

**Tour Note of Shri Nikhil Pandey, Director, M/o DONER for the tour of
Guwahati from 28th June, 2006 to 1st July, 2006**

28.06.2006

1. Visit to NEHHDC Office

The performance of NEHHDC was discussed with Shri R.S. Chankum, Managing Director, and Shri Dheeraj Thakuria, Manager (Tech.). The following points were discussed:

- (i) In order to streamline the inventory control, NEHHDC is adopting the bar-coding system so that tracking of each item is possible. The tender for Bar coding, Computerization and preparation of website for NEHHDC has been issued and bids would be opened on 17.7.2006. MD, NEHHDC was asked to expedite the placement of order and implementation, after the tender is opened.
- (ii) As per the decision of the Board of the Directors of NEHHDC, a Chartered Accountant is to be appointed by the Corporation on contract basis, for stream lining the accounts of the Corporation. The selection has been finalized and appointment letter issued to a local C.A. in Guwahati. However, the person selected has not joined even after the joining period of 15 days is over. MD was advised to check up with the selected person and if he is not willing then fresh selection process may be initiated.
- (iii) The issue of renovation of show rooms of the Corporation was discussed. MD informed that tenders for show rooms at Guwahati and Shillong would be issued in July, 2006 and renovation of these show rooms is expected to be completed by October, 2006. He also informed that renovation work for Kolkatta show room would be taken up in November, 2006 after Durga Puja so that the sales during Puja period do not suffer.
- (iv) M.D informed that as per the supplementary minutes of MoU received from Department of Public Enterprises a Corporate Plan is to be prepared for NEHHDC, however, the Corporation does not have capability for carrying out this work. He wanted that this work may be carried out by engaging an agency like IIM, Kolkatta who will charge fee for the purpose. M.D was advised that Corporation should first

prepare a draft at its level before decision to hire any external agency for the purpose, is taken.

- (v) Requirement of additional machines for Common Facility Centre (CFC) was also discussed. On the proposal of the Corporation, the Ministry had called for some clarification, which are still awaited. M.D. was asked to send these clarifications without further delay. However, he informed that they do not have capability to carry out feasibility study as required by the Ministry. He was advised to discuss the issue with CMD, NEDFi and take help of NEDFi on the issue, if required.
- (vi) On the issue of increasing sales of the corporation and improving turnover, M.D was asked to identify those items that are more in demand and give higher margin of profit. Trading volumes for such items should be increased to get significant returns. Products having miniscule share in the turnover should be discontinued.

2. Visit to NEHDC Central Warehouse at Guwahati

- (i) The area of the warehouse is around 9900 sq.ft. Bulk of the items available here were handicrafts and not much quantities of handloom were available. Silk sarees being costly items, are kept under lock and key in almirahs and keys are kept in the office. It was further informed that about Rs. 30.00 lacs worth of handicrafts and about Rs. 13.00 lacs to Rs. 14.00 lacs worth of handlooms were available in the warehouse, which were awaiting transportation to the various showrooms.
- (ii) The warehouse was full of handicrafts and handloom items which are combustible in nature and a minor fire in the warehouse can cause tremendous damage. However, there was no arrangement for fire fighting in the warehouse. Three old soda acid type fire extinguishers were available but these had not been refilled/tested for many years. M.D was advised to make immediate arrangements for fire fighting in terms of arranging sufficient number of latest type of fire extinguishers for different parts of the warehouse and these fire extinguishers should be periodically refilled/tested as per laid down norms.
- (iii) It was observed that there was seepage of water from the floor of the warehouse and also there was accumulation of water near the toilets,

adjacent to the stored material, which is likely to cause damage to the handicrafts and handloom items. M.D. was advised to arrange necessary repairs to stop this seepage and also to prevent accumulation of water.

- (iv) A large number of old /damaged handicrafts items have been kept in the ware house, which are occupying lot of space that could have been used for storing fresh stock. Instructions have been issued in the past to the Corporation to dispose off such unserviceable old/damaged items through auctions etc. after carrying out necessary repairs / polish etc. M.D. was asked to expedite the same, however, proper inventory should be maintained.

3. **Show room of NEHDC at Guwahati**

- (i) The shown room is located in a dilapidated building needing urgent repairs. The condition of this showroom itself is poor and shabby. It was reported by the M.D and show room staff that the level of floor inside the show room is low, as compared to that outside, due to which water enters the show room in case of flooding outside. It was also reported that the renovation of this show room has been planned and is likely to be completed by October, 2006.
- (ii) The show room in-charge informed that the sales used to be of the order of Rs.20,000/- per day some years back but now these have fallen to only about Rs.3,000/- per day. Most of the sales are of handloom items. It was seen that most of the handicrafts on display in the show room are very old and their designs are not in demand now. It appears that not much attention is being given for promotion of sales through this show room. MD, NEHDC and show room in-charge were asked to give adequate attention to this showroom to bring back its old reputation.
- (iii) In another room, old handloom items mostly damaged and worn out have been put on sale. These items are also occupying precious space, which could be used for selling fresh stock. MD and show room in-charge were asked to make efforts for disposing off these items early so as to utilize the space in a better way.

29.06.2006

4. Visit to Ginger Processing Plant, Byrnihat

I visited the above plant along with Shri Bhattacharji, E.D./NERAMAC. This plant had been made over to a private party under management lease. However, to take back the plant, a six months notice was given by NERAMAC in December, 2005 as per the agreement. The notice period has expired in June, 2006 after which NERAMAC has taken the plant in its possession and at the same time the private party has been asked to settle outstanding dues within one month. ED/NERAMAC informed that their staff is posted at the site round the clock.

NERAMAC staff informed that there is problem of water supply as well as of irregular power supply. It was also observed that there is no store room for keeping the raw materials as also the finished/packed products. Once the plant is made operational by NERAMAC there would be a need for some storage space to keep raw materials as well as finished products. ED/NERAMAC was advised to examine providing some shed for the purpose of storing the material and also provision of a bore-well for meeting the water requirements.

5. Visit to Office of NERAMAC

I had a meeting with the officers of NERAMAC in the chamber of MD. They informed that there is no money with the corporation for carrying out the business activities and for committed expenses. They also requested for financial assistance from the Ministry. The officers of NERAMAC were told that remarks about the poor performance of NERAMAC have been raised time and again in various Parliamentary Committees as well as during the meeting with other Ministries. It was brought to their notice that Ministry of DONER has been trying to help NERAMAC in various ways and they should also strive to improve the performance of the Corporation.

During the Inter-Ministerial Meeting held in the Ministry of DONER on 15th June, 2006, it was decided that DPR of Cashew Processing Unit at Mankachar would be prepared by NEDFi it would be submitted by

NERAMAC to the State Government and Ministry of DONER by 30.6.2006. E.D/NERAMAC mentioned that as per the information received from NEDFi, land allotted by Govt. of Assam to NERAMAC at Mankachar, for Cashew Processing Plant is much smaller than the size of the land needed for setting up the unit of required capacity. In addition, a number of other short comings like the site being situated between two slopes resulting in accumulation of water, improper drainage etc. have been reported by NEDFi. The undersigned advised M.D/NERAMAC to immediately visit the site and take up with the District Administration to sort out the matter in order to avoid further delay.

6. **Meeting with Principal Secretary (Plg.& Dev.), Govt. of Assam**

I along with E.D/NERAMAC met Shri P.P. Varma, Principal Secretary, Govt. of Assam. The issue of pending Utilization Certificates and Completion Certificates was discussed with him. He was requested to expedite the utilization certificates which have become overdue, for the State of Assam and for BTC in particular. He informed that action is being taken and some utilization certificates have already been sent to the Ministry of DONER. He also informed that system is being set in place in his office for regular and timely monitoring of U.Cs and Completion Certificates.

7. **Meeting of Board of Directors of NEDFi**

The meeting of Board of Directors of NEDFi was held on 29.06.2006 in the NEDFi's Office. The minutes of the meeting would be issued separately.

30.06.2006

8. **Visit to Common Facility Centre (CFC) of NEHHDC**

Manager (Tech.), NEHHDC Shri Dheeraj Thakuria and Astd. Manager Shri Tapan Sharma also accompanied me to the CFC.

The erstwhile dye house had staff strength of 64. Of these 35 have been shifted out to perform other duties and at present only 29 staff are

based in the CFC. Thus more than 20% of the total staff strength of NEHHDC is still based in the CFC. The deployment of these 29 staff in CFC was studied and it was found that 7 people have been employed for security purpose during the three shifts, 3 persons have been deployed for making "morhas", 9 persons have been deployed in CFC for the purpose of making bamboo sticks and remaining 10 people are being used for other sundry purposes, which includes 1 Assistant Manager, 2 as supervisors, 1 person in store, 1 for marketing, 1 as electrician, 1 as machine maintainer, 1 for typing work and 1 truck driver (even though Truck is not working) and one as peon.

It was informed that because of power problem, two shifts are being operated: one shift from 6 AM to 2 PM and the other from 2 PM to 10 PM.

The turn over of CFC during the year 2005-06 has been only Rs. 1.60 lakhs through job order processing whereas the expenditure on salary of staff itself was over Rs. 40.00 lakhs. The CFC makes at an average of about 70 kg. of bamboo sticks, through job order processing, during the two shifts of a day, and these fetch about Rs. 8 per kg., which gives an average daily turn over of Rs. 560/- only. Besides, less than 3 morhas are manufactured per day in the CFC, each costing between Rs.200 to Rs. 300/- in the market.

There is an immediate need to properly utilize the staff employed in the CFC. Manager (Tech) was advised to examine other items also that can be manufactured here, which have demand in the market and can fetch reasonable profit in the market so as to meet at least the expenditure incurred by way of salary of staff, raw materials, maintenance, electricity etc. MD/NEHHDC should immediately initiate steps for manufacture of such items in CFC.

9. **Visit to suppliers of handicraft items to NEHHDC**

I also visited the following two sources, based in Guwahati itself, who are supplying handicraft items to NEHHDC:

- M/s Biswas Handicrafts,
- M/s Cane Crafts

I was told that these sources also sell their products directly in the market, in addition to supplying to NEHHDC, and are also exporting their products to other countries. Under these circumstances, it is unlikely that

NEHHDC would be getting items at low cost from such sources. This would make the sale price of items of NEHHDC very high and in the market NEHHDC would be competing with its own suppliers, who would be selling the products at a much cheaper rate. MD/NEHHDC should take steps to improve the procurement system of the corporation. Identification of new and economically viable clusters and formation of self-help groups must be stepped up. A dedicated team of officials from within the Corporation, having experience in this area, should be formed for this purpose.

10 Training programme on feasibility study and preparation of DPR

A training programme on feasibility study and preparation of DPR for road and bridge projects was held in Guwahati from 26.6.2006 to 30.6.2006, which was organized by the National Institute for Training of Highway Engineers (NITHE). I attended the "Panel Discussion" followed by "Concluding Session" of the training programme on 30.6.2006. The Secretary and Commissioner, PWD, Assam; Director, NITHE and Chief Engineer, Ministry of SRT&H also attended these sessions. During my address to the participants, I brought out the common problems encountered by Ministry of DONER while dealing with the DPRs sent by the States for the projects on roads and bridges and advised them to take due care of these issues while preparing the DPRs.
