964-65 to 17 in 1974-75. The Council has also not been able to generate interest and enthusiasm among the Chambers of Commerce and Industry. During evidence, the Chairman of the Council attributed this apathy to their being in the main "internally-oriented" and "commodity-oriented". The Committee wish Government to combat this alleged apathy and achieve a genuine involvement of the Chambers of Commerce and Industry in the tasks of export promotion through participation in Fairs abroad.

2.13. The Committee agree that there is no use in enlarging membership of the Council by offering greater concessions to prospective members as such a course would be counter-productive in the long run. The Council should attract membership by greater publicity and demonstration of the benefits which could be derived by members from participation in exhibitions.

[Paras 2.12 and 2.13, S. Nos. 11 & 12 of the Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

2.12 & 2.13. With the decision of the Government to set up the Fair Authority of India, the Council itself is to be wound up and there is, therefore, no need to consider the question of enlargement of its membership. The Trade Fair Authority is expected to

take shape shortly and on its creation no programme of work will be assigned to the Council.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh.GA (8) /76, dated 13-8-76]

Recommendation

2.29. The Committee find that during the period 1965-66 to 1969-70, the Indian Council of Trade Fairs and Exhibitions handled 5 to 6 fairs/exhibitions a year as against 11 fairs/exhibitions handled by it in 1970-71, indicating on that basis, under-utilisation of its capacity to the extent of 50 per cent. During that period, the Council incurred an expenditure aggregating Rs. 15.9 lakhs approximately on Establishment, half of which was thus not put to any productive use. The position did improve somewhat in 1971-72 and 1972-73 when the Council was assigned 7 and 8 fairs/exhibitions respectively but utilisation of its capacity suffered a serious set-back in the subsequent years. In 1973-74, assignments given to it touched a new low as it was entrusted with only one exhibition viz.: Caracas International Industrial Exhibition. In 1974-75, it handled only two events, which implied gross under-utilization of its capacity. The Committee, therefore, recommend that either Government should take immediate steps to wind up the Council and thus save infructuous and unproductive annual expenditure by a largely extraneous body or the Council should, if really thought fit be assigned adequate fair participation so long as it continues.

2.30. The Committee find that during the last 10 years (1965-66 to 1974-75) while the total expenditure incurred by the Directorate of Exhibitions and Commercial Publicity on its Establishment was Rs. 1.47 lakhs i.e. 14 per cent of its total expenditure of Rs. 1058 lakhs (*Vide* para 3.5), the total expenditure on Establishment in the case of the Indian Council of Trade Fairs and Exhibitions had, during that period, been as high as 29 per cent of its total expenditure of Rs. 238 lakhs. The Council's annual expenditure on Establishment which ranged between 21 and 23 per cent of its total expenditure during 1965-66 to 1972-73, increased to 42 per cent in 1973-74 and 51 per cent in 1974-75 even though the Council had the minimum programme of fairs during these two years. The Committee recommend that expenditure on Establishment should be brought down and kept within reasonable limits. The Committee also suggest that Government should lay down firm percentage of expenditure not only for establishment but also on other items e.g. construction, decoration, etc. so that expenditure overall and on any one item is not disproportionately high.

[Para 2.29 & 2.30, S. Nos. 14 & 15 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

2.29 and 2.30. In pursuance of the decision taken on the recommendation of the Administrative Reforms Commission that the ICTFE should organise participation in all the programmed fairs (Other than commodity fairs) in which the trading interest predominated, a gradual expansion of its activities was being planned when the proposal of setting up a central Fair Authority came up for consideration towards the end of 1972. In consequence of this proposal, the Council's activities had to be curtailed pending final decision about its future.

With the decision now taken to get up the Fair Authority of India, the Council will soon cease to function as a separate organisation. Pending its dissolution, it has been assigned four fair participations in the current financial years.

The actual expenditure incurred on the Council's Establishment (excluding other charges like rent of premises contingencies etc.,) from 1965-66 to 1972-73 (after which it was only given a small notional programme of work) was Rs. 29.62 lakhs. This expenditure forms only 14 per cent of the total expenditure incurred by the Council during the period i.e. Rs. 2.07 crores. In 1970-71 the Council had organised 11 fair participations. The cost on Establishment amounted to a little over 10 per cent of the total expenditure incurred in that year.

The total expenditure incurred by the ICTFE on Establishment during 1974-75, as per audited accounts is, Rs. 3.29 lakhs as compared to Rs. 4.19 lakhs in the previous year. It is expected that the expenditure in 1975-76 would be even smaller.

The recommendation of the Public Accounts Committee that Government should lay down percentage of expenditure for Establishment as well as for other items, has been carefully examined but it has not been found possible to evolve a satisfactory pattern which will hold good uniformly in different countries for different types of fairs, with varying cost factors. It is more practicable to leave the assessment to the concerned Indian Missions and to examine this assessment in the Ministry with reference to the expenditure incurred on previous participations.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh.-GA (8) /76, dated 13-8-76]

Recommendation

The Committee find that the Indian Council of Trade Fairs and Exhibitions has failed to grow into a viable and self-supporting organisation, despite having worked for as many as 10 years. Its continued dependence on Government subsidies is a matter of concern. It has been given a totally subsidy of Rs. 151.88 lakhs since 1965-66 by Government. During evidence, the Chairman of the Council explained that the Council had already brought its contribution to 38 per cent and if the transportation charges which the Council recovered from its participants were also taken into account, its contribution would amount to 50 per cent. It was claimed that if the Council was given an adequate programme of, say, 20 fairs in a year, the Council would be able to raise its contribution and become self-sufficient. The Committee recommend that until such time as a single fair authority is set up, the Council should be assigned an adequate programme of fairs so that it could ensure optimum utilisation of its resources and would not need to be kept alive by large subsidies from year to year. The Committee need hardly stress that meanwhile, fairs and exhibitions in countries where the State fully runs their economies should be invariably entrusted to a State agency like Directorate of Exhibitions and Commercial Publicity.

[Para 2.39 S. No. 17 of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action taken

The Council's contribution towards the expenditure on participation in fairs and exhibitions (inclusive of costs of transport of exhibits) had developed to about 50 per cent as mentioned by its Chairman in his evidence before the Public Accounts Committee. During the first 4 years of its working (i.e. upto 1967-68), its contribution was prescribed by Government at 25 per cent of the total expenditure. In 1968-69 it was raised to 33-1/3 per cent. The Council has been able to more than meet its obligation.

The question of expanding the activities of the Council now does not seem to arise as it has since been decided to set up a central unified agency (Trade Fair Authority of India) which would replace both the Council and Ministry's own exhibitions and publicity set-up. For the present, the Indian Council of Trade Fairs and Exhibitions has been assigned 4 fair participations during the current financial year. One of them is the Leipzig Spring Fair which has been included in its programme because of the high appreciation received

from the embassy of India in German Democratic Republic of the participation organised by them in March this year.

[Ministry of Commerce, Directorate of Exhibition and Commercial Publicity O.M. No. 19-Exh.-GA (8) /76, dated 13-8-76]

Recommendation

The Committee regret that it has not been possible for Government to ascertain whether any Government aided organisation had participated in the Frankfurt Fair (in 1966 or earlier), about which some unpleasant reports had found publicity. The Committee trust that the position would soon be clarified by Government's decisive ascertainment of the facts.

[Para 2.86 (S. No. 23) of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action taken

The Consulate General of India in Frankfurt has intimated to the Ministry that only one private party M/s. Rennetco Moradabad General Art Metal Mills, New Delhi, alone participated in the Frankfurt International Fair in 1964, 1965 and 1966. No other Indian Organisation had taken part in the Fair during these years.

[Ministry of Commerce, Directorate of Exhibition & Commercial Publicity O.M. No. 19-Exh. GA (8) '76 dated 21st August, 1976.]

Recommendation

The Committee are unhappy to note that even after a search conducted by the Ministry of Commerce, records pertaining to the allegation which had presumably been thought serious enough to be brought to the notice of the Prime Minister by the former Secretary, Ministry of Commerce, are not forthcoming.

[Para 2.141 S. No. 30, of Appendix VI to the 197th Report of Public Accounts Committee (Fifth Lok Sabha)]

Action taken

The Ministry has again gone into the matter carefully and examined the records as well as the Reports received from the Missions, especially, those in reply to the confidential reference made to them, but have not found any evidence in writing which could substantiate the allegations.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh.-GA (8) /76, dated 13-8-76]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

The Committee find that the follow-up of allegation/complaints has been entirely slipshod and reveals serious communication gaps within Government. For example, when the note dated 1st May, 1973 was put up to the Commerce Minister, it was accompanied with another note about the performance of the Council, but no reference was made to the three specific allegations later mentioned in the former Secretary's note dated 6th August, 1973. Apparently, the note of 6th August, 1973, was not supported by relevant documents on the basis of which these allegations were recorded. On 12th August, 1973, however, the Prime Minister had desired that Chairman (ICTFE)'s attention should be specifically drawn to these allegations and had sharply "warned" that the Council must "mend their ways". The Committee are astonished and disturbed that no communication was sent by either the former Secretary, Ministry of Commerce or his successor to the Chairman, Indian Council of Trade Fairs & Exhibitions about it. On 22nd August, 1973 former Secretary had, however, recorded a note that he would fix a date to meet the Chairman, Indian Council of Trade Fairs & Exhibitions on return from tour. He relinquished charge of his post on 7th June, 1974. There is no further record about the matter and the meeting with the Chairman, Indian Council of Trade Fairs & Exhibitions never took place. The Prime Minister's orders of 12th August, 1973, thus remained a dead letter all the while. This is altogether an unpleasant story whose ramifications remain unexplained on account of the records not being available fully. The Committee urge seriously that the Ministry of Commerce streamline its communication system and effectively prevent repetition of such sorry episodes. [Para 2.135 S. No. 29, of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

Recommendation of the Public Accounts Committee has been noted for compliance.

[Ministry of Commerce, Directorate of Exhibitions & Commercial Publicity O.M. No. 19-Exh. GA(8)/76 dated 16th August, 1976.]

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

Recommendation

The Committee find that actual expenditure of the Trade Development Authority on its participation in Asia 1972 Fair amounted to Rs. 9.89 lakhs as against the estimated expenditure of Rs. 5.60 lakhs, upto 75 per cent of which, after deducting receipts, was to be paid as grant from the Marketing Development Fund. The increase in expenditure was stated to be mainly on construction and decoration of the pavilion which cost Rs. 6.41 lakhs as against the original provision of Rs. 3.50 lakhs. The Committee concede that some increase in expenditure was inevitable because of the decision to increase in the floor area from 8,000 to 11,000 sq. ft. to accommodate a larger number of electronic goods and because of TDA having gone in for a facade consisting entirely of smoked glass costing Rs. 68,000 with a view to attracting foreign visitors. The Committee are surprised that while the C.P.W.D. was able to construct pavilions for the Ministry of Works and Housing, Ministry of Defence and Department of Tourism at a cost of Rs. 43 per sq. ft., the expenditure on construction in the case of TDA shot upto Rs. 47 per sq. ft. Expenditure at such high scale on a pavilion which, according to Government's own admission, was intended to be a temporary structure only was uncalled for. It should have been possible for the Authority to keep the expenditure within sanctioned limits by practising simplicity in design, better planning and execution of construction, and stricter control on expenditure at all stages of construction. Where the major portion of the expenditure on participation in fairs is to be met by Government, Government should lay down suitable norms for incurring of expenditure on temporary construction etc. by the agency organising India's participation in fairs/exhibitions and fix ceilings up to which actual expenditure may be allowed to exceed the estimates without prior approval. Such a step would, in the Committee's view, go a long way in providing an adequate check on excess expenditure.

[Para 1.29 S. No. 1 of Appendix VI to the 197th Report of
P.A.C. (Fifth Lok Sabha)].

Action taken

The recommendation of the Committee regarding norms for incurring of expenditure on constructions etc. has been noted and this is being examined in consultation with the Ministry of Works & Housing.

As regards the recommendation that the ceilings up to which actual expenditure might be allowed in excess of the estimates without prior approval, Govt. feel that fixing of such a general ceiling might lead to most Grantee Institutions freely utilising this limit over and above the estimate without making adequate efforts to control expenditure. Min. of Commerce will stress that Grantee Institutions should obtain timely approval from Govt. if estimates are to be exceeded.

[Ministry of Commerce O.M. No. 11 (30) /76-TA dated 27-8-1976]

Recommendation

The Committee find that the Directorate of Exhibitions and Commercial Publicity in the Ministry of Commerce organised 120 fairs/exhibitions abroad during the past ten years from 1965-66 to 1974-75. Its expenditure on establishment and participation in fairs/exhibitions during that period amounted to Rs. 1057 lakhs. Average expenditure per event on participation in Fairs works out to Rs. 7.59 lakhs excluding establishment charges and Rs. 8.81 lakhs including establishment charges. Business negotiated during these fairs amounted to Rs. 7563 lakhs. Asked during evidence how much of the negotiated business actually materialised the Ministry of Commerce replied that the position was "very intangible" and business negotiated at a fair was not a very reliable yardstick for evaluation, since there were "no accounting systems or procedures for watching over a period of time the financial business". The Committee feel that it should not be too difficult for Government to evolve a rational yardstick after consultation with expert professional opinion so that the success or otherwise of participation and/or sponsoring of a fair by the Directorate/Council could be meaningfully evaluated.

[Para 3.8 S. No. 31 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)].

Action taken

The matter is being examined and detailed standards of evaluation are expected to be evolved shortly.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh.GA(8)/76, Dt. 16-8-1976].

Recommendation

4.13. The Committee are glad that basic planning of all aspects of fair participation and exhibition is being done in India itself. This was but expected after nearly twenty-five years of experience. It is also good to learn that our exhibitions have received much appreciation. The Committee would like efforts to continue seriously for improving the standards of our exhibitions and the results thereof to our economy.

4.14. The Committee recommend that the feasibility of setting up regional exhibitions centres with storage facilities, if possible, at selected centres should be explored in the light of the experience gained in the fair in Algeria. The finding in this regard may form part of a comprehensive plan to be undertaken.

4.15. The Committee find that for too long, Indian Pavilions abroad have largely depended on traditional items like Agarbatis, Sarees and handicrafts. It is time that the theme of these Pavilions is re-set to show the strides made by India in industry and in science and technology. Selection of exhibits should be done with care and imagination, keeping in view the scope and objective of exhibitions the market prospects and also the need for attractive novelties. The cooperation of the relevant interests in production, trade, publicity etc. should be enlisted with a view to the maximum success of our exhibition effort.

[Paras 4.13, 4.14 & 4.15, S. No. 39, 40 and 41 of Appendix VI to the 197th Report of P.A.C. (Fifth Lok Sabha)]

Action taken

The recommendations of the Committee about the setting up of regional exhibition centres are being examined

The Ministry endorses the Committee's views about the objectives of fair participations and though even now these objectives are closely kept in view while planning Indian exhibitions, further attention will be given to the improvements which should be brought about.

[Ministry of Commerce, Directorate of Exhibitions and Commercial Publicity O.M. No. 19-Exh.-GA(8)/76, dated 13-8-76]

NEW DELHI;

November 19, 1977/Kartika 28, 1899 (S).

(C. M. STEPHEN)

Chairman,
Public Accounts Committee.

APPENDIX

Main Conclusions/Recommendations

S. No.	Para No.	Ministry Concerned	Recommendation
1	2	3	4
1	1.4	Commerce	The Committee expect that final replies to those recommendations/observations in respect of which only interim replies have been furnished so far will be submitted expeditiously after getting them vetted by Audit.
2	1.8	Do.	In spite of the assurance given by Government that the Chairmanship of the Trade Development Authority will "not be allowed to lie vacant at any time for an indefinite or long period", the Committee fear that it does not adequately meet their suggestion. There might be occasions when it may not be possible to fill the post of Secretary of Ministry of Commerce, immediately after it falls vacant. To meet such an exigency, the Committee in their earlier recommendation had suggested that a suitable provision should be made in the relevant rules/by-laws so that the working of the Steering Committee of the Trade Development Authority is not hindered even when the post of Secretary of the Ministry of Commerce, who by convention, is <i>ex-Officio</i> Chairman of Steering Committee and is the only authority to convene a meeting of the Steering Committee, is vacant

for some reason. The Committee trust that Government would reconsider the matter and amend the relevant rules/by-laws accordingly. Action taken in this behalf should please be intimated soon.

3 I. 11 Do.

The Committee regret that a serious recommendation aimed at minimising infructuous expenditure on temporary structures constructed at fairs/exhibitions has not been considered with the care and sense of urgency it deserved. Without even consulting the Central Building Research Institute and the National Building Organisation, as suggested by the Committee, the Ministry appear to have reached the conclusion that the use of standardised and prefabricated material in the construction of temporary pavilions was not desirable. The Committee wish that the Ministry of Commerce had consulted the expert bodies before formulating their own views. This matter should be re-examined in consultation with the Central Building Research Institute and the National Buildings Organisation, and the precise action taken in this behalf intimated to the Committee.

55

4 I. 14 Do.

The Committee regret that instead of taking a firm decision on the question of hosting an International Trade Fair, which was postponed in 1974, Government have chosen a passive line by leaving the decision to the Fair Authority which has only recently been registered. Since already heavy expenditure to the tune of Rs. 1.50 crores had been incurred in 1974, it is essential that a decision on hosting the International Trade Fair is taken early.

1	2	3	4
5	I.17	Commerce	<p>The Committee fear that except on the hypothesis, on the face of it improbable, that an official in the position of Secretary to the Ministry would emphatically make observations about which no factual basis can be traced in the Ministry's archives Government's reply cannot be considered satisfactory. As the Committee said earlier, it is fair neither to Government nor to the officer concerned, that serious observations made during evidence by highly responsible people lead to no objective finding of the truth of the matter. The Committee feel that the matter should be further looked into and ways and means should even now be found by Government to put the position straight.</p>
6	I.20	Do.	<p>The Committee are afraid that the very fact of information regarding exhibitions held long ago in Belgrade, Paris, The Hague and London being still awaited suggests some default in the modalities of their organisation, even where our Embassies/Legations are concerned, and the consequent delay in the communication to Government of the factual position. The Committee urge Government to apply its mind seriously and remove all undesirable lacunae.</p>
7	I.33	Do.	<p>The Committee regret that even after a lapse of nearly five months after presentation of their report, Government have merely "noted" their recommendation for working out the feasibility and economics of engaging Indian architects and contractors for the exhibition work abroad. The Committee attach much importance</p>

to the employment of Indian architects and interior decorators for exhibition work in foreign countries, not only to provide an impetus to the Indian artists but also to help in projecting a true image of our country abroad. Early action on this recommendation requires to be taken.

8 I . 26 Do.

The Committee regret the cryptic reply of the Ministry to the effect that the "recommendation of the Public Accounts Committee has been noted for compliance". Taking a serious view of the fact that even the Prime Minister's specific orders of 12th August, 1973 in regard to certain allegations against the Indian Council of Trade Fairs and Exhibitions had not been, for reasons unexplained, followed up, the Committee had emphasised the need for streamlining the communication system in the Ministry and preventing repetition of allegedly unsavoury episodes. The Committee consider it extremely important that necessary remedial action is initiated as soon as grave lapses of the nature alleged are brought to the notice of Government. They trust that adequate action, even though belated, will now be taken by the Ministry.

57

9 I 29 Do.

The Committee are unhappy with the lukewarm response of the Ministry to their suggestion that trade fairs are an important factor in international commerce and help also to project the country's image abroad, it will be possible for Government not only to host more international fairs on our own soil, but also to participate more often in such fairs elsewhere. The Committee would have

welcomed a more positive response. Our participation in international trade fairs is at present ridiculously low. Such participation should not only be frequent but also effective, and hence there is the need for budgetary allocations of commensurate size. The Committee wish Government to give careful thought to this matter.

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1.34

Commerce

The Committee note that a Central Organisation to be called the 'Trade Fair Authority of India' is being set up for the purpose of undertaking planning, coordination and evaluation of India's fair participations and exhibitions abroad as well as for holding international fairs and exhibitions in India and for organising commercial publicity through other media. A decision in this regard is stated to have been taken by the Cabinet at their meeting held on the 27th April, 1976. According to the information furnished on 4th January, 1977 the 'Authority' has been registered under Section 25 of the Companies Act, 1956. The Committee welcome the decision for the setting up of a unified authority which was long overdue. As pointed out by the Committee in paragraph 4.47 of the Report, the multiplicity of agencies handling trade fairs/exhibitions within the country and abroad implied avoidable duplication of efforts, overlapping of functions, high over-heads and lack of coordinated planning and integrated approach. With the coming into being of a unified authority the Committee trust that these deficiencies will now be overcome. The Committee urge that all necessary modalities

for operating the said Authority be completed without further loss of time.

II

I.35

Do.

The Committee find that a number of important suggestions/recommendations made by them in the 197th Report have been merely noted for compliance or action thereon has remained pending on account of the proposed formation of a unified authority. The Committee wish that when the unified authority comes into operation, all their important suggestions/recommendations and particularly those metioned below should be placed before the Authority for compliance:

2.23. Adequate representation of non-traditional goods in fairs held abroad.

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2.45. Making greater use of banking facilities offered overseas by the State Bank of India and other nationalised banks.

2.54. Recording figures of business negotiated at the Fairs and the contracts actually entered to facilitate a meaningful evaluation of the contribution made in augmenting export earnings by participation in the Fairs.

2.81. Drastic reformation of the manner and quality of our Fair management abroad.

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3

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2.107. Proper discretion and rectitude to be observed in making presentations to foreign officials at the Fairs and Exhibitions.

3.29. Careful selection and scrupulous screening of personnel for teams deputed for Fairs and Exhibition held abroad.

3.33. Review of the relevant chapters of the Manual of Instructions to Indian Commercial Representatives abroad in the light of the experience gained so far.

4.7. Need for long term programme planning preferably to synchronize with the country's Five Year Plans so that our Fairs/Exhibitions are more purposeful and efficient. ॐ
