

**TRADE DEVELOPMENT AUTHORITY**

**MINISTRY OF COMMERCE**

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**PUBLIC ACCOUNTS  
COMMITTEE  
1993-1994**

**TENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**FIFTY-FIFTH REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(1993-94)**

**(TENTH LOK SABHA)**  
**TRADE DEVELOPMENT AUTHORITY**  
**MINISTRY OF COMMERCE**

**[Action Taken on 7th Report of Public Accounts Committee  
(10th Lok Sabha)]**



*Presented to Lok Sabha on 14-12-1993*  
*Laid in Rajya Sabha on 15-12-1993*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*December, 1993/Agrahayana, 1915 (Saka)*

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## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1993-94) .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I Report	1
CHAPTER II Recommendations/observations which have been accepted by Government .....	7
CHAPTER III Recommendations/observations which the Commi- tee do not desire to pursue in the light of the replies received from Government .....	14
CHAPTER IV Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration .....	18
CHAPTER V Recommendations/observations in respect of which Government have furnished interim replies .....	21
APPENDIX I Conclusions and Recommendations .....	25
PART II Minutes of the sitting of Public Accounts Commi- tee (1993-94) held on 24.11.1993 .....	28

**PUBLIC ACCOUNTS COMMITTEE**  
(1993-94)

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**Shri Bhagwan Shankar Rawat**

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3. **Smt. Ganga Murthy — Deputy Secretary**
4. **Shri K. C. Shekhar — Under Secretary**

## INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Fifty-Fifth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Seventh Report (Tenth Lok Sabha) on Trade Development Authority.

2. In their earlier Report, the Committee had viewed with dismay the inordinate delay on the part of the Trade Development Authority in the matter of finalisation of 'on account' grants released to it by Government from year to year and emphasised finalising all pending on account grants expeditiously. The Committee are however extremely unhappy to find that though India Trade Promotion Organisation has been formed with effect from 1.1.1992, consequent upon the merger of Trade Development Authority and Trade Fair Authority of India, the accounts of ex-TDA for the years 1990-91 and 1991-92 (upto 31.12.1991) have not been finalized so far. The Committee have recommended that all out efforts should be made to finalize the pending accounts of ex-TDA without any further delay and the Committee apprised in this regard within a period of three months.

3. The Committee had also observed that as the Trade Development Authority (TDA) had no reliable data base in respect of export performance of its members. There was a need for the TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members. The Committee have been deeply concerned to note that though two years have elapsed since the presentation of their Report, no concrete steps have been taken by the Government in pursuance of their recommendation to evolve a suitable and reliable system for obtaining data in respect of export performance of its members. The Committee have reiterated their earlier recommendation for evolving suitable and reliable system for obtaining data in respect of ITPO's members.

4. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 24 November, 1993. Minutes of the sitting form Part II of the Report.

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

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

NEW DELHI;  
7 December, 1993

16 Agrahayana, 1915 (Saka)

BHAGWAN SHANKAR RAWAT,  
*Chairman,*  
*Public Accounts Committee.*

## CHAPTER I

### REPORT

This Report of the Committee deals with the action taken by Government on the recommendations/observations of the Committee contained in their Seventh Report (10th Lok Sabha) on Paragraph 2 of the Report of the Comptroller and Auditor Général of India for the year ended 31 March, 1989 (No. 8 of 1990), Union Government (Other Autonomous Bodies) relating to Trade Development Authority.

2. The Seventh Report which was presented to Lok Sabha on 20 December, 1991 contained 15 recommendations/observations. Action taken notes on all these recommendations/observations have been received from the Ministry of Commerce. The Action Taken Notes have been broadly categorised as follows:

- (i) Recommendations and observations which have been accepted by Government:  
Sl. Nos. 1,2,4,6,12,14 and 15
- (ii) Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from the Government:  
Sl. Nos. 5,7 and 10
- (iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration:  
Sl. Nos. 3 and 13
- (iv) Recommendations and observations in respect of which Government have furnished interim replies:  
Sl. Nos. 8,9 and 11

3. The Committee note that their 7th Report (10th Lok Sabha) was presented to Parliament on 20 December, 1991 and the Ministry of Commerce were required to furnish replies to all the recommendations contained in this Report within a period of six months of its presentation. The Committee are deeply concerned to note that about two years have already elapsed since the presentation of the Report but the Ministry of Commerce have failed to furnish the final replies on the recommendations at Paragraphs 1.85, 1.86 and 1.88. The Committee deprecate such a lackadaisical approach on the part of the Ministry and desire to know the detailed reasons for delay in furnishing the final notes. The Committee recommend that final replies to the recommendations in respect of which only interim replies have so far

been furnished should be expeditiously submitted after getting them duly vetted by audit.

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

*Delay in finalisation of 'on accounts' Grants*  
(Serial No. 3 — Paragraph 1.80)

5. Trade Development Authority (TDA), a Registered Society, was set up by the Central Government in July, 1970 as an export promotion institution under the administrative control of the Ministry of Commerce. In the recent past, the Govt. of India has announced a number of reforms related to the economy, trade and industry. According to the Ministry of Commerce, one of the most important reforms has been the liberalisation of controls and the simplification of policies, procedures and institutional arrangements for the development of exports. In their 7th Report (10th Lok Sabha) the Committee had *inter alia* emphasised that the areas of responsibility of the three agencies viz. Trade Development Authority, Trade Fair Authority of India and Indian Institute of Foreign Trade should be clearly demarcated to avoid any overlapping. It has been stated by the Ministry that with view to avoiding overlapping of functions and to have better coordination and close inter-action between Trade Development Authority (TDA) and Trade Fair Authority of India (TFAI) in their export efforts, it was decided by the Government to merge TDA and TFAI with effect from 1.1.1992 and as a result thereof, a new organisation has been formed which has been named as India Trade Promotion Organisation (ITPO). ITPO will be a service organisation. It proposes to have close and periodical interaction with trade industry and Government. It also proposes to service the industry and Government. It also proposes to service the industry by entering into comparatively less explored markets, provide information and support for participation in fairs and developing exports of new items and use its net work of offices in India and abroad for providing improved-trade related services.

6. Emphasising the need for expeditious finalisation of pending 'On Accounts' Grants, the Committee in Paragraph 1.80 of their Seventh Report, had recommended as follows:

"The Committee view with dismay the inordinate delay on the part of the TDA in the matter of finalisation of 'on account' grants released to it by the Government from year to year. While the 'on account' grants for the year 1984-85 and 1985-86 were finalised only in July, 1988 and September, 1989 respectively, the 'on account' grants for the succeeding years have not been finalised so far. The Committee need hardly emphasise that special efforts should be made to finalise all the pending 'on account' grants expeditiously. Remedial steps should also be taken to ensure that the finalisation of such grants is not delayed in future."



7. In their action taken notes, the Ministry of Commerce have stated as follows:

"The Accounts of erstwhile TDA (now ITPO) upto the year 1988-89 have already been finalised. The Accounts for the year 1989-90 and 1990-91 have also been submitted by ITPO to the Ministry of Commerce and the same are being processed."

8. The Ministry of Commerce, in their subsequent note dated 22 October, 1993, have intimated as follows:

"Trade Development Authority has been dissolved and merged with ex-Trade Fair Authority of India on 31.12.1991 and the merged organisation has been named India Trade Promotion Organisation. The accounts of ex-TDA have been finalised upto 1989-90. Accounts of 1990-91 and 1991-92 (upto 31.12.1991) are under finalisation."

9. In their earlier Report the Committee had viewed with dismay the inordinate delay on the part of the Trade Development Authority in the matter of finalization of 'On Account' grants released to it by the Government from year to year. The Committee had emphasized that special efforts should be made to finalise all the pending 'on account' grants expeditiously. The Committee are extremely unhappy to find that though India Trade Promotion Organisation has been formed with effect from 1.1.1992, consequent upon the merger of Trade Development Authority and Trade Fair Authority of India, the accounts of ex-TDA for the years 1990-91 and 1991-92 (upto 31.12.1991) have not been finalized so far. The Committee treat it as a serious lapse on the part of the concerned authorities. Obviously, such a delay would lead to consequential delay in the timely finalization of accounts of India Trade Promotion Organisation. The Committee recommend that all out efforts should be made to finalise the pending accounts of ex-TDA without any further delay and the Committee apprised in this regard within a period of three months. The Committee also recommend that necessary steps should be taken to ensure that annual accounts of India Trade Promotion Organisation are finalized within the prescribed period.

*Impact of promotional activities*  
(Sl. No. 13 — Para 1.90)

10. Emphasizing the need for TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members the Committee in paragraph 1.90 of their Seventh Report had recommended as follows:

"Arranging and participating in trade fairs, buyer seller meets, contact promotion programmes abroad are the main activities undertaken by TDA for promoting Indian merchandise. The expenditure incurred by TDA on development activities undertaken by it during the years 1982-83 to 1987-88 amounted to

Rs. 634.63 lakhs (including Rs. 291.10 lakhs financed by foreign agencies). This expenditure did not include a administrative overheads and expenditure incurred by participating clients/ members by themselves. TDA has claimed generation of business amounting to Rs. 40466.62 lakhs, in the shape of trade enquiries received and spot orders booked during this period. Further, according to the Ministry orders worth over Rs. 182.00 crores have been reported in 1989-90 as a result of TDA's development programmes. The Committee are unable to accept these statistics as an absolutely reliable and veritable data to assess the extent of impact of TDA's promotional activities on the export earnings of the country due to the possibilities of wide variations between the trade enquiries, orders booked and the orders actually executed as a result thereof. The Ministry have even failed to make any analysis to ascertain the extent to which such orders were executed. The Commerce Secretary admitted during evidence that such one analysis needs to be done. The Committee are deeply concerned to note that TDA have no reliable data base in respect of export performance of its members even though TDA's services are intended to be in a personalised form and clients/member oriented. The Committee are further distressed to note that inspite of the fact that the expert group had, in its report of September, 1986, emphasised the need for TDA to set up a system that would provide information on exports made by individual registered exporters so that objective assessment of the performance of exporters, product-wise would become possible, no such system has been devised so far. The Committee cannot over-emphasise the need for TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members."

11. In their action taken note, the Ministry of Commerce have stated as follows:

"As already explained to PAC, collection of statistics on actual export performance-either directly by the TDA clients on their own efforts or specifically under in promotional programmes undertaken by the TDA on behalf of its members has been a major problems for TDA despite several attempts made to compute this data. This problem of collecting data about export performance is common to all the export promotion councils and not specific to TDA. There is also no mandatory provision to compel the exporters to give the required statistical information. Hence, various techniques adopted by TDA to assess export performance of clients have not yielded the desired results. Initially effort was made to collect from the Customs daily list of exports (DLES) from the various ports which also did not ensure adequate coverage. The questionnaire method adopted by TDA to get feed-back from its clients also was not very successful. TDA is, however, obtaining figures from the participants

in every developmental activity on orders secured and enquiries generated for their products as a result of their participation in the particular development programmes. This practice has ensured that returns are available from the participants proving thereby that the development programmes have been successful in establishing direct linkages with actual export performance.

Efforts are also being made to compile the export figures of TDA members and their share in total exports of India through Directorate General of Commercial Intelligence and Statistics, Calcutta and the Export Promotional Councils/Federation of Indian Export Organisations.

While the various attempts made earlier by the erstwhile TDA to assess the export performance of its members have not yielded the desired results owing to various constraints explained above, a fresh look would be given to this problem by the new organisation i.e. ITPO, to evolve a suitable mechanism in this regard."

12. In their subsequent note dated 22 October, 1993, the Ministry of Commerce have stated as follows:

"The recommendations of the Committee have been noted. In order to have a reliable and verifiable data on business generated by various trade promotional activities, a consultant is being asked to study and report on this aspect. This item is also figuring in the MOU for 1993-94 as a performance item."

13. In their earlier Report, the Public Accounts Committee had observed that the Trade Development Authority (TDA) have no reliable data base in respect of export performance of its members. The Committee had also noted that no system for objective assessment of the product-wise performance of the exporters was devised inspite of the fact that the expert group had in its Report of September, 1986, emphasised the need for TDA to set up a system which would provide information on exports made by individual registered exporters. The Committee had, accordingly, emphasised the need for TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members. In their Action taken note, the Ministry of Commerce have informed the Committee that various attempts made earlier by the erstwhile TDA to assess the export performance of its members have not yielded the desired results. According to the Ministry "a fresh look would be given to this problem by the new organisation i.e. India Trade Promotion Organisation, to evolve a suitable mechanism in this regard". In their subsequent note dated 22 October, 1993, furnished by the Ministry at the instance of the Committee, it has been stated that in order to have a reliable and verifiable data on business generated by various trade promotional activities, a consultant is being asked to study and report on this aspect. The Committee are deeply concerned to note that though two years have elapsed since the presentation of the report, no action has been taken to develop the industry and we are today self-sufficient in the pharmaceutical Health Care Programme. Therefore, we should protect our interests.

of their Report, no concrete steps have been taken by the Government in pursuance of their recommendation to evolve a suitable and reliable system for obtaining data in respect of export performance of its members. The Committee cannot but deplore this lassitude on the part of the Ministry. The Committee have no doubt that the existence of such a system is essential for making an objective assessment of the performance of exporters and assess the impact of promotional activities on the export earnings of the country. The Committee cannot but reiterate their earlier recommendation for evolving suitable and reliable system for obtaining data in respect of ITPO's members.

## CHAPTER II

### RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation

The Committee note that Trade Development Authority (TDA), which is a registered Society, was set up by the Central Government in July 1970 as an export promotion institution under the administrative control of the Ministry of Commerce. The Management of its affairs is entrusted to a Steering Committee consisting of the Secretary, Ministry of Commerce as Chairman, an Executive Director appointed by the Government and not more than 14 members nominated by Central Government. It has three functional Divisions namely (i) Merchandising (ii) Research and Analysis and (iii) Trade Information and Statistics. It has its head office in New Delhi and four regional offices at Bombay, Calcutta, Kanpur and Bangalore. Its five offices established overseas are at Frankfurt, New York, Tokyo, Harare and Dubai. According to the Ministry there is scope for effecting economy in the expenditure on TDA's foreign offices. Towards that end, the Government have already decided to close down two of its foreign offices at Kuala Lumpur and Harare and to suitably reorganise the other foreign offices. *The Committee hope that the proposed re-organisation of the TDA's foreign offices will be completed early. It should, however, be taken care of that the proposed re-organisation does not effect the promotional activities pursued by TDA.*

[S.No. 1 (Para 1.78) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### Action Taken

With a view to avoiding overlapping of functions and to have better coordination and close interaction between Trade Development Authority (TDA) and Trade Fair Authority of India (TFAI) in their export efforts, it was decided by the Government to merge TDA with TFAI. Accordingly, w.e.f. 1.1.92 the TDA has been merged with TFAI and as a result thereof, a new organisation has been formed which has been named as India Trade promotion Organisation (ITPO). The new name ITPO has come into effect from 23.4.1992. After closure of two foreign offices of TDA at Kuala Lumpur and Harare on 31.10.1990, TDA at the time of merger with TFAI had been functioning with four foreign offices at Tokyo, New York, Frankfurt and Dubai. In spite of the fact that there has been historical economic changes throughout the world, such as opening of the markets in the erstwhile East block countries, disintegration of Soviet Union into

smaller countries, gulf war, global recession in economic activities and last but not least formation and dissolution of Bharat Business International Limited (BBIL) because of which lot of structural changes were carried out, these foreign offices have performed fairly well even with reduced strength and budget. The role of these offices has been re-defined by ITPO in line with the corporate objectives and the mandate assigned to this new organisation. The ITPO is, however, giving a fresh look to the overseas offices of TDA and while reviewing, it will ensure that the reorganisation will not affect the promotional activities pursued by TDA.

[Ministry of Commerce O.M. No. 11(37)/90—TA dated 23.4.1993]

### Recommendation

The major source of funds of TDA is the grant-in-aid given by the Government. TDA failed to generate internal resources for contributing its share to the approved pattern of financial assistance. This led to accumulation of deficit to the tune of Rs.120.87 lakhs upto 1985-86. According to the Ministry, the levying of service/participation charge for the developmental activities on a scheduled basis could not cover 40 per cent income on non-code and code activities of TDA as earlier envisaged. This resulted in budgetary deficit every year leading to its accumulation to the said extent. With a view to tide over such a situation, the pattern of financial assistance to TDA for non-code and code items has been revised on the recommendations of the expert group which submitted its report in September, 1986 to 80 per cent w.e.f. 1987-88. Remaining 20 per cent will be met by TDA from its own resources. *The Committee view such an accumulation of budgetary deficit with concern. They emphasise that TDA should make all efforts to eliminate the changes of occurrence of any such deficit in future by generating internal resources atleast to the extent of their share of 20 per cent of the expenditure.*

[S.No. 2 (Para 1.79) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

### Action Taken

As already mentioned, TDA has since been merged with TFAI and a new organisation formed, ITPO, will function as a commercial organisation. It will be result-oriented instead of procedure-oriented. It will seek to maximise its revenues from its activities in India and abroad. At the same time, keeping in view the time factor for achieving complete financial viability, the grant from Government will need to be continued for some time.

[Ministry of Commerce O.M. No.11 (37)/90—TA dated 23.4.1993]

### Recommendation

TDA has two types of members, namely (i) regular members and (ii) associate members. The total strength of regular members of TDA was 888 in 1982-83 and 1259 in 1989-90. The percentage of growth of regular

members of TDA during the years 1983-84 to 1989-90 over the corresponding previous year was (—) 0.34, 28.14, 3.88, 0.51, (—) 1.18, 3.50 and 3.96 respectively. In Engineering Group, out of a total of 17 products, the registration of members declined in as many as 12/13 products over the previous year from 1985-86 onwards. These trends obviously indicate the absence of sustained patronage of TDA by its members. The expert group in their report of September 1986 had also observed that TDA's membership had not been on a sustained basis, and sizeable number of TDA members drop out and rejoin. The Committee have no doubt that the degree of growth/decline of membership of TDA is obviously one of the most important quantitative parameters for evaluating its performance. All this indicates that either there are some basic defects in the enrolment procedure or there is lack of earnestness on the part of TDA authorities in this regard. The Committee strongly recommend the need for urgent review and for taking suitable remedial steps. According to the Ministry, in the current year 1990-91, special targets have been fixed for enrolling members and TDA's efforts have already resulted in membership growing over 1400, an all time high. The Committee need hardly emphasise that TDA should continue to take such steps on a regular basis.

[S.No. 4 (Para 1.81) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### **Action Taken**

TDA is no longer in existence now. However, the recommendation made by the Committee has been noted. The new membership criteria and pattern for enrolment etc. is presently being reviewed by the new organisation i.e. ITPO and necessary remedial steps would be taken to increase the membership. The results of review conducted by ITPO would be intimated to PAC.

[Ministry of Commerce O.M. No. 11 (37)/90—TA dated 23.4.1993]

**Updated action taken note furnished by the Ministry of Commerce on para 1.81**

The new organisation ITPO is taking necessary action to increase the membership. The membership is 1438 on 31-3-1993 and a target increase of atleast another 100 members has been proposed per year for the next 3 years.

[Ministry of Commerce O.M. No. 3(11)/93—TA dated 22.10.1993]

#### **Recommendation**

The Committee are distressed to note that out of 17 products under the engineering group and 12 products under the consumer group, handled by the TDA, foreign exchange earnings (in terms of US dollar) in respect of eight products of the former, and seven of latter groups registered decline in 1986-87 as compared to 1983-84. The decline of exports in terms of foreign exchanges earnings in US dollar in 1986-87 compared to 1983-84

ranged from two to 61 per cent in engineering products and seven to 49 per cent in consumer goods. Further, in case of four engineering products and five consumer goods the export in 1986-87 were lower than the exports in 1983-84 even in terms of rupee value. The reasons attributed for the shortfall are outlined in paragraph 1.33. The Committee are inclined to agree that increase in exports to USSR might to some extent have affected the share of TDA's exports in global exports. They are, however, of the firm view that the other reasons listed out for the shortfall could have been overcome by taking timely remedial measures. The Committee hope that the remedial measures listed out in paragraph 1.34, if pursued seriously by the concerned authorities would proved to be helpful.

[S.No. 6 (Para 1.83) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### **Action Taken**

As already explained to the PAC, the following remedial measures are being taken to reverse the declining trend:—

- (a) In respect of consumer products there is an increased focus of emphasis on India promotion with Department stores with guaranteed incremental buying of a select range of consumer products. Over 10 India Promotions with major Department Stores have been undertaken in the last three years.
- (b) A number of Buyer Seller Meets for special products in specific markets are being organised in which exporters participate and have received spot orders. A rigorous follow-up is also carried out in converting enquiries into orders and shipments.
- (c) For Engineering Products TDA is organising participation in specialised international Trade Fairs, such as Electro, Singapore Informatics, Cycle and Motor Cycle Show (Italy) and Wescon in USA. These specialised International fairs have yielded spot orders as well as serious enquiries resulting in typing up of distributorship arrangement as also export-oriented Joint Ventures.
- (d) A special commercial publicity programme was also undertaken to improve the image of Indian products in developed markets.
- (e) Four Business contact promotion programmes have been organised in Engineering and Consumer products to establish new contacts in overseas markets.

The new organisation *i.e.* ITPO will, no doubt pursue the measures indicated above.

[Ministry of Commerce O.M.No. 11(37)/90-TA dated 23.4.1993]

#### **Recommendation**

The Committee note that an expenditure to the tune of about Rs. 10,29,414, \$ 108,191 and DM 8625 was incurred on the foreign visits of the employees of the TDA who were deputed abroad on official business



during the last five years. The Committee would emphasise that such visits should be undertaken only after careful prior scrutiny and comprehensive assessment of the concrete gains accruing therefrom.

[S.No. 12 (Para 1.89) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### **Action Taken**

Since TDA is no longer in existence, the recommendation made by the Committee have been noted for compliance by the new organisation i.e. ITPO.

Audit suggested that suitable instructions/guidelines should be issued to ensure concrete gains from the foreign visits of the employees.

[Ministry of commerce O.M.No. 11(37)/90-TA dated 23.4.1993]

#### **Recommendation**

From the information made available to the Committee they have a definite impression that TDA has failed to achieved its main objectives for which it was set up namely, development of products, export marketing and dissemination of trade information. The Committee strongly urge upon the concerned authorities to made intensive and concerted marketing efforts and adequately accelerate their trade promotional activities to suitably contribute in boosting the export earnings of the country on select products. Another area where TDA should bend its energies utmost is with regard to the diversification of the country's exports to new and sophisticated markets using new techniques on exports promotion and to earn badly needed foreign exchange from hard currency areas. With a view to enhance the effectiveness of TDA, the Ministry have at the instance of the Committee made certain proposals, which are contained in para 1.77 to strength some areas of TDA's activities. The Committee have no doubt that the concerned authorities would make concerted efforts to effectively and conscientiously implement all these proposals in the shortest possible time. Gulf crisis has created a very serious set back to our foreign exchange earnings. The Committee strongly emphasize upon the concerned authorities to improve TDA's effectiveness to the desired level so as to help the country to tide over the crisis.

[S.No.14 (Para 1.91) of Appendix II to Seventh Report of P.A.C. (10th Lok Sabha)]

#### **Action Taken**

Consequent on the merger of the erstwhile TDA and TFAI, the new organisation is expected to formulate a strategy for intensive and cencerted marketing effort and would accelerate its promotional activities for boosting exports with due emphasis on the hard currency areas.

[Ministry of Commerce O.M.No.11(37)/90-TA dated 23.4.1993]

### **Recommendation**

The facts narrated above abundantly reveal that the working of the TDA is far from satisfactory. For instance, there has been inordinate delay on the part of the TDA in the matter of finalization of 'on account' grants. There is absence of sustained patronage from its members. It has failed to undertake adequate number of inter-firm comparisons. There is also a need for effecting considerable improvement in the matter of product development/adaptation. There has been inordinate delay in the setting up of National Centre for Trade Information. Proper procedure for maintenance of various accounts was not followed. Above all, there is absence of reliable data base in respect of export performance of its members. Besides the responsibility of the TDA management for this sad plight, the Committee are convinced that the sense of perpetual direction and guidance expected both from the Steering Committee and the Ministry of Commerce is absolutely missing. The Steering Committee appear to perform the ritual of only meeting twice a year. The Committee recommend that immediate remedial steps should be taken in the light of the comments/recommendations contained in this Report to improve the effectiveness of the TDA. The Committee further recommend that the Ministry should make a quarterly review of the working of the TDA. This will provide a good opportunity to the Ministry to judge the performance of TDA and apply correctives wherever found necessary. There is no denying the fact that TDA in co-ordination with other sister agencies like Trade Fair Authority of India and Indian Institute of Foreign Trade can play a pivotal role in boosting the export earnings of the country which is undoubtedly the crying need of the hour. They however desire that the areas of responsibility of the three agencies should be clearly demarcated to avoid any overlapping.

[S.No. 15 (Para 1.92) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

### **Action Taken**

As recommended by the Committee to improve the effectiveness of the services offered by TDA and with a view to avoiding duplication of activities, dissipation of resources and in order to provide effective facilities and services to the trade industry a new organisation namely India Trade Promotion Organisation has been formed by merging TDA with the TFAI with effect from 1.1.1992. The main objectives of the ITPO will be to develop and promote exports, imports and upgradation of technology through the medium of fairs to be held in India and abroad, to undertake publicity through the print and electronic media, to assist Indian companies in product development, to organise export development programmes, buyer seller meets, contact promotion programmes and integrated marketing programmes for specific products

in specific markets. The ITPO will provide information and market intelligence to the business community in India. It will also organise visits of buyers and trade delegations to industry and trade establishments in India with a view to promote contacts.

The recommendation of the Committee for making a quarterly review of the working of the TDA (now ITPO) has been noted for compliance.

With the merger of TDA and TFAI, it is hoped that there would be no overlapping of functions as IIFT is mainly engaged in training and research in the International Trade while ITPO will be concerned with boosting of exports.

[Ministry of Commerce O.M. No. 11(37)/90-TA dated 23.4.1993]

### **CHAPTER III**

#### **RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM THE GOVERNMENT**

##### **Recommendation**

TDA had prepared a five year plan of development activities from 1979-80 to 1983-84. From 1983-84, it had started the preparation of annual action plans. The Committee are concerned to note that no action plans were prepared for the years 1984-85 and 1985-86. Further, the activities actually carried out were, in most cases, for products and countries different from those envisaged in the action plans. According to the Ministry, some of the programmes were either deleted or changed or revised in the light of priorities and availability of funds. The Committee emphasise that in the interest of obtaining timely approval of the Government to all the developmental activities realistic action plans should be prepared by TDA on regular basis.

[S. No. 5 (Para 1.82) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

##### **Action Taken**

TDA's plans are realistic but flexible. The plans are only indicative and not a static framework. The changes and deviations are required sometime keeping in tune with the changing International trade scenario. The programme of the activities of the new organisation including that of the erstwhile TDA would be drawn up by the newly formed organisation i.e. ITPO. PAC will be informed as soon as the Action Plans are finalised.

[Ministry of Commerce O.M.No. 11(37)/90-TA dated 23.4.1993]

**Updated action taken note furnished by the Ministry of Commerce on  
Para 1.82**

The programme of activities of the new organisation have been discussed and incorporated in a Memorandum of Understanding which covers the various activities of the organisation. M.O.U. will be a regular feature hereafter.

[Ministry of Commerce O.M. No. 3(11)/93-TP dated 22.10.1993]

##### **Recommendation**

One of the objectives of TDA is to undertake, coordinate and assist inter-firm comparisons of export oriented units as well as units with export potential. This is yet another area where the performance of TDA is far from satisfactory as during the years 1982-83 to 1987-88. TDA was able to

conduct only three such studies. As inter-firm comparisons are of enormous value, TDA should make it a point to conduct at least one to two such studies every year.

[S.No. 7 (Para 1.84) of Appendix II to Seventh Report of the PAC (10th Lok Sabha)]

### **Action Taken**

TDA could not conduct any Inter-firm Comparison Studies during 1990 and 1991 due to the hesitancy on the part of the member to provide comprehensive cost data required for successful implementation of the project. TDA faces this difficulty because the cost data required from the firm is normally considered confidential by the firm and most of companies do not come forward to facilitate this exercise. TDA has, therefore, taken a decision to undertake studies only when sponsored by industries associations on cost sharing basis to make a viable project. Presently ITPO which is the new organisation formed after merger of TDA with TFAI is negotiating with Institute of Indian Foundry Men and has submitted cost estimates which is being negotiated before taking of the study.

ITPO has since informed that the Institute of Indian Foundry Men has not agreed to sponsor the study. No other organisation also came forward to sponsor inter-firm comparison study in any other product group. Therefore, no inter-firm comparison study has been taken up during 1992-93.

[Ministry of Commerce O.M. No. 11(37)/90-TA dated 23.4.1993]

### **Recommendation**

The Committee are deeply concerned to note the inordinate delay in the setting up of an integrated National Centre for Trade Information (NCTI). It is a well recognised fact that in the highly competitive international market, it is very essential to have accessibility to the changing fashions, tastes, preferences of overseas consumers. These objectives were proposed to be met by opening of NCTI. Such a need was recognised by the Government in May, 1975 when TDA had sent to the Government a draft note containing proposal for setting up NCTI. Even a 'Users Survey' was conducted by the Government through the Indian Institute of Management, Ahmedabad in March 1978. Thereafter, several Committees like P.C. Alexander Committee, 1978 and Abid Hussain Committee, 1984 had endorsed the proposal that the setting up of NCTI be given high priority. The Estimates Committee of Lok Sabha in their 23rd Report (Seventh Lok Sabha) had also recommended that such a centre should be set up at the earliest and this recommendation was accepted by the

Government, in principle. Officials of the Ministry had visited Japan, Korea and Hong Kong in 1985 to see their national models. The Committee are surprised to find that despite all this spadework the setting up of the centre is not on the horizon and the matter is still stated to be under consideration. The Committee cannot but deplore such a casual and lackadaisical approach of the Ministry. They strongly recommend that a National Centre for Trade Information should be set up at the earliest to collect, collate and disseminate up-to-date market intelligence.

[S.No. 10 (Para 1.87) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

### Action Taken

It had earlier been decided to set up the National Centre for Trade Information (NCTI) at Pragati Maidan with the Federation of Indian Export Organisations (FIEO) as the nodal Agency. FIEO had also been advised to go ahead with the setting up of NCTI with the nucleus in the FIEO building itself for the present and complete all the formalities including the registration of the society so that NCTI could start functioning at the earliest.

In the meanwhile the Trade Development Authority merged with the Trade Fair Authority of India w.e.f. 1.1.1992 and a new organisation namely India Trade Promotion Organisation (ITPO) was formed. The status of the project was reviewed by the Commerce Ministry on 2nd June, 1992 in a meeting with the Officers of FIEO and ITPO. It was noted in the meeting that ITPO was in a better position to set up the proposed NCTI at the earliest and as such it was decided that NCTI would now be set up by ITPO as Wing of ITPO.

The ITPO found that the project report of the Working Group needed some changes in terms of concept, framework and status of the organisation which were carried out and a revised project proposal was prepared.

The Board of Directors of ITPO had suggested that views of the Export Promotion Organisations (EPOs), Apex Bodies, Industry Trade Associations, etc., on the project proposal should be taken. Accordingly, a meeting of the EPOs and other organisations, who would form a part of the user network of the proposed NCTI, was held on November 5, 1992 to discuss all aspects of the proposal. This meeting was attended by 62 representatives and the suggestions and recommendations emerging out of this meeting, were incorporated in the revised proposal.

The revised proposal for setting up of NCTI has since been submitted by ITPO to Ministry of Commerce for approval and funding. The proposal involves a government grant of Rs. 353.30 lakhs for the year 1993-94 (Rs. 203.30 lakhs for capital expenditure and Rs. 150.00 lakhs for revenue expenditure) and the same is under consideration in the Ministry.

The project is proposed to be implemented in three phases. During Phase-I, the infrastructural facilities at the headquarters in New Delhi would be developed. During Phase II and III, online linkages will be established with the offices of EPOs in India and ITPO's offices in overseas countries, respectively.

The computer configuration at the Head Office and the software packages etc. has been decided and the vendors have also been identified. Online linkage with DIALOG Databases has been established using the facilities provided by Videsh Sanchar Nigam Limited, and this service is in operation.

ITPO is already providing trade information services based on the data base and infrastructure built up by the then erstwhile TDA. However, expanding the same into a full-fledged CTI to be set up on modern lines as indicated above, would require budgetary support from the Government for which a detailed proposal is being considered in the Ministry of Commerce.

UNDP has also been requested to explore the possibility of extending technical assistance in respect of the above project proposal.

An intimation would be sent to PAC as soon as the NCTI is set up.

[Ministry of Commerce O.M. No. 11 (37)/90-TA dated 23.4.1993]  
**(Updated action taken note furnished by the Ministry of Commerce on Para 1.87)**

The proposal to set up the NCTI is awaiting Cabinet clearance.

[Ministry of Commerce O.M. No. 3(11) /93-TP dated 22.10.1993]

## **CHAPTER IV**

### **RECOMMENDATIONS/OBSERVATIONS REPLES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION**

#### **Recommendation**

The Committee view with dismay the inordinate delay on the part of the TDA in the matter of finalisation of 'on account' grants released to it by the Government from year to year. While the 'on account' grants for the years 1984-85 and 1985-86 were finalised only in July, 1988 and September, 1989 respectively, the 'on account' grants for the succeeding years have not been finalised so far. The Committee need hardly emphasise that special efforts should be made to finalise all the pending 'on account' grants expeditiously. Remedial steps should also be taken to ensure that the finalisation of such grants is not delayed in future.

[S. No. 3 (Para 1.80) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### **Action Taken**

The accounts of erstwhile TDA ( now ITPO) upto the year 1988-89 have already been finalised. The Accounts for the years 1989-90 and 1990-91 have also been submitted by ITPO to the Ministry of Commerce and the same are being processed.

[Ministry of Commerce O.M. No. 11(37)90-TA dated 23.4.1993].

**Updated action taken note furnished by the Ministry of Commerce on  
Para 1.80**

Trade Development Authority has been dissolved and merged with ex-Trade Fair Authority of India on 31-12-91 and the merged organisation has been named India Trade Promotion Organisation. The accounts of ex-TDA have been finalised upto 1989-90. Accounts of 1990-91 and 1991-92 (upto 31-12-91) are under finalisation.

[Ministry of Commerce O.M. No. 3(11)/93-TP dated 22-10-1993]

#### **Recommendation**

Arranging and participating in trade fairs, buyer-seller meets, contact promotion programmes abroad are the main activities undertaken by TDA for promoting Indian merchandise. The expenditure incurred by TDA on development activities undertaken by it during the years 1982-83 to 1987-88 amounted to Rs. 634.63 lakhs (including Rs. 291 lakhs financed by foreign agencies). This expenditure did not include administrative overheads and expenditure, incurred by Participating clients/members by themselves.



TDA has claimed generation of business amounting to Rs. 40466.62 lakhs, in the shape of trade enquiries received and spot orders booked during this period. Further, according to the Ministry orders worth over Rs. 182.00 crores have been reported in 1989-90 as a result of TDA's development programmes. The Committee are unable to accept these statistics as an absolutely reliable and veritable data to assess the extent of impact of TDA's promotional activities on the export earnings of the country due to the possibilities of wide variations between the trade enquiries, orders booked and the orders actually executed as a result thereof. The Ministry have even failed to make any analysis to ascertain the extent to which such orders were executed. The Commerce Secretary admitted during evidence that such one analysis needs to be done. The Committee are deeply concerned to note that TDA have no reliable data base in respect of export performance of its members even though TDA's services are intended to be in a personalised form and clients/member oriented. The Committee are further distressed to note that inspite of the fact that the expert group had, in its report of September, 1986, emphasised the need for TDA to set up a system that would provide information on exports made by individual registered exporters so that objective assessment of the performance of exporters, product-wise would become possible, no such system has been devised so far. The Committee cannot over-emphasise the need for TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members.

[S. No. 13 (Para 1.90) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### Action Taken

As already explained to PAC, collection of statistics on actual export performance-either directly by the TDA clients on their own efforts or specifically under the promotional programmes undertaken by the TDA on behalf of its members has been a major problem for TDA despite several attempts made to compute this data. This problem of collecting data about export performance is common to all the export promotion councils and not specific to TDA. There is also no mandatory provision to compel the exporters to give the required statistical information. Hence, various techniques adopted by TDA to asses export performance of the clients have not yielded the desired results. Initially effort was made to collect from the Customs daily list of export (DLES) from the various ports which also did not ensure adequate coverage. The questionnaire methods adopted by TDA to get feed-back from its clients also was not very successful. TDA is, however, obtaining figures from the participants in every developmental activity on orders secured and enquiries generated for their products as a result of their participation in the particular

development programmes. This practice has ensured that returns are available from the participants proving thereby that the development programmes have been successful in establishing direct linkages with actual export performance.

2. Efforts are also being made to compile the export figures of TDA members and their share in total exports of India through Directorate General of Commercial Intelligence and Statistics, Calcutta and the Export Promotion Councils/Federation of Indian Export Organisations.

3. While the various attempts made earlier by the erstwhile TDA to assess the export performance of its members have not yielded the desired results owing to various constraints explained above, a fresh look would be given to this problem by the new organisation i.e. ITPO, to evolve a suitable mechanism in this regard.

[Ministry of Commerce O.M. No. 11(37)/90-TA dated 23.4.1993]

Updated action taken note furnished by the Ministry of Commerce on Para 1.90

The recommendations of the committee have been noted. In order to have a reliable and verifiable data on business generated by various trade promotional activities, a Consultant is being asked to study and report on this aspect. This item is also figuring in the MOU for 1993-94 as a performance item.

[Ministry of Commerce O.M. No. 3 (11)/93-TP dated 22.10.1993]

## CHAPTER V

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

#### Recommendation

TDA has been procuring from abroad samples of various items having export potential to facilitate their adaptation and for development by the Indian manufacturers for export. The Committee appointed by TDA in April 1987 for physical verification of imported samples *inter-alia* had pointed out that there was no time limit for product development/adaptation with the result that the samples were held up with a particular unit indefinitely. The departmental committee had also found out that 882 samples procured upto 1983-84 were outdated and recommended for disposal. Annual physical verification of samples procured during the year 1987-88 was again carried out in June, 1988 by another Committee whose report indicated that the shortcomings pointed out in the previous physical verification still persisted. The Committee are distressed to find this and strongly recommend that immediate steps should be taken to remove the shortcomings pointed out by both these Committees so that maximum benefit could be derived from this practice. The Committee would like to know the action taken in this regard.

[S.No. 8 (Para 1.85) of Appendix II to Seventh Report of the PAC (10th Lok Sabha)]

#### Action Taken

The recommendations of the Committee have been noted for compliance. This calls for a review of the existing practice. The position relating to erstwhile TDA has already been explained to PAC. In order to obtain maximum benefits from samples received from abroad, the new organisation i.e. ITPO will draw a suitable strategy in accordance with the recommendations of the PAC.

The fate of 882 outdated samples as well as of balance 146 undeveloped samples together with the details of suitable strategy, when drawn, for obtaining maximum benefits from imported samples will be intimated to the PAC.

[Ministry of Commerce O.M. No. 11 (37)/90-TA dated 23.4.1993]

#### Recommendation

★ Out of the 1125 samples procured by TDA during 1984-85 to 1987-88, 979 samples were developed upto June, 1989. The Committee view with dismay that TDA has no information about the total value of export orders

secured for these adapted samples and value of exports made against them. As such, it is difficult to know the benefits derived from such adaptations in terms of export earnings. The Committee recommend that a suitable format be devised by the TDA to collect the data pertaining to the export earnings as a result of such adaptations and strictly monitor this data on a periodical basis. The Committee would also like to know the fate of the balance 146 samples.

[S.No. 9 (Para 1.86) of Appendix II to Seventh Report of the PAC (10th Lok Sabha)]

#### **Action Taken**

The recommendations of the Committee have been noted for compliance. This calls for a review of the existing practice. The position relating to erstwhile TDA has already been explained to PAC. In order to obtain maximum benefits from samples received from abroad, the new organisation i.e. ITPO will draw a suitable strategy in accordance with the recommendations of the PAC.

The fate of 882 outdated samples as well as of balance 146 undeveloped samples together with the details of suitable strategy, when drawn, for obtaining maximum benefits from imported samples will be intimated to the PAC.

[Ministry of Commerce O.M. No. 11 (37)/90-TA dated 23.4.1993]

Updated action taken note furnished by the Ministry of Commerce on Para 1.86

A further report will follow.

[Ministry of Commerce O.M. No. 3 (11)/93-TP dated 22.10.1993]

#### **Recommendation**

The following are some other matters in which the TDA have either not compiled and maintained the accounts in accordance with the prescribed procedure or have inordinately delayed the finalisation of accounts:

- (i) Assistance of Rs. 7.67 crores was received during 1977-78 to 1987-88 from foreign funding agencies. Procedure for exhibiting the same in the annual accounts of TDA has not been laid down.
- (ii) TDA was made responsible for preparation of final accounts of India Trade Centre, Brussels as grants from the Government to the centre were routed through TDA. The final accounts for the centre for the years 1986-87 onwards have not been prepared so far.
- (iii) Lack of effective control over receipt, issue and balances of priced publications.
- (iv) Register of fixed assets of TDA for a gross value of Rs. 68.30 lakhs is not being maintained.

The Committee take a serious view of these procedural aberrations of TDA. The reason of paucity of staff advanced for all these deviations is hardly convincing. The Committee recommend that immediate steps should be taken for the maintenance and finalisation of all pending accounts relating to the aforesaid matters in the prescribed form.

[S.No. 11 (Para 1.88) of Appendix II to Seventh Report of PAC (10th Lok Sabha)]

#### **Action Taken**

(i) The matter regarding the procedure to be adopted for accounting in some form the assistance received from the foreign agencies in the accounts of TDA (now ITPO) is being processed in consultation with the concerned Departments.

PAC will be informed of the decision taken in this regard.

(ii) The final accounts in respect of India Trade centre, Brussels for the years 1983-84 to 1985-86 have already been prepared by TDA and sent to the Ministry of Commerce. As regards the preparation of final accounts for the years 1986-87 onwards, necessary documents have been called for from ITC, Brussels by TDA (now ITPO). As soon as these are received, action to prepare final accounts will be initiated by ITPO.

(iii) The Stock register of publications is now being maintained properly and the quantity balances are being reconciled for every publication. The cost of publication is mentioned in the stock register.

Reports on market studies, country profiles, product notes, etc. were prepared primarily as a processing of information to facilitate dissemination of market intelligence to the visitors to the Trade Information Centre for attending to postal enquiry etc. Some copies were also supplied on complimentary basis to Ministry of Commerce, Export Promotion Councils, leading trade associations and other Government Departments, etc. However, it was observed that visitors to the Trade Information Centre, while referring to TDA publications, desired to have copies for their use. It was, therefore, decided that notional amount may be charged from them. The price was also not printed on the publications. These publications are the nature of service to the exporter and have limited 'shelf-life'. Sale value of the closing stock is not included in the annual accounts as it would not be fully correct to assume that they have definite sale value or would be sold in future and hence these are not treated as assets. It is ensured that at the time of sale, a proper receipt is issued to the purchaser so that there is no pilferage.

As guided by the CAG, the Stock Register of various publications of the erstwhile Trade Development Authority has been duly maintained publication wise; the number of publications made available to the Trade Information Centre was entered in the Register under the concerned head of the publication, the price was also written on the Register. Sale copies

as well as complimentary copies were instantly entered in the Stock Register.

In the Audit conducted by CAG for the years 1990-91 and 1991-92, the Auditors reviewed Stock Register of publications and other related documents which were duly furnished to them. The Auditors did not make any comments.

(iv) As already explained to the PAC, necessary action for completing the Assets Register of TDA has already been initiated. The TDA has already been merged with TFAI w.e.f. 1-1-1992. The assets of TDA as on 31-12-1991 are being physically verified and valued for transfer to the newly formed organisation (ITPO).

ITPO has since informed that the Assets Register of erstwhile TDA is now being maintained.

[Ministry of Commerce O.M. No. 11 (37)90-TA dated 23.4.1993]

**Updated Action Taken** note furnished by the Ministry of Commerce on Para 1.88)

- (i) Further report will follow.
- (ii) Further report will follow.
- (iii) The stock register of publication is now being maintained properly and the quantity balances are being reconciled for every publication. The cost of publication is mentioned in the stock register.

In the Audit conducted by CAG for the years 1990-91 and 1991-92, the Auditors reviewed Stock Register of publications and other related documents which were duly furnished to them. The Auditors did not make any comments.

(iv) The asset register is now being maintained.

[Ministry of Commerce O.M. No. 3(11)93-TP dated 22.10.1993]

NEW DELHI;  
December, 7, 1993

Agrahayana, 16, 1915 (Saka)

BHAGWAN SHANKAR RAWAT,  
Chairman,  
Public Accounts Committee.

## APPENDIX I

### *Conclusions and Recommendations*

Sl. No.	Para No.	Ministry Concerned	Conclusion / Recommendation
1	2	3	4
1.	3	Ministry of Commerce	The Committee note that their 7th Report (10th Lok Sabha) was presented to Parliament on 20 December, 1991 and the Ministry of Commerce were required to furnish replies to all the recommendations contained in this Report within a period of six months of its presentation. The Committee are deeply concerned to note that about two years have already elapsed since the presentation of the Report but the Ministry of Commerce have failed to furnish the final replies on the recommendations at Paragraphs 1.85, 1.86 and 1.88. The Committee deprecate such a lackadaisical approach on the part of the Ministry and desire to know the detailed reasons for delay in furnishing the final notes. The Committee recommend that final replies to the recommendations in respect of which only in interim replies have so far been furnished should be expeditiously submitted after getting them duly vetted by audit.
2	9	-do-	In their earlier Report the Committee had viewed with dismay the inordinate delay on the part of the Trade Development Authority in the matter of finalization of 'On Account' grants released to it by the Government from year to year. The Committee had emphasized that special efforts should be made to finalise all the pending 'on account' grants expeditiously. The Committee are extremely unhappy to find that though India Trade Promotion Organisation has

1	2	3	4
			<p>been formed with effect from 1.1.1992, consequent upon the merger of Trade Development Authority and Trade Fair Authority of India, the accounts of Ex-TDA for the years 1990-91 and 1991-92 (upto 31.12.1991) have not been finalized so far. The Committee treat it as a serious lapse on the part of the concerned authorities. Obviously, such a delay would lead to consequential delay in the timely finalization of accounts of India Trade Promotion Organisation. The Committee recommend that all out efforts should be made to finalise the pending accounts of ex-TDA without any further delay and the Committee apprised in this regard within a period of three months. The Committee also recommend that necessary steps should be taken to ensure that annual accounts of India Trade Promotion Organisation are finalized within the prescribed period.</p>
3.	13	Ministry of Commerce	<p>In their earlier Report, the Public Accounts Committee had observed that the Trade Development Authority (TDA) have no reliable data base in respect of export performance of its members. The Committee had also noted that no system for objective assessment of the product-wise performance of the exporters was devised inspite of the fact that the expert group had in its Report of September, 1986, emphasised the need for TDA to set up a system which would provide information on exports made by individual registered exporters. The Committee had, accordingly, emphasised the need for TDA to evolve suitable and reliable system for obtaining data in respect of export performance of its members. In their Action taken note, the Ministry of Commerce have informed the Committee that various attempts made earlier by the erstwhile TDA to assess the export performance of its members have not yielded the desired results. According</p>



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to the Ministry, "a fresh look would be given to this problem by the new organisation *i.e.* India Trade Promotion Organisation, to evolve a suitable mechanism in this regard". In their subsequent note dated 22 October, 1993, furnished by the Ministry at the instance of the Committee, it has been stated that in order to have a reliable and verifiable data on business generated by various trade promotional activities, a consultant is being asked to study and report on this aspect. The Committee are deeply concerned to note that though two years have elapsed since the presentation of their Report, no concrete steps have been taken by the Government in pursuance of their recommendation to evolve a suitable and reliable system for obtaining data in respect of export performance of its members. The Committee cannot but deplore this lassitude on the part of the Ministry. The Committee have no doubt that the existence of such a system is essential for making an objective assessment of the performance of exporters and assess the impact of promotional activities on the export earnings of the country. The Committee cannot but reiterate their earlier recommendation for evolving suitable and reliable system for obtaining data in respect of ITPO's members.

## PART II

### MINUTES OF THE 14TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 24 NOVEMBER 1993

The Committee sat from 10.30 hrs. to 11.30 hrs.

#### PRESENT

##### MEMBERS

##### *Lok Sabha*

1. Shri Nirmal Kanti Chatterjee (*in the Chair*)
2. Dr. K.V.R. Chowdary
3. Shri Jagatveer Singh Drona
4. Smt. Krishnendra Kaur
5. Smt. Geeta Mukherjee
6. Shri Mrutyunjaya Nayak
7. Shri Satya Pal Singh Yadav

##### *Rajya Sabha*

8. Shri S.S. Ahluwalia
9. Shri Somappa R. Bommai
10. Shri Anant Ram Jaishwal
11. Miss Saroj Khaparde

##### SECRETARIAT

1. Shri S.C. Gupta — *Joint Secretary*
2. Smt. Ganga Murthy — *Deputy Secretary*
3. Shri K.C. Shekhar — *Under Secretary*

##### REPRESENTATIVES OF AUDIT

1. Shri S.H. Manghani - ADADI(OAB)
2. Shri Vikram Chandra - Pr. Director(Reports)
3. Shri Sumil Verma - Pr. Director
4. Shri V. Srikanthan - Pr. Director of Audit (ESM)
5. Shri P.K. Brahma - Pr. Director (INDT)
6. Shri R.K. Paul - Director (OAB)
7. Mrs. Ruchira Pant - Director (Customs)



**3. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments indicated in Annexures I, II and III.**

(i)      \*\*\*                  \*\*\*                  \*\*\*                  \*\*\*

(ii) **Draft Report on action taken on 7th Report of PAC(10th Lok Sabha) regarding Trade Development Authority.**

(iii) \*\*\*

4. The Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/amendments arising out of factual verification by the Audit and present the Reports to both the Houses of Parliament.

***The Committee then adjourned.***

\* Not appended.

**AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC  
ACCOUNTS COMMITTEE IN THE DRAFT REPORT ON ACTION  
TAKEN ON 7TH REPORT (10TH LOK SABHA) RELATING TO  
TRADE DEVELOPMENT AUTHORITY**

<i>Page</i>	<i>Para</i>	<i>Line</i>	<i>Amendments/Modifications</i>
2	3	9	Insert the following after the words 'the Ministry': "and desire to know the detailed reasons for delay in furnishing the final notes."
6-10	10-13		Delete Paragraphs 10-13 and succeeding Paragraphs may be renumbered.
1	2	3	Serial No. 10 to be categorised under Sub-para (ii) and deleted from Sub-para (iii).