

ಕರ್ನಾಟಕ ಸರ್ಕಾರ

ವಿಧಾನ ಪರಿಷತ್ತು

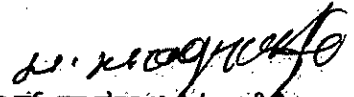
ಚುಕ್ಕೆ ಗುರುತಿಲ್ಲದ ಪ್ರಶ್ನೆ ಸಂಖ್ಯೆ : 635
 ಸದಸ್ಯರ ಹೆಸರು : ಶ್ರೀ ಕೆ.ಎ ತಿಪ್ಪೇಸ್ವಾಮಿ (ನಾಮ ನಿರ್ದೇಶಿತ ಹೊಂದಿದವರು)
 ಉತ್ತರಿಸಬೇಕಾಗಿದ್ದ ದಿನಾಂಕ : 22.02.2022
 ಉತ್ತರಿಸುವವರು : ಪೌರಾಡಳಿತ ಮತ್ತು ಸಣ್ಣ ಕೈಗಾರಿಕೆ ಹಾಗೂ
 ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಸಚಿವರು.

ಕ್ರ.ಸಂ.	ಪ್ರಶ್ನೆಗಳು	ಉತ್ತರ
ಅ	ರಾಜ್ಯ ಸರ್ಕಾರದ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮ ಇಲಾಖೆ ನಿರ್ವಹಿಸುವ ಕರ್ತವ್ಯ ಮತ್ತು ಜವಾಬ್ದಾರಿಗಳು ಯಾವುವು;	ಮಾಹಿತಿಯನ್ನು ಅನುಬಂಧ-1 ರಲ್ಲಿ ಲಗತ್ತಿಸಿದೆ.
ಆ	ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಬರುವ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳನ್ನು; ಇವುಗಳಲ್ಲಿ ಲಾಭದಲ್ಲಿರುವ ಮತ್ತು ನಷ್ಟದಲ್ಲಿರುವ ಉದ್ಯಮಗಳನ್ನು; (ಕಳೆದ 3 ವರ್ಷಗಳ ಮಾಹಿತಿಯೊಂದಿಗೆ ಉದ್ಯಮಗಳ ಪೂರ್ಣ ವಿವರ ನೀಡುವುದು)	ರಾಜ್ಯದಲ್ಲಿ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆಯ ವ್ಯಾಪ್ತಿಯಲ್ಲಿ ಒಟ್ಟು 60 ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳಿದ್ದು, ಇವುಗಳಲ್ಲಿ ಕಳೆದ 3 ವರ್ಷಗಳಲ್ಲಿ ಲಾಭದಲ್ಲಿರುವ ಮತ್ತು ನಷ್ಟದಲ್ಲಿರುವ ವಿವರಗಳನ್ನು ಅನುಬಂಧ-2 ರಲ್ಲಿ ಲಗತ್ತಿಸಿದೆ.
ಇ	ಕಳೆದ 3 ವರ್ಷಗಳಲ್ಲಿ ಮುಖ್ಯಮಂತ್ರಿಗಳ ವಾರ್ಷಿಕ ರತ್ನ ಪ್ರಶಸ್ತಿ ಪಡೆದಿರುವ ಉದ್ಯಮಗಳು ಯಾವುವು; (ವರ್ಷವಾರು ಪೂರ್ಣ ಮಾಹಿತಿ ನೀಡುವುದು)	ಮಾಹಿತಿಯನ್ನು ಅನುಬಂಧ-3 ರಲ್ಲಿ ಲಗತ್ತಿಸಿದೆ.
ಈ	ರಾಜ್ಯದಲ್ಲಿರುವ ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಕಾರ್ಯ ನಿರ್ವಹಣೆ, ಅಭಿವೃದ್ಧಿ ಮತ್ತು ಪ್ರಗತಿ ಪರಿಶೀಲನೆಯನ್ನು ಕಾಲಾನುಕಾಲಕ್ಕೆ ಇಲಾಖೆ ನಡೆಸುತ್ತಿದೆಯೇ; ಹಾಗಿದ್ದಲ್ಲಿ, ಕಳೆದ 3 ವರ್ಷಗಳಲ್ಲಿ ಇಂತಹ ಅಧ್ಯಯನ ಮತ್ತು ಮೌಲ್ಯ ಮಾಪನದಿಂದ ಹೊರಬಂದಿರುವ ಮಹತ್ವದ ಅಂಶಗಳು	ಇಲಾಖೆಯು ಆಯ್ದು ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಮೌಲ್ಯಮಾಪನ ಕಾರ್ಯವನ್ನು ಪ್ರತಿ ಸಾಲಿನಲ್ಲಿಯೂ ಕೈಗೊಳ್ಳುತ್ತಿದೆ. 2018-19ನೇ ಸಾಲಿನಲ್ಲಿ (1) ಕರ್ನಾಟಕ ರಾಜ್ಯ ತೆಂಗಿನಸಾರಿನ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತದ ಮೌಲ್ಯಮಾಪನ ಕಾರ್ಯವನ್ನು Centre for Sustainable Development

	<p>ಯಾವುವು; (ಪೂರ್ಣ ಮಾಹಿತಿ ನೀಡುವುದು)</p>	<p>ಸಂಸ್ಥೆಯಿಂದ ಹಾಗೂ (2) ಕರ್ನಾಟಕ ಅಲ್ಪ ಸಂಖ್ಯಾತರ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತದ ಮೌಲ್ಯಮಾಪನಾ ಕಾರ್ಯವನ್ನು Centre for Research and Governance ಸಂಸ್ಥೆಯಿಂದ ನಡೆಸಲಾಗಿರುತ್ತದೆ. ಸದರಿ ಸಂಸ್ಥೆಗಳು ನೀಡಿರುವ ವರದಿಗಳ ಪ್ರಕಾರ ಸಂಬಂಧಿಸಿದ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳು ಕೈಗೊಂಡಿರುವ ಕ್ರಮದ ವಿವರಗಳನ್ನು ಅನುಬಂಧದಲ್ಲಿ - ಲಗತ್ತಿಸಿದೆ.</p> <p>2019-20ನೇ ಸಾಲಿನಲ್ಲಿ ಕರ್ನಾಟಕ ಮೌಲ್ಯಮಾಪನ ಪ್ರಾಧಿಕಾರಕ್ಕೆ ಈ ಕೆಳಕಂಡ 10 ಸಂಸ್ಥೆಗಳ ಮೌಲ್ಯಮಾಪನ ಕಾರ್ಯವನ್ನು ವಹಿಸಲಾಗಿದ್ದು ಮೌಲ್ಯಮಾಪನದ ವರದಿಗಳನ್ನು ನಿರೀಕ್ಷಿಸಲಾಗುತ್ತಿದೆ.</p> <ol style="list-style-type: none"> 1. ಚಾಮುಂಡೇಶ್ವರಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು ನಿಗಮ ನಿಯಮಿತ 2. ಬೆಂಗಳೂರು ವಿದ್ಯುತ್ ಸರಬರಾಜು ನಿಗಮ ನಿಯಮಿತ 3. ಅರಣ್ಯ ವಸತಿ ಮತ್ತು ವಿಹಾರಧಾಮಗಳ ಸಂಸ್ಥೆ 4. ಕರ್ನಾಟಕ ಗ್ರಾಮೀಣ ಮೂಲಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಯಮಿತ 5. ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ 6. ಕರ್ನಾಟಕ ರಾಜ್ಯ ರಸ್ತೆ ಸಾರಿಗೆ ನಿಗಮ 7. ವಾಯುವ್ಯ ಕರ್ನಾಟಕ ರಸ್ತೆ ಸಾರಿಗೆ ಸಂಸ್ಥೆ 8. ಕರ್ನಾಟಕ ಗೇರು ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ 9. ಕರ್ನಾಟಕ ರಾಜ್ಯ ಅರಣ್ಯ ಕೈಗಾರಿಕಾ ನಿಗಮ ನಿಯಮಿತ 10. ಕರ್ನಾಟಕ ಅರಣ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ. <p>2019-20ನೇ ಸಾಲಿನ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಮೌಲ್ಯಮಾಪನ ಕಾರ್ಯವು ಪ್ರಗತಿಯಲ್ಲಿರುವ ಕಾರಣ 2020-21 ನೇ ಸಾಲಿನಲ್ಲಿ ಯಾವುದೇ ಮೌಲ್ಯಮಾಪನ ಕಾರ್ಯವನ್ನು ಕೈಗೊಂಡಿರುವುದಿಲ್ಲ.</p>
<p>ಉ</p>	<p>ರಾಜ್ಯದಲ್ಲಿರುವ ಹಲವಾರು ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳು, ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆಯನ್ನು ಕಡೆಗಣಿಸಿ ಆಡಳಿತ ಇಲಾಖೆ ಮೂಲಕವಾಗಿ ಆರ್ಥಿಕ ಇಲಾಖೆಯಿಂದ ಸಹಮತಿ ಪಡೆದು ವಿವಿಧ ಯೋಜನೆ ಮತ್ತು ಉದ್ಯಮಗಳಿಗೆ ಆರ್ಥಿಕ ನೆರವು</p>	<p>ರಾಜ್ಯದಲ್ಲಿರುವ ಹಲವಾರು ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯದ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳು, ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆಯನ್ನು ಕಡೆಗಣಿಸಿ ಆಡಳಿತ ಇಲಾಖೆ ಮೂಲಕವಾಗಿ ಆರ್ಥಿಕ ಇಲಾಖೆಯಿಂದ ಸಹಮತಿ ಪಡೆದು ವಿವಿಧ ಯೋಜನೆ ಮತ್ತು ಉದ್ಯಮಗಳಿಗೆ ಆರ್ಥಿಕ ನೆರವು ಪಡೆಯುತ್ತಿರುವುದು ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆಯ ಗಮನಕ್ಕೆ ಬಂದಿರುವುದಿಲ್ಲ. ಆದ್ದರಿಂದ ರಾಜ್ಯ ಸರ್ಕಾರ</p>

<p>ಪಡೆಯುತ್ತಿರುವುದು ನಿಜವೇ; ಈ ಬಗ್ಗೆ ಭಾರತದ ಲೆಕ್ಕ ನಿಯಂತ್ರಕರು ಮತ್ತು ಮಹಾ ಲೆಕ್ಕ ಪರಿಶೋಧಕರ ವರದಿಯಲ್ಲಿ ವ್ಯಕ್ತವಾಗಿದೆಯೇ; ಹಾಗಿದ್ದಲ್ಲಿ, ಈ ಬಗ್ಗೆ ರಾಜ್ಯ ಸರ್ಕಾರ ಕೈಗೊಂಡಿರುವ ಕ್ರಮಗಳೇನು? (ಪೂರ್ಣ ವಿವರ ನೀಡುವುದು)</p>	<p>ಕೈಗೊಂಡಿರುವ ಕ್ರಮದ ಪ್ರಶ್ನೆಯೇ ಉದ್ಭವಿಸುವುದಿಲ್ಲ.</p>
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ಸಾಲುಇ 03 ಎಲ್ ಸಿ ಯು 2022


(ಎನ್. ನಾಗರಾಜು) (ಎಂಟಿಬಿ)

ಪೌರಾಡಳಿತ ಮತ್ತು ಸಣ್ಣ ಕೈಗಾರಿಕೆ ಹಾಗೂ
ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಸಚಿವರು

ಗೂವಾಡ - 1

PROCEEDINGS OF GOVERNMENT OF KARNATAKA

SUBJECT: Functions and powers of Department of Public Enterprises.

- READ:**
1. G.O. No. CI 204 ICS 79, dated: 5-1-1979.
 2. DPAR 654 /SGD 80, Bangalore dated:7-7-1980.
 3. DPAR(BPE) SBD 81, dated: 03-03-1981.
 4. DPAR(BPE) 15 MEA 82, dated: 09-02-1982.
 5. DPAR(BPE) SPU 83, dated: 07-09-1983.
 6. DCA/M/248, dated 21-12-1997.
 7. Notification No. DCA 3 ARB 2004, dtd.24-3-05.
 8. Circular No. DPAR(BPE) 26 SPU 97, dtd. 29-3-97.
 9. Minutes of the meeting held on 17-08-2007.
 10. Circular No. DPE 13 ARU 2007(P), Dated: 7-9-2007.

PREAMBLE:

The role of Department of Public Enterprises has been carried forward from the then Department of Disinvestment and Public Enterprises Reforms (DDPER) which was performing the functions of earlier KSBPE. It has been found necessary to reiterate the functions and powers of Department of Public Enterprises vis-à-vis Administrative Department and State Public Sector Enterprises (PSEs). Hence, the following Order.

GOVERNMENT ORDER No: DPAR 538 SA A SE 2007,

BANGALORE, DATED 13-3-2008.

The Department of Public Enterprises is entrusted with following duties and responsibilities in matters pertaining to working of State Public Sector Enterprises.

1. All the matters/subjects allocated vide Rule P of Schedule-II of the Karnataka Government (Allocation of Business) Rules, 1977 and its amendments.

(P.T.O)

2. In terms of 72-B of the Karnataka Government (Transaction of Business) Rules, 1977, all Administrative Departments shall consult the Department of Public Enterprises on any proposal specified below, before soliciting the approval of the Cabinet or otherwise.
 - (i) Creation of new corporations or companies either wholly owned or partially financed by the State Government or by Public Sector Undertakings.
 - (ii) Participation by the State Government or a Public Sector Undertaking, other than the Karnataka State Industrial Investment and Development Corporation and the Karnataka State Financial Corporation in providing share capital to a new or an existing Corporation or Company.
 - (iii) Providing share capital exceeding Rupees Fifty lakhs by the Karnataka State Industrial Investment and Development Corporation and the Karnataka State Financial Corporation to a new or an existing Corporation or Company.
 - (iv) Winding up, amalgamation or such other major schemes of structural re-organization of public sector undertakings.
 - (v) Increase in capital cost estimates of State owned public Corporations, Companies, enterprises and projects where such increase is more than twenty percent or Rupees twenty five lakhs whichever is less.
3.
 - (i) The DPE as an arm of the Government shall function as an overseeing, co-ordinating and monitoring authority in respect of matters relating to functioning of PSEs with a view to guide the PSEs in various issues. The Principal Secretary, DPE or his nominee not below the rank of Deputy Secretary, shall be nominated unless otherwise specifically decides as director on each of the Boards of PSEs, provided that no individual shall be a director on more than ten companies at a given time.
 - (ii) Lay down with the approval of Government general policy relating to privatisation, restructuring of PSEs.
 - (iii) Formulation of policy guidelines with DPE approval regarding financial management, wage settlement, Human Resource Development, Performance appraisals etc. in the respect of PSEs.
 - (iv) Execution of MOUs between PSEs and DPE in addition to the performing the role of HPC, task force, Implementation of MOUs, monitoring of all the PSEs.

- 3-
- (v) Review regularly the proceedings of Board Meetings and evaluate performance of PSEs.
- (vi) Undertake every year in-depth study of selected PSEs.
- (vii) Function as interface between PSEs/Administrative Departments and other bodies like Legislature Committees, Indian Audit and Accounts Department, Departments of Government of India and other State Public Sector Enterprises etc.
- (viii) The DPE shall be consulted on matters relating to:-
- i. Amendments to Memorandum and Articles of Association.
 - ii. Privatisation/disinvestments/reorganisation/rehabilitation proposals of PSEs.
 - iii. Disbursement of bonus/gratuity.
 - iv. Revision of pay scales.
 - v. Creation of Posts where minimum of scale is Rs.4,700 and above.
 - vi. Appointment of officials on contract basis.
 - vii. Fixing of sitting fees for Directors of Boards.
 - viii. Instructions of any new welfare measures/perquisites to officials/non-officials, CEOs, Directors, other officials and employees.
 - ix. Foreign Travel proposals of PSE officials of all status.
- (ix) Function as a data bank in respect of PSEs regarding empanelment of candidates for executive posts/circulate among PSEs requirement of Public Enterprises Selection Board for Executive posts. DPE should be consulted in appointment of Board of Directors.
- (x) Bring out annual survey reports on the performance of PSEs and cause it placed before the State Legislature.
- (xi) Function as Secretariat for all State PSEs i.e. performing similar role of DPAR and Planning Departments for all Government Departments.
- (xii) Conduct regular training courses for personnel of PSEs.
- (xiii) Any other duties that may be entrusted by Government from time to time.

4. The PSEs as a rule shall route their proposals to the DPE only through their respective Administrative Departments. The Administrative Departments shall in turn forward the proposals with their considered view/suggestions to DPE with the approval of Principal Secretary/Secretary of the concerned Department.

By Order and in the name of
the President of India,

Sd/-

(M.S. SHIVARAM)

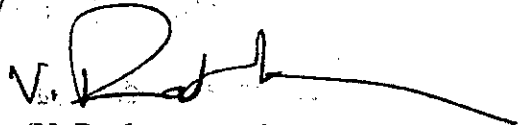
Under Secretary to Government
D.P.A.R (Services-III)

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Energy Department.
- 5) Principal Secretary to H.E. Governor of Karnataka.
- 6) Principal Secretary to Government, Finance Department.
- 7) All Principal Secretaries / Secretaries to Government.
- 8) Chief Executives of all PSEs.
- 9) Section Guard File/Spare Copies.

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(V. Rathnamma)

Deputy Secretary to Government (Technical)
Department of Public Enterprises

ಅನುಬಂಧ-2

ಕಳೆದ 3 ವರ್ಷಗಳಿಂದ ಲಾಭದಲ್ಲಿರುವ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ವಿವರ

ಕ್ರ.ಸಂ	ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಹೆಸರು
1	ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಮಿನರಲ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿಮಿಟೆಡ್
2	ಹೆಚ್ಚಿ ಚೆನ್ನದ ಗಣಿ ಕಂಪನಿ ನಿಯಮಿತ
3	ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ
4	ಮೈಸೂರು ಪೆಯಿಂಟ್ಸ್ & ವಾರ್ನಿಷ್ ಲಿಮಿಟೆಡ್
5	ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಕಾರ್ಖಾನೆ ನಿಯಮಿತ
6	ದಿ ಮೈಸೂರು ಎಲೆಕ್ಟ್ರಿಕಲ್ ಇಂಡಸ್ಟ್ರೀಸ್ ಲಿಮಿಟೆಡ್
7	ಎನ್.ಜಿ.ಇ.ಎಫ್ (ಹುಬ್ಬಳ್ಳಿ)
8	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಸಣ್ಣ ಕೈಗಾರಿಕೆಗಳ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
9	ಮಾರ್ಕೆಟಿಂಗ್ ಕಮ್ಯುನಿಕೇಷನ್ ಅಂಡ್ ಅಡ್ವರ್ಟೈಸಿಂಗ್ ಲಿಮಿಟೆಡ್
10	ಮೈಸೂರು ಸೇಲ್ಸ್ ಇಂಟರ್ ನ್ಯಾಷನಲ್ ಲಿಮಿಟೆಡ್
11	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಕೈಗಾರಿಕಾ ಮತ್ತು ಮೂಲ ಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
12	ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ನಿಗಮ ನಿಯಮಿತ
13	ಕರ್ನಾಟಕ ವಿದ್ಯುತ್ ಪ್ರಸಾರಣ ನಿಗಮ ನಿಯಮಿತ
14	ಬೆಂಗಳೂರು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ
15	ಮಂಗಳೂರು ವಿದ್ಯುಚ್ಛಕ್ತಿ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ ೨೦೨೧ (ಸಂಸ್ಕೃತ) (೨೦೧೫)
16	ಗುಲ್ಬರ್ಗಾ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ
17	ಡಿ. ದೇವರಾಜ ಅರಸ್ ಟ್ರಕ್ ಟರ್ಮಿನಲ್ಸ್ ಲಿಮಿಟೆಡ್
18	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಬೀಜ ನಿಗಮ ನಿಯಮಿತ
19	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಕೃಷಿ ಉತ್ಪನ್ನಗಳ ಸಂಸ್ಕರಣೆ ಹಾಗೂ ರಫ್ತು ನಿಗಮ ನಿಯಮಿತ
20	ಕರ್ನಾಟಕ ರಾಜ್ಯ ದ್ವಿದಳ ಧಾನ್ಯಗಳ ಅಭಿವೃದ್ಧಿ ಮಂಡಳಿ ನಿಯಮಿತ
21	ಕಾವೇರಿ ನೀರಾವರಿ ನಿಗಮ ನಿಯಮಿತ
22	ಕೃಷ್ಣಾ ಭಾಗ್ಯ ಜಲ ನಿಗಮ ನಿಯಮಿತ
23	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಅರಣ್ಯ ಕೈಗಾರಿಕಾ ನಿಗಮ ನಿಯಮಿತ
24	ಕರ್ನಾಟಕ ಗೇರು ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
25	ಅರಣ್ಯ ವಸತಿ ಮತ್ತು ವಿಹಾರಧಾಮಗಳ ಸಂಸ್ಥೆ

26	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಹಣಕಾಸು ಸಂಸ್ಥೆ
27	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
28	ಕರ್ನಾಟಕ ಮೀನುಗಾರಿಕಾ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
29	ಕರ್ನಾಟಕ ಕುರಿ ಮತ್ತು ಉಣ್ಣೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
30	ಕರ್ನಾಟಕ ಗ್ರಾಮೀಣ ಮೂಲಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
31	ಕರ್ನಾಟಕ ರೇಷ್ಮೆ ಉದ್ಯಮಗಳ ನಿಗಮ ನಿಯಮಿತ
32	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪೊಲೀಸ್ ವಸತಿ ಮತ್ತು ಮೂಲಭೂತ ಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
33	ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಿದ್ಯುನ್ಮಾನ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
34	ಡಾ.ಬಾಬು ಜಗಜೀವನ ರಾಂ ಚರ್ಮ ಕೈಗಾರಿಕಾ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ(ಲಿಡ್ಡರ್)

ಅನುಬಂಧ-3

ಕಳೆದ ಮೂರು ವರ್ಷಗಳಲ್ಲಿ ಮಾನ್ಯ ಮುಖ್ಯಮಂತ್ರಿಯವರ ವಾರ್ಷಿಕ ರತ್ನ ಪ್ರಶಸ್ತಿಯನ್ನು ಗಳಿಸಿರುವ

ಉದ್ದಿಮೆಗಳ ಪಟ್ಟಿ

2018-19	ಖನಿಜ	ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಮಿನರಲ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿ.,
	ಉತ್ಪಾದನಾ	ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ
	ಮಾರುಕಟ್ಟೆ ಮತ್ತು ವ್ಯಾಪಾರ	ಕರ್ನಾಟಕ ರೇಷ್ಮೆ ಉದ್ಯಮಗಳ ನಿಗಮ ನಿಯಮಿತ
2019-20	ಉತ್ಪಾದನಾ	ಕರ್ನಾಟಕ ಸಾಬೂನು ಮತ್ತು ಮಾರ್ಜಕ ನಿಯಮಿತ
	ವಿದ್ಯುತ್ ಉತ್ಪಾದನೆ & ಸರಬರಾಜು	ಮಂಗಳೂರು ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿ.,
	ಖನಿಜ	ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಮಿನರಲ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿ.,
	ಮಾರುಕಟ್ಟೆ ಮತ್ತು ವ್ಯಾಪಾರ	ಕರ್ನಾಟಕ ರೇಷ್ಮೆ ಉದ್ದಿಮೆಗಳ ನಿಗಮ
	ಸಾಮಾಜಿಕ	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಮಹಿಳಾ ಅಭಿವೃದ್ಧಿ ನಿಗಮ
2020-21	ಖನಿಜ	ಕರ್ನಾಟಕ ಸ್ಟೇಟ್ ಮಿನರಲ್ಸ್ ಕಾರ್ಪೊರೇಷನ್ ಲಿ.,
	ಉತ್ಪಾದನಾ	ಹಟ್ಟಿ ಚಿನ್ನದ ಗಣಿ ಕಂಪನಿ ನಿಯಮಿತ
	ಉತ್ಪಾದನೆ ಮತ್ತು ವ್ಯಾಪಾರ	ಕರ್ನಾಟಕ ರೇಷ್ಮೆ ಉದ್ಯಮಗಳ ನಿಗಮ ನಿಯಮಿತ
	ಮಾರುಕಟ್ಟೆ ಮತ್ತು ವ್ಯಾಪಾರ	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪಾನೀಯ ನಿಗಮ ನಿಯಮಿತ
	ಮಾರುಕಟ್ಟೆ ಮತ್ತು ವ್ಯಾಪಾರ	ಮಾರ್ಕೆಟಿಂಗ್ ಕಮ್ಯುನಿಕೇಷನ್ ಅಂಡ್ ಅಡ್ವರ್ಟೈಸಿಂಗ್ ಲಿಮಿಟೆಡ್.

ಸೇವಾ ಕ್ಷೇತ್ರ ಉದ್ದಿಮೆಗಳು

ಕ್ರ.ಸಂ	ಸಾರ್ವಜನಿಕ ಉದ್ದಿಮೆಗಳು
1	ಡಾ.ಬಿ.ಆರ್.ಅಂಬೇಡ್ಕರ್ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
2	ಡಿ.ದೇವರಾಜ ಅರಸು ಹಿಂದುಳಿದ ವರ್ಗಗಳ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
3	ಕರ್ನಾಟಕ ಮಹರ್ಷಿವಾಲ್ಮೀಕಿ ಪರಿಶಿಷ್ಟ ಪಂಗಡಗಳ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
4	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಮಹಿಳಾ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
5	ಕರ್ನಾಟಕ ಅಲ್ಪ ಸಂಖ್ಯಾತರ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ

ಕಳೆದ 3 ವರ್ಷಗಳಿಂದ ನಷ್ಟದಲ್ಲಿರುವ ಸಾರ್ವಜನಿಕ ಉದ್ದಿಮೆಗಳ ವಿವರ

ಕ್ರ.ಸಂ	ಸಾರ್ವಜನಿಕ ಉದ್ದಿಮೆಗಳು
1	ಮೈಸೂರು ಕಾಗದ ಕಾರ್ಖಾನೆ ನಿಯಮಿತ
2	ಮೈಸೂರು ಸಕ್ಕರೆ ಕಂಪನಿ ನಿಯಮಿತ
3	ಕರ್ನಾಟಕ ಕರಕುಶಲ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
4	ಕರ್ನಾಟಕ ಜವಳಿ ಮೂಲ ಸೌಲಭ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
5	ಕರ್ನಾಟಕ ಕೈಮಗ್ಗ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
6	ಕರ್ನಾಟಕ ರಾಜ್ಯ ತೆಂಗಿನ ನಾರಿನ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
7	ಹುಬ್ಬಳ್ಳಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ
8	ಚಾಮುಂಡೇಶ್ವರಿ ವಿದ್ಯುತ್ ಸರಬರಾಜು ಕಂಪನಿ ನಿಯಮಿತ
9	ಕರ್ನಾಟಕ ರಾಜ್ಯ ರಸ್ತೆ ಸಾರಿಗೆ ನಿಗಮ
10	ಈಶಾನ್ಯ ಕರ್ನಾಟಕ ರಸ್ತೆ ಸಾರಿಗೆ ಸಂಸ್ಥೆ
11	ವಾಯುವ್ಯ ಕರ್ನಾಟಕ ರಸ್ತೆ ಸಾರಿಗೆ ಸಂಸ್ಥೆ
12	ಬೆಂಗಳೂರು ಮಹಾನಗರ ಸಾರಿಗೆ ಸಂಸ್ಥೆ
12	ಕರ್ನಾಟಕ ಕಾಂಪೋಸ್ಟ್ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
14	ಕರ್ನಾಟಕ ನೀರಾವರಿ ನಿಗಮ ನಿಯಮಿತ
15	ಕರ್ನಾಟಕ ಅರಣ್ಯ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
16	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪ್ರವಾಸೋದ್ಯಮ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
17	ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
18	ಕರ್ನಾಟಕ ಆಹಾರ ಮತ್ತು ನಾಗರೀಕ ಸರಬರಾಜು ನಿಗಮ ನಿಯಮಿತ
29	ರಾಜೀವ್ ಗಾಂಧಿ ಗ್ರಾಮೀಣ ವಸತಿ ನಿಗಮ ನಿಯಮಿತ
20	ಕರ್ನಾಟಕ ರಾಜ್ಯ ಉಗ್ರಾಣ ನಿಗಮ
21	ಶ್ರೀ ಕಂಠೀರವ ಸ್ಟುಡಿಯೋ ನಿಯಮಿತ

ಸಂಗಿನ ನಾರಿನ
ನಿಯಮಿತ
ಕ ಉದ್ಯಮ)



**KARNATAKA STATE COIR
DEVELOPMENT
CORPORATION LTD**
(A Government of Karnataka Enterprises)

ಎಸ್‌ಎಫ್-4 & ಎಸ್‌ಎಫ್-5, ಸ್ಟರ್ಲಿಂಗ್ ಟವರ್ಸ್
(ಗಾರ್ಮೆಂಟ್ ಕಾಂಪ್ಲೆಕ್ಸ್), ಕೆಎಸ್‌ಎಸ್‌ಐಡಿ
ಕೈಗಾರಿಕಾ ವಸಹಾತು, ರಾಜಾಜಿನಗರ, 6ನೇ ಬ್ಲಾಕ್,
ಬೆಂಗಳೂರು-560010.

SF-4 & SF-5, Sterling Towers
(Garment Complex), KSSIDC Industrial
Estate, Rajajinagar, Bangalore-560010.
ದೂರವಾಣಿ ಸಂ.23105866 ಫ್ಯಾಕ್ಸ್ ಸಂ.23105865

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CIN : U85110KA1985SGC006743

ಸಂ. ಕೆಎಸ್‌ಐಡಿ/ವ್ಯ(ಆ)/ಸಾಉನಿ/CSD/ಅವ/2021-22/1149

ಡಿಸೆಂಬರ್ 13, 2021

ಸರ್ಕಾರದ ಅಪರ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆ,
7ನೇ ಮಹಡಿ, ಬಹುಮಹಡಿ ಕಟ್ಟಡ,
ಡಾ: ಬಿ.ಆರ್. ಅಂಬೇಡ್ಕರ್ ವೀಧಿ,
ಬೆಂಗಳೂರು-560 001.

ಮಾನ್ಯರೇ,

ವಿಷಯ : 2018-19ನೇ ಸಾಲಿನ ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಮೌಲ್ಯಮಾಪನದ ಅನುಸರಣಾ ವರದಿಯನ್ನು
ಸಲ್ಲಿಸುವ ಕುರಿತು.

ಉಲ್ಲೇಖ: ಸರ್ಕಾರದ ಪತ್ರ ಸಂ. ಸಾಉಇ 01 ಎಆರ್‌ಯು 2021, ದಿನಾಂಕ:24.03.2021.

ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಹಾಗೂ ಉಲ್ಲೇಖಿತ ಪತ್ರದಲ್ಲಿ ನಿರ್ದೇಶಿಸಿರುವಂತೆ, Centre for Sustainable
Development (CSD) ಇವರು ಸಲ್ಲಿಸಿರುವ ಮೌಲ್ಯಮಾಪನ ವರದಿಗೆ ಸಂಬಂಧಪಟ್ಟಂತೆ ನಿಗಮದ
ಅನುಪಾಲನಾ ವರದಿಯನ್ನು ಈ ಪತ್ರಕ್ಕೆ ಲಗತ್ತಿಸಿ, ತಮ್ಮ ಅವಗಾಹನೆಗೆ ಸಲ್ಲಿಸಿದೆ.

ತಮ್ಮ ವಿಶ್ವಾಸಿ,

ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು
ಕ.ರಾ.ತಂ.ನಾ.ಅ.ನಿ.ನಿ.

ಕೆ.ಎಸ್.ಐ.ಡಿ.
ಸಂ. 1149
13/12

**KARNATAKA STATE COIR DEVELOPMENT CORPORATION LTD.
BANGALORE**

REPLIES TO THE EVALUATION STUDY REPORT OF CENTRE FOR SUSTAINABLE DEVELOPMENT

Chapter : 4.01

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	<p>On account of Market demand, KSCDCL procures Rubberized coir Mattresses from outside sources and Trade s this category of product with other buyers, primarily in the domestic market. Moreover, the demand for mattresses from external sources has come down drastically, leading to low revenue generation for KSCDCL since FY 16/17 till FY 17/18.</p>	<ul style="list-style-type: none"> • The coir mattress segment has a sound market potential, based on the secondary research carried out by us. In view of the market potential assessed, it is recommended that KSCDCL: <ul style="list-style-type: none"> ✓ Targets its marketing strategy in wooing the middle-income section of Indians for an increased sale of the coir-mattress based products; ✓ Explores the possibility of setting up an upgraded technology and skilled artisans' coir-mattress based manufacturing set up in Karnataka, to meet the market demand; • As a caution, it is also recommended that keeping in view that the coir mattress market is not a preferred mattress in view of lesser comfort that it offers as compared to the other types of mattresses; and that the consumers are gradually moving towards other type of mattresses that offer higher comfort, KSCDCL could simultaneously start exploring the possibility of developing more hybrid based coir based mattresses, 	<p>The major turnovers of the Corporation are from sale of Rubberized Coir Mattress to various government entities. The Corporation has put effort to set up a Coir Bare Block Manufacturing Unit by its own, which is a basic raw material for finishing of Coir Mattress and Pillows. To set up the proposed unit, cost works out to be about Rs.15.00 crore. A proposal was also sent to Government for approval. The Government in turn, informed to take up the project under PPP model. But, none of them turned up. Even though, the Corporation is putting all efforts possible to explore the coir mattress market. The Government also issued exemption under 4(g) of KTPP Act, due to which, the Corporation expects more orders from the Government Department.</p> <p>Further, the Corporation is also intends to tie up with Small Scale Industries engaged in production of Coir Mattress and Pillows of various types to boost the sale to end consumers.</p>

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		so that KSCDCL is able to sustain smoothly in the coir mattress market in the long run.	
2	Lack of aggressiveness in pursuing the Production and marketing coir pith manure is resulting in loss of substantial	<ul style="list-style-type: none"> • Keeping in view the increasing demand of the eco-friendly coir-pith based manure in the international markets, It is recommended that KSCDCL consults National Coir Research and Management Institute on the recent technology developed by them, for faster production of coirpith. • The market potential assessed by us therefore calls for an introspection of the immense market potential that could be capitalized by KSCDCL, by producing coir pith compost and facilitate KSDCL to come out of red, with lesser capital investment. • This would enable KSCDCL to also achieve two of its objectives in letter and spirit: <ul style="list-style-type: none"> ✓ Producing compost from coir pith and supplying to farmers for horticulture crops and nurseries; and ✓ Supplying pith briquettes to scientific greenhouse horticulture plantations. 	<p>The Corporation has taken more initiative on producing of Coir Pith which is mainly used in Agriculture and Horticulture crops. The Corporation had made correspondence with respective departments to procure Coir Pith Compost, which is an organic manure to utilize in nurseries; gardens etc.</p> <p>The end use consumers are regular in procuring coir pith manure for gardening purpose. The farmers are also benefited by procuring coir pith.</p> <p>The Corporation proposes to set up of Coir pith briquettes manufacturing unit under Cluster Development Programme of GOI. The process is already under progress.</p>
3	<p>We have been informed by the functional heads of KSCDC that the following factors are hurting the overall financial health of KSCDCL</p> <ul style="list-style-type: none"> • A major part of KSCDCL's revenue comes from trading of products and not from its in-house manufactured products; • Bulk discounts are offered to 	<ul style="list-style-type: none"> • Based on the analysis carried out by us, on the basis of data presented • Three of its key products - cots/tables, mattresses and mats that are manufactured/traded by KSCDCL account for approximately 97% of its total sales. • Further, it can be seen that for the average figures of FY 15/16 till FY 17/18 for all the aforesaid segment of products, approximately 87% of the revenue has come 	<p>As informed in the para, the Corporation has taken lot of efforts to explore its products by participating in various Melas, Exhibitions, Trade Fairs etc. The Coir Products is a low profit based products and could not expect more profits.</p> <p>The Corporation's main products are Coir Mats, Curled Rope, Coir Composite Boards, Coir Pith Manure, Coir Mattings (Powerloom). The products produced by the Corporation will be</p>

<p>finished goods that are sold to other departments of Gok</p>	<p>from trading of such products by KSCDCL;</p> <ul style="list-style-type: none">• The percentage of discount that has been assessed over the sale of finished goods since the past 3 years till FY-17/18 is 8%, which is fairly an increased discounted ratio.• Remaining dependent on trading of products is not a sustainable form of doing business for KSCDCL, as the end-consumer would anyways identify the actual producer and thereafter, start engaging in business contracts directly with such manufacturers. It is therefore recommended that:<ul style="list-style-type: none">• KSCDCL aggressively considers marketing its products both in the domestic and international markets and selling the finished products in the open market at a high profit, rather than being significantly dependent on the sale of its products to the govt. enterprises in Karnataka, at a substantial discount; moreover, the discount should also be curbed to the extent possible.• KSCDCL explores the option of selling products through the online e-commerce platforms of Amazon, Flipkart and international sites such as Alibaba.com. This may facilitate KSCDCL to get an access to a larger market, get a larger visibility and may therefore be able to sell off their products at a much higher price, which may easily cover the cost of the logistics and in turn may result in larger revenue.	<p>fully sold. But, few products which are not produced by the Corporation are procured from SSI units to meet the market demand. Thereby, giving market support to SSI units.</p> <p>Further, the Corporation has also communicated with Corporate Companies viz. Infosys, Wipro etc. to use eco-friendly color products and also to spread awareness of these products. Reply is awaited.</p> <p>Necessary action is also being taken to explore its products by selling through online e-commerce platforms.</p>
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		<p>generation; and ✓ KSCDCL explores displaying the products of these three segments in various national and international exhibition events, to create awareness amongst prospective buyers/investors to win more orders and further boost its sales.</p>	
<p>4</p>	<p>Very low revenue from the products that has good market potential, such as mattress, mats, coil-pith based compost, cots/tables, etc.</p>	<p>Since the past five years, of the various products sold by KSCDCL, three products – cots/tables, mattresses and mats have contributed to approx. 97% of business value for KSCDCL. The other end products such as, trays and baskets contributed to an insignificant business value. It is therefore recommended that the production cost vis a vis the revenue generated from the sales of such types of products, could be assessed and accordingly, steps could be initiated by KSCDCL on whether the production of such products should be pursued.</p> <p>Our assessment of the Compounded Annual Growth Rate (CAGR) of three key segments of products sold by KSCDCL, i.e. cots/tables, mattresses and mats since FY 15/16 till FY 17/18 reflects a low growth rate of 0.27%, -1% and 0.7% respectively. The market research carried out by us, indicates that there is a good demand of such products in the domestic and international market and it is likely to grow further. The CAGR of these key segments of</p>	<p>Same as above.</p>

		<p>products in the market is approx. in the range of 5% to 6%.</p> <ul style="list-style-type: none"> • Our assessment indicates that KSCDCL on a per annum basis, has a market potential to grow the segments of mattress, coir pith manure and coir mats to approx. Rs. 100 crores; Rs. 290 crores and Rs. 12 crores respectively. 	
5	<p>Currently the showroom managers are penalized through deduction of their salaries, for not being able to realize/collect the payment for products sold on credit from the buyers.</p>	<ul style="list-style-type: none"> • Deduction of an employee's salary, when the salary is itself very low, it significantly impacts the livelihood of an employee's family. Such a practice by KSCDCL is therefore not encouraging the showroom managers to push the sales, as a result of which there is always a huge stockpile of inventories at the end of every FY. • It is therefore recommended that: <ul style="list-style-type: none"> ✓ The current practice of penalizing the showroom managers be stopped, rather than making sales as the sole responsibility of the showroom manager, such a critical business activity should be a collective responsibility and a group target of all concerned individuals, linked with the sales and marketing department of the company preferably from the highest level of the organization to the lowest rung in the organization. ✓ The showroom managers should be motivated and trained on how to improve the sales, followed by incentivizing them with bonus. 	<p>The Corporation has put end for penalizing the showrooms managers, who were not reaching the target fixed. But, relevant instructions were passed to the marketing staffs to take suitable steps to improve the sales, not to pile up the stocks, indenting for non moving goods to be stopped.</p> <p>Further, the Corporation has paying incentives to the staffs based on their achievements. Even offers to non marketing staff to take up marketing staff so that, they may be incentivized on their performance and turnover made by them. Necessary training also imparted to the marketing staff.</p>

	<p>significantly.</p>	<p>13/14 to FY 17/18, indicates the following: ✓ At the end of FY 17/18, approx. 13 showrooms/accounts, inclusive of the Head Office have been operating. Of the 13 showrooms/accounts, approximately 5 of them have achieved no or insignificant sales. Neither did any of these 5 units have a sales target. Considering an operational cost of approx. a minimum of RS. 3 lakhs per showroom, on a per annum basis for the showrooms, it is very likely that a sizeable amount of cost is not leading to any benefit to KSCDCL. KSCDCL may explore the viability of showrooms which are not resulting in minimum revenue to manage its operational cost or is having a huge inventory of unsold finished goods. KSCDCL, as felt appropriate may decide to close them or otherwise, if such showrooms have a potential, then it could reshuffle the existing resources of such showrooms with other departments. It is therefore necessary that the minimum operational expenses of each of these showrooms are recovered to ensure sustenance of the showrooms. The improvement of the marketing and sales strategy for these showrooms could accordingly be explored from the options provided earlier, in this report; or otherwise, wherever felt appropriate, KSCDCL may explore the option of closing some of these sales showroom.</p>	<p>The Company has proposed to open new showrooms at the viable places at District levels to explore its sales. And also taken necessary to steps its operational expenses as possible.</p> <p>The Company has also in process of shifting low performed marketing staff to other different departments and depute suitable person experienced in marketing field.</p>
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	<p>✓ KSCDCL may explore opening more showrooms in places where there is a potential of high sales and high revenue generation. Accordingly, new sites for opening new showrooms could be explored, which have a potential of more acceptance for purchase of coir products by the local people;</p> <p>✓ Whichever showrooms have a sound potential of sales, and if the current showroom manager is not efficient, then KSCDCL may explore the option of reshuffling/replacing such showroom managers with other appropriate resources and shift the current sales managers of such low revenue generating showrooms to other suitable department.</p>	
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Chapter : 4.02

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation.
1	<ul style="list-style-type: none"> No assessment has been done by KSCDCL to assess the designed production volume, on the basis of resources available on a per annum basis, primarily in the form of manpower hired and machines available. Currently, the target that is set for production of raw materials or intermediate or finished products is on arbitrary basis. 	<p>The scenario presented in the aforesaid chart clearly exhibits the under-performance of the machines and or the hired manpower to deliver the raw materials, intermediate and finished products, vis a vis the designed production capacity. Such an efficiency loss has a cascading impact on the production thereby hurting the financial health and may impact the sustenance of KSCDCL in the long run.</p> <ul style="list-style-type: none"> There is no scientific basis of setting a production target for production of raw 	<p>In the recent years, the Company has in assessing on the target assigned and actual designed capacity and working on the production targets to be fixed on scientific basis. The process is under progress. Moreover, the Company decided to close the non viable production units which are running under loss, wherein the operational costs will also get reduced.</p> <p>Further, the Company has taken necessary steps to upgrade its production units by upgrading</p>

		<p>materials or intermediate finished product. In KSCDCL - It is all set on arbitrary basis, as is evident from the target assigned vis a vis the Designed Production Capacity (DPC).</p> <p>There is also a huge difference in between target assigned and the actual designed production capacity, for a lot of products. The difference in between the production target assigned and DPC Capacity for all raw materials, intermediate and finished goods is approx. 45%. There is also a significant difference between the achieved figure of production and the rated efficiency, with significant variations been seen in each of the processes. Overall, based on the average production achieved for the period FY 15/16 to FY 17/18, approx. 83% of the production ability has not been explored, vis a vis the designed production capacity. Moreover, as compared to targeted figures, on an average KSCDCL has not been able to achieve 62% of the targeted figure. Besides, in some instances, the target assigned is higher than the production capacity, as reflected in the figures against production target for mats in FY 15/16 and FY 17/18. The average of the production target assigned for mats, since FY 15/16 to FY 17/18 was 25% higher than the designed production capacity. Based on the designed production capacity assessed at each level of production, the</p>	<p>older machineries with new machines to increase the production. Firstly, the Company intends to upgrade Defibring Units i.e. Production of Coir Fibre, the main raw material for coir products. In this context, on pilot basis, one defibring unit was upgraded and expected production of coir fibre is about 10-12 tons, previously it was 5-6 tons. Likewise, in future necessary action is also being taken to upgrade other defibring units in other locations to enable to supply required raw materials to the product manufacturing centres. By this, expected production target could be achieved.</p> <p>Further, in few of the production centres where traditional spinning activities is going on has been replaced with Automatic Spinning Yarn machines for more productivity.</p> <p>Necessary instructions were also given to all the staffs engaged in production activity to produce quality goods and to reach the production target.</p>
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		<p>targets for production could now be set and periodically monitored and reviewed. Emphasis could primarily be given on the production of raw materials and finished products that have very high CAGR.</p> <ul style="list-style-type: none"> • Every permanent and temporary employee of KSCDCL from the level of Managing Director to the lowest level shall have to play their respective role in aggressively pushing the production figures and motivating the employees and workers for improved production. In this regard, appropriate standard operating procedures could be developed that shall include it in it the defined accountability and responsibility of every personnel involved in the achievement of the production target, within the specified timeframe. This could be one of the Key Performance Indicator (KPI) of every personnel involved in the purchase and production department, irrespective of levels. Accordingly, such a KPI could be connected with the compensation of every line of command of all the concerned personnel of these departments. Such a strategy will therefore facilitate in group responsibility rather than individual responsibility. 	
2.	<p>Coir pith manure is being produced in a very small quantity. No production target has been set for coir pith.</p>	<ul style="list-style-type: none"> • Coir pith manure, which has such a large potential in the export market is not being produced in substantial quantity. 	<p>The Company has instructed concerned production officials/staffs to take up necessary steps to increase coir pith production, to meet</p>

	<p>manure. In similar context, no specific target has been set for mattress.</p>	<ul style="list-style-type: none"> • Mattresses too have a larger market potential, which too is not being aggressively pursued from production perspective. • Appropriate targets in conjunction with sales target, could be set for such products by KSCDCL. 	<p>the market demand.</p> <p>As already explained in earlier para, the Company is putting efforts aggressively to catch up the market for mattresses.</p>
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Chapter : 4.03

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	<p>The average expenses on account of the following, as compared to total cost of operations for FY 13/14 to FY 17/18 are very high:</p> <ul style="list-style-type: none"> • Wages of workers, • Salaries of employees; and • Other expenses. 	<ul style="list-style-type: none"> • The average expense of FY 13/14 to 17/18 for the following three segments constitute for approximately 29% of the total expenses of operations: <ul style="list-style-type: none"> ✓ Wages of workers; ✓ Salaries of employees; and ✓ Other miscellaneous expenses. • The percentage of expenses on wages, salaries and other expenses has been in the rise since the last few years, which calls for an urgent attention. In the last two years, the contribution was approx. over 40%, which is significantly very high. • It is highly recommended that an option of reducing the cost of the wages towards workers and salaries of the employees by approximately 10% to 15% be explored. This will enable reduction of expenses of wages and salaries of workers and employees by approximately Rs. 30 to 45 lakhs per annum on an average. 	<p>Presently, the Corporation has minimal employees and expenditure is dropping day to day due to retirement of staff on attaining of 60 years of age. Thereby, the expenditure is gradually decreasing and ensured cost reduction.</p>

Chapter: 4.04

Sl.No.	Critical Issues	Response of the Company	Reply by the Corporation
1	On an average, since the FY 15/16 till FY 17/18, KSEDCL had approx 3% of bad and doubtful debts, vis a vis the total trade receivable.	KSEDCL has been able to reduce the bad and doubtful debts by approx 50% reduction in bad and doubtful debts, will facilitate in the release of trade receivables by another Rs. 15 million.	Most of the debtors receivable are from Government Departments. The Company has following up with the departments for release of long pending out standings.

Chapter: 4.05

Sl.No.	Critical Issues	Response of the Company	Reply by the Corporation
1	The average current ratio of the past 5 years till the end of FY 17/18 is 0.7 since the past few years.	Current ratio is an indication of KSEDCL's short term financial position and obligations over the next one year and reflects a company's ability to convert its finished goods into cash. Unfortunately, trend analysis of the current ratio seems to be downward and has been in the range of 0.7 to 0.8. The company has taken steps to improve its current ratio by disposing of finished goods and convert into cash.	The Company has taken lot of efforts to dispose of the finished goods and convert into cash, thereby, overcome the financial issues.
2	The average quick ratio of the past 5 years till the end of FY 17/18 is 0.56 since the past few years.	Quick ratio is a measure of a company's ability to meet its short term obligations of its most liquid assets. The quick ratio is near 0.5 of quick assets. The company has taken steps to improve the quick ratio has also been in the range of 0.5 to 0.6. It is advisable to explore option of improving the quick ratio, based on the	There are no any liquidating assets in the Company. In future, if any arises, necessary action will be taken.

		recommendations provided earlier in this report and take it to a minimum good practice ratio of 1.	
3	The average cash ratio of the past 5 years till the end of FY 17/18 is 0.7 since the past few years.	While there is no fixed norm for cash ratio, it is recommended that KSCDCL consider measures that shall facilitate its increase of cash equivalents.	Necessary action is taken up.
4	The total net worth and liabilities of KSCDCL as compared to total assets of KSCDCL are not in positive direction.	<ul style="list-style-type: none"> The trend curve indicates that the total net worth of KSCDCL has been in the negative, since the past few years; The liabilities of the company are also in an increasing trend and are placed much higher than the curve of the total assets of KSCDCL. 	The Company has earned profits for the last three years i.e. 2018-19, 2019-20 and 2020-21, thereby decrease in Accumulated Loss.

Chapter : 5.01

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	The contract workers are aggrieved that they are not provided with Employee State Insurance (ESI) benefits as per ESI Schemes. This unfortunately impacts their sustenance very severely when subjected to medical expenses.	It is very likely that the production facility comes under the purview of the ESI Act and Rules, since the number of contract employees working either as temporary employees or artisans/workers in the manufacturing unit is more than 20, whereby, none of the artisans/temporary employees draw a wage equal to more than Rs. 21,000/- per month. Hence, to be in compliance with the applicable legal requirements it is recommended that the contract artisans/workers and employees are provided with medical insurance/ benefits, as per the requirements of the ESI scheme.	Most of the workers working in the production centres are in rural areas and they are not regular to work, hence not eligible for ESI/Insurance facilities.

2	<p>Toilet facilities are available but are not well maintained, thereby leading to serious unhygienic issues. Women in general have expressed that they are highly uncomfortable with the existing toilet facilities.</p>	<p>Since the manufacturing unit employs more than 10 contract workers/artisans inside its manufacturing facility, which runs through the application of power, it is quite likely that the production facility comes under the purview of the following rules that are notified by the Govt: Factory's Act and State Factories Rules, and Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Karnataka Rules, 1974, and The Contract Labour (Regulation & Abolition) Karnataka Rules 1974 and Contract Labour (Regulation and Abolition) Karnataka Rules, 1974.</p> <p>Unhygienic conditions become a deterrent for workers to work in such manufacturing facilities, as it may impact their health. As such, it is recommended that:</p> <ul style="list-style-type: none">✓ Basic health and hygiene facilities for the workers are ensured for the workers and accordingly basic hygiene facilities, such as clean and secured toilets are set up and managed inside the manufacturing facility in alignment with the requirements of the said rules.✓ Hereby since the contractor itself is the principal employer, hence it becomes the responsibility of KSCDCL, in the likely applicability of the rules, to provide rest-rooms, latrines, urinals and first-aid facilities to the contract workers employed at its establishment.	<p>Necessary facilities provided.</p>
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3	<p>No license obtained by KSCDCL to employ contract workers, as per provisions of The Karnataka State Contract Labour Act and Rules.</p>	<p>Since it is very likely that KSCDCL will come under the applicability of the following rules, it is therefore being recommended that KSCDCL accordingly obtains the necessary approvals as per the requirements of the following rules: ✓ Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Karnataka Rules, 1974; and ✓ The Contract Labour (Regulation & Abolition) Karnataka Rules, 1974 and Contract Labour (Regulation and Abolition) Karnataka Rules, 1974.</p>	<p>Coir activities is a rural based activity, the said act is not applicable.</p>
4	<p>KSCDCL being the principal employer is not maintaining appropriate registers as specified in respect of the contract workers. Neither they file returns on half yearly and annually, as the case may be.</p>	<p>Since it is very likely that KSCDCL comes under the applicability of the Contract Labour (Regulation & Abolition) Act, 1970 & Rules 1971, it is therefore recommended that it complies with the requirements of maintenance of Muster Roll, Wages Registers, Deduction Register and Overtime Register of the said rules, apart from other requirements, such as filing of returns at an appropriate periodic frequency.</p>	<p>Coir activities is a rural based activity, the said act is not applicable.</p>
5	<p>Gok's Anurupa scheme that has come in application since 2017 facilitates a worker/artisan to receive an equal amount of wage that is paid to them by KSCDCL. However, their payment pertaining to the Anurupa scheme is released by the Govt. after a few months. Inclusive of the component of Anurupa</p>	<p>Although some cheer has been brought to the workers on accounting of doubling of their pay package through the Anurupa scheme, yet on an overall, such artisans/workers aren't very much satisfied or happy. Based on discussion with the artisans/workers, the earnings of a male employees inclusive of the Anurupa scheme, has been assessed to be varying in between Rs. 8,000/- to Rs. 12,000 per month,</p>	<p>The newly sponsored scheme of GOK was implemented to the Coir workers engaged in production centres of the Corporation. Necessary action has taken to increase the production, thereby ensuring more earnings by the Coir Worker.</p>

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	<p>scheme, the artisans have said that as compared to the production of MDF boards, the production of mats, which require more effort, yield in lower wages. Needless to mention, production of MDF boards itself is a low wage job. The artisans have said that they are barely able to manage to meet their livelihood needs with such low wages.</p>	<p>ie. @Rs. 96,000/- Rs. 1,44,000/- per annum; and that of a female on an average of Rs. 6,000/- per month, amounting to Rs. 72,000/- per annum.</p> <p>It is recommended that KSCDCL aggressively pushes the sales, which in turn will propel more production, thereby resulting in increased wages for the artisans. Low take-home wages may result in gradual attrition of workers/artisans in KSCDCL, as these artisans may start seeking employment with other private players in the coir business or may move to other trades.</p>	
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Chapter : 5.02

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	<p>The workers are aggrieved that they are not given masks, gloves and boots while handling the coir fibre or the dust that is generated during the de-fibering process.</p>	<p>It is very likely that the production facility comes under the purview of Factory's Act and State Factories Rules, notified by the Gov. As such, it is recommended that face masks be provided to the workers to prevent the inhalation of respirable dust particles that are harmful and is likely to cause health problems in the long run.</p>	<p>Necessary measures were taken.</p>
2	<p>Similar observation # 1 to 4 Section # 5.01.03 pertaining to the manufacturing unit Kunturdoddi</p>		
3	<p>There is a disagreement in between the workers and the production manager at the site who disburses the wages to the workers on a monthly basis. The production manager has mentioned that</p>	<p>Since KSCDCL is likely to come under the applicability of the Contract Labour (Regulation & Abolition) Act, 1970 & Rules 1971 and the Karnataka State Contract Labour (Regulation & Abolition) Rules, it is therefore recommended that KSCDCL complies with the requirements of</p>	<p>Necessary information was maintained in the concerned production centres. These were sent to H/O of the KSCDCL to update. Further, coir activity is a rural based activity, hence, there is no specific norms to be maintained.</p>

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	<ul style="list-style-type: none"> • He calculates the wages of all workers using the attendance register that he maintains for his own reference and accordingly, gives away the wages as per the days the workers have worked; • On some occasions, the wages exceed the amount disbursed by KSCDCL, hence the production manager pays the wages from his own pocket. 	<p>maintenance of Muster Roll, Wages Registers, Deduction Register and Overtime Register of the said rules, apart from other requirements. This information is currently not being documented by KSCDCL.</p> <ul style="list-style-type: none"> • It is highly being recommended that: <ul style="list-style-type: none"> ✓ The aforesaid documentations are maintained by the manufacturing facilities of KSCDCL; <p>Moreover, based on the registers maintained, the wages could be disbursed by the head office of KSCDCL.</p> <ul style="list-style-type: none"> ✓ KSCDCL may like to enquire of the incidence and accordingly find out the truth behind the discontent, if any and accordingly, settle the matter. 	
4	<p>The workers are aggrieved that their wages, especially the Anurupa component reaches to them after 3 or 4 months. They have also expressed their desire of transfer of their money directly into their bank account.</p>	<p>It is being recommended that KSCDCL could explore the option of depositing the wages of the workers well in time, directly into their bank account to prevent an unnecessary impact on their livelihood.</p>	<p>The Anurupa Wages have been deposited directly to the Beneficiaries Bank Account.</p>

Chapter : 6.01

Sl.No	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	<p>The facility has a potential to manufacture 100 mats per day. Both a female and male can manufacture the same number of mats in the same time. A maximum of 10 mats could be</p>	<p>With a minimum of 10 workers, the facility therefore has a potential to manufacture upto the full capacity of 100 mats per day, whereas it is currently limited to 50% of its full capacity.</p> <ul style="list-style-type: none"> • For a loss of production of 50 units of mats per 	<p>Based on the skill obtained, the worker has a capacity to manufacture to his/her potential. Since, there is no time fixed to the workers to come to production centres for work. In leisure time, they used to come and engage in</p>

	<p>produced per day in a span of 8 hours per day by every worker. However only 50 mats are being produced per day. The production manager has also mentioned that is no issue with availability of raw materials.</p>	<p>day, for approx. 300 working days, the loss in revenue in a year @ Rs. 51 per mat is = Rs. 50 x 300 x 51 = Rs. 765,000 /-.</p> <ul style="list-style-type: none"> • With no issues in availability of raw material and subject to the condition that there is substantial demand of the product in the market, KSDCL may consider the increase in the production and thereby, the revenue from the sale of this product. 	<p>production activities, hence, they not able to earn the expected wages per day. Even though, they are satisfied with the earnings they earn.</p>
<p>2.</p>	<p>Documentations pertaining to legal approvals pertaining to the following could not be provided by the facility:</p> <ul style="list-style-type: none"> • License for running the factory from Factory Inspectorate as per Factories Act and State Factories Rules; • Boiler certificate or fitness certificate, as per Indian Boiler Act and Rules; • Approval for withdrawal of water from the bore well from the local municipality authority; • Water Act and Rules; Water Cess Act and Rules; Air Act and Rules; Hazardous Waste Management and Handling Rules; The Environmental Protection Act 1986 and Rules 1986; • Approval as per Air Act and Rule and EPA Act and Rules from the concerned local pollution control authority for the installation and running of the stack and 	<p>Absence of the applicable legal approvals, if any, may result in closure of the manufacturing unit. KSDCL may therefore take appropriate measures to obtain necessary approvals of the said regulatory requirements, wherever found to be applicable.</p>	<p>Actions are taken as and when required.</p>

	<p>•Approval for treatment and appropriate discharge of the treated effluent from the concerned local pollution control authority.</p>		
<p>3</p>	<p>The production unit manager gets a meager wage of Rs. 14,000/month but without medical and PF benefits.</p>	<p>It is very likely that the production facility comes under the purview of the ESI Act and Rules since the number of contract employees working either as temporary employees or artisans/workers in the manufacturing unit is more than 20 whereby:</p> <ul style="list-style-type: none"> • none of the artisans/temporary employees draw a wage equal to more than Rs. 21,000/- per month. • Hence, to be in compliance with the applicable legal requirements it is recommended that the contract artisans/workers and employees are provided with medical insurance/ benefits, as per the requirements of the ESI scheme. 	<p>Coir activities is a rural based activity, the said act is not applicable to the coir workers engaged in production centres.</p>
<p>4</p>	<p>The workers have said that they could barely manage to make ends meet with the wages they receive during production of MDF board but when it comes to production of mats, they complained that the wages are too small compared to the effort that needs to be put in.</p>	<p>Further, with the workers complaining of low wages earned through mat production, KSCDCI could explore the possibility of investment and production of PVC/Latex Tufted mats through machines. Such machines have a capacity to produce 100 sq.m. of mats with 12 mm to 30 mm height in one hour. Moreover, these tufted mats have a lot of significant demand both in the International and domestic market.</p>	<p>The Company intends to set up a Tufted Mat Manufacturing Unit in one of its major units, where raw material available abundantly. The cost of investment will be high. Hence, the Company has opined to set up the said under any of the coir schemes of GOI. This is under process.</p>

Chapter : 6:01

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	Frequent power outages prevent the facility from reaching its full capacity of production.	Loss of production could be assessed and accordingly the installation of a generator could be explored at the site, to ensure continuous availability of power.	Necessary action will be taken as and when required. But, by installing the generator, the cost of production will be on higher side, due to which, selling price will also increase, thereby expected sales could not be achieved.
2	Temporary employees are aggrieved that there has not been conversion of the contract workers to permanent employment, for quite a long span of time.	It is recommended that KSCDCL explores the provision of converting the contract employees to permanent employment to motivate the contract employees.	Suitable proposal sent to government. Approval awaited.

Chapter: 6:03

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
1	There is no basis of setting targets to contract employees. Targets are arbitrarily increased by double in the subsequent year. Targets change at will or with the change in top management, which is quite frequent.	It is recommended that target need to be ideally set on the basis of market demand and economic conditions. It should also be set on the basis of some scientific analysis. (Detailed recommendation on this issue has been presented in this report, earlier.)	The company has taken necessary action to fix the target based on the market demand on the basis scientific analysis and explore the possibility for more turnover.
2	There is a discontent that the concerned department in KSCDCL is not being procuring and or transporting the raw materials timely, which further becomes a challenge for the contract workers in the timely achievement of their production target.	To prevent further unrest in the mind of the contract employees and to motivate them to give their best, it is recommended that timely delivery of the raw materials is made accessible to the workers, in their respective manufacturing facility.	Necessary action had been already taken.
3	For failing to deliver on the assigned	It is recommended that the concerned	Suitable replies given in relevant para above.

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		has the potential of providing employment especially to the underprivileged sections of society. At the same time, with rapid mechanization of this business sector, it is recommended that KSCDCL invests in machine technologies and in training and motivating its workforce to be able to cater to the market demand of value-added products and also contribute in efficient and higher production.	
6	Employees are aggrieved that there is lack of transparency as salary slips with details of the break-up is not provided either to permanent or temporary workforce; neither travel allowance nor payment for leave encashment is paid to the workforce. ID cards too have not been distributed to the workers.	It is recommended that the KSCDCL deals more transparently on such matters, to boost the confidence of the employees, with a special mention to financial matters that has a legal connotation, such as, provision of a break-up in the salary slips.	On request of the employees, salary particulars are given. ID cards issued to the officials eligible.
7	Temporary employees are aggrieved that they are not being provided with medical insurance/benefits, which unfortunately makes their sustenance difficult in case of medical exigency.	Benefits as per ESI Schemes could be explored for the temporary employees, drawing a salary of less than Rs 21,000/- per month. (Detailed recommendation on this issue has been presented in this report earlier.)	ESI schemes not provided to the Corporation's staff. In future if required, necessary action will be taken in this regard.
8	Managing Directors (MDs) in KSCDCL are being reshuffled quite often, as such the employees have a feeling that the MDs are not being able to get a full understanding of the grievances of the employees, or have a grasp over the affairs of the industry as a whole. This according to the employees of KSCDCL,	Such factors demotivate the morale in employees. It is therefore recommended that employee grievances be addressed by MD on periodic basis.	Actions taken as and when required.

	hurts the interest of the employees and of KSCDCL as a whole at an overall level on account of lack of continuity or probable commitment and in addressing the grievances of the employees on the part of the MDs.		
9	<p>KSCDCL has approx. 35 permanent and 45 temporary contract employees who have been working since 1991/92 and currently of the age bracket of 51 to 52 years. These old employees are yet to be made permanent.</p> <ul style="list-style-type: none"> • Moreover, the salary too has not increased significantly - since the first salary of Rs. 750/- in 1991, the salary currently stands at Rs. 6,300/-. As such, since, these employees are paid a meager salary, therefore they quit after a few months. • Salary at times is not paid in time and gets delayed by over 3 to 6 months. 	<p>Such poor salaries provide no incentive to such employees and are therefore not motivated to give their best. Moreover, such instances don't create an appeal in the mind of the budding new and skilled talents to engage with KSCDCL as an employee. It is therefore recommended that:</p> <ul style="list-style-type: none"> • The concerns of the contract employees of KSCDCL are addressed at the earliest, with a focus on disbursement of the salary in time, to be able to retain the existing skilled workforce and for attracting new and young talents; • KSCDCL also explores the option of converting the contract employment to permanent employment for employees who are old in the system and explore medical benefits for such employees. 	<p>The salaries are being paid in time. Suitable proposal sent to Government for approval to convert Temporary employment to Permanent employment.</p>
10	<p>Lack of availability of appropriate skilled workers in KSCDCL and their outdated skills is not enabling increase in production and or productivity, thereby leading to under or inefficient capacity utilization.</p>	<ul style="list-style-type: none"> • Such factors hurt the ability of KSCDCL to meet its annual production target, thereby resulting in loss of revenue and negligible profits or no profits, which in turn has a cascading effect of KSCDCL's inability to pay sufficient wages. Such a vicious cycle continues year after year, which unfortunately results in discontent. 	<p>Necessary training provided to workers to upgrade their skills. Based on their production, applicable wages have been paid. To motivate the workers and to engage in continuous production activity, new scheme Disbursement of Anurupa Wage Incentives to Coir workers introduced by Government of Karnataka was</p>

		<p>export of the bulk dried fibre to China is much higher as compared to sale of manufactured end products, unlike the case in KSCDCL, where the extracted and dried fibre cannot be exported but has to be used for the production of intermediate and finished products, such as yarns, curls and coil products, such as mats, mattresses, boards, etc.</p> <ul style="list-style-type: none">• Almost 50% of finished good as compared to its sale revenue in FY 2017/18 is yet to be sold. Moreover, the loss of KSCDCL too in FY 17/18 is approx. Rs. 2 crores. It is, therefore recommended to KSCDCL to adopt the following step-wise strategy:<ul style="list-style-type: none">✓ Step # 1 - Design and implement an effective marketing and sales strategy;✓ Step # 2 - Manufacture optimum end products, as per the scientifically estimated and predicted demand of the market, at the beginning of every FYs; and✓ Step # 3 - For the balance portion of raw materials, such as fibre and coil pith left in the beginning of every month of March in every FY as a potential closing stock in that FY, KSCDCL could explore the option of transporting and drying the fibres faster in a hot climatic belt in and around its de-fibring units and export it to countries like China. This will result in minimal closing stock, as well as give KSCDCL an opportunity to improve its revenue.	
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	<ul style="list-style-type: none"> • Greater than >50% of target achieved. The fully salary is paid. 	<p>very poor low take home salary. It is therefore recommended that such personnel representing the aforesaid departments explore various means and options that shall ensure full capacity utilization of the workers and accordingly conduct frequent monitoring of the workers and their producing capability.</p>	
	Production Department		
2	<p>The possibility of applying monthly wage framework becomes futile as it was found that the production of the workers in KSCDCL decreases considerably when workers are guaranteed a fixed wage. Instead of a wage rate on a piece rate basis. This is also the practice in the private sector in Karnataka.</p>	<p>While the piece rate basis for disbursement of wage to the workers in KSCDCL could be continued, the wages however, need to be higher and more attractive for the workers. The salary given in the private sector is higher than that of KSCDCL and hence, it becomes difficult for KSCDCL to attract labor towards the government sector. GoK could explore opportunities of more government funds and grants for KSCDCL in this regard. Besides, incentives like PF for the permanent employees and ESI benefits for the workers could also be explored to further motivate the workers.</p>	<p>To attract the workers, the Company implemented the new scheme Disbursement of Anurupa Wage Incentives to coir workers introduced by GoK. Further, most of the employees/staff are enrolled under EPF Act. With respect to ESI, suitable action would be taken in future.</p>
3	<p>The closing stock of the inventories of finished goods stands at approx. Rs. 2.8 crores vis a vis the sale of products of Rs. 5.6 crores in the FY ending 2017/18.</p>	<p>Tamil Nadu has a temperature that is much conducive for a faster production of coir fiber as compared to Tamil Nadu, whereby in the latter, on account of its hot climate, the fiber dries faster in an average of 1 to 2 hours, as compared to an average of 1 week (i.e. 168 hours) in Karnataka. A significant number of manufacturing units in Tamil Nadu do not make any end products, as their earnings from the</p>	<p>Suitable action initiated in this regard.</p>

		<p>in the mind of the workers, resulting in low morale, low productivity or a gradual surge in attrition.</p> <ul style="list-style-type: none"> Coir sector is a labor-intensive industry and has the potential of providing employment especially to the underprivileged sections of society. At the same time, with rapid mechanization of this business sector, it is recommended that KSCDCL invests in machine technologies and in training and motivating its workforce to be able to cater to the market demand of value-added products and also contribute in efficient and higher production. 	<p>implemented. By this scheme, the workers will get incentives equivalent to their wages earned, which improved their socio-economic conditions.</p> <p>Further, the Company had upgraded its machineries wherever required, thereby ensuring more wages to workers. With this, market demand also be fulfilled.</p>
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Chapter : 6.04

Sl.No.	Critical Issues	Assessment, Inference and Recommendation	Replies by the Corporation
	<p>Administration Department</p>		
1	<p>The production manager in-charge of the facility is paid on the basis of percentage of target achieved. If the stipulated target is not achieved then a certain percentage is cut from his monthly wages. The consequences of the percentage-wise break-up of salary, if the production target is not achieved, is presented below:</p> <ul style="list-style-type: none"> Less than 25% of target achieved: The salary is withheld. 25% - 50% of target achieved: The salary is deducted. 	<ul style="list-style-type: none"> Achievement of target is not possible through intervention of the concerned personnel, primarily the ones representing the production, marketing, and HRD departments. The compensation of the personnel of the production department and training departments, wherever applicable, should also be held accountable if the training imparted is not adequate. It may be construed as an unfair practice that on account of lack of support from the higher-ups, the production managers are not able to achieve the targets, which may result in no or 	<p>Suitable actions will be taken in this regard.</p>

4	<p>Lack of a study with respect to good practice of fibre extraction per unit of husk.</p>	<p>A report by the World Bank mentions that approximately 130 kg of coil fibre is produced from every 1000 coconut husk, i.e. @ 0.13 kg. of fibre/husk. Another report by FAO3 indicates, 1000 husks may yield 90 kg fibres, i.e. @ 0.09 kg/husk in Alleppey. The production of KSCDCL is approx. 1 ton of husk from 12500 husks, i.e. @ 0.08 kg/husk. The fibre production in KSCDCL is behind both the reports mentioned in the adjacent column and is approx. 40% lower as compared to the good practice.</p> <p>It is advisable that efficiency is brought in the system in KSCDCL by improving the production, either through effective training or by installation of modern technologies.</p>	<p>The Company has upgraded its machinery wherever applicable. Firstly, the defibering unit situated at Navile Thimmalapura, Channarayapatna Taluk was upgraded, due to which, the production is doubled.</p>
5	<p>Being a public sector enterprise, KSCDCL is bound by the bureaucratic protocols which at times prove very costly for the organization, primarily with respect to Repairs and maintenance of machines, during the process of e-tendering, which unfortunately is</p>	<p>The bureaucratic protocols don't offer greater flexibility to the concerned personnel in KSCDCL to take quick and smart decisions, even for the smallest of problems, which unfortunately results in losses for the corporation. It is therefore recommended that a cap of Rs. 10,000/- could be set for any repair and maintenance for which no approval is required from the board of KSCDCL and could be approved by the MD of the KSCDCL itself, thereby cutting the lag time of seeking approval; and the flexibility to select the vendor below an amount of Rs. 10,000/- (Rupees Ten Thousand only) could be given to the concerned personnel of KSCDCL, instead of awaiting</p>	<p>Suitable instructions were given to officials engaged in production activity to take up essential works related to production locally in time, with intimation to this office.</p>

	<p>now, KSCDCL only produces thin mats, mattings and mattresses for sale in the open market, some of which unfortunately don't have much of a market demand.</p>	<p>production of high-quality coir pith manure, coir mattress, tufted coir door mats, etc. which currently have a very high demand in the domestic and international market, for significantly increasing their revenue.</p>	<p>cluster and same had been approved by the Nodal Agency, Coir Board, Gov. Implementation is under progress.</p>
<p>8</p>	<p>KSCDCL is not very active in the marketing and sale of its products.</p> <ul style="list-style-type: none"> • KSCDCL currently sells products over the counter, as such, it has limited access to customers across the country or the globe. • The expense of KSCDCL is approximately Rs. 20 lakhs per month. At a profit margin of 10%, pegged at Rs. 20 Lakhs, KSCDCL has to achieve a minimum sales target of Rs. 2 crores per month (i.e. Rs. 24 crores pa.) from its products. Currently, approx. Rs. 1.4 Crores is achieved through the procured items and the balance through self-produced items. While 100% of procured items are sold every month, an average of 20% to 25% of self-produced items does not get sold by KSCDCL, accounting to a closing stock of Rs. 12 to 15 lakhs per month. Such self-produced goods of KSCDCL do not get sold due to competition in price faced from other coir market players based out of other states, such as Orissa, Andhra Pradesh, Tamil Nadu and Kerala. 	<ul style="list-style-type: none"> • It is proposed that: <ul style="list-style-type: none"> • KSCDCL becomes aggressive in marketing and accordingly seeks a separate fund from the GoK for the purpose of marketing and advertisement of its products; • Appropriate training be imparted to the concerned employees and, further motivated for aggressively marketing and selling of the products, so that KSCDCL is able to have a minimum monthly cash of Rs. 2 crores per month, in hand; • Awareness among the public about such eco-friendly products needs to be created; • The GoK could support KSCDCL in sponsoring the cost of attending more exhibitions and display of their products in various exhibitions in India and abroad to attract the attention of potential customers; • KSCDCL may explore more of sale through the retail market, e-commerce platforms and export of • coir-pith based products, which have a large demand in the international market, for increasing its revenue; 	<p>The Company is receiving grants for marketing purpose under Market Development Assistance Scheme of GoK, mainly sponsored by Government of India through Coir Board, Kochi.</p> <p>Necessary instructions have been given to the marketing staff to engage in marketing and selling of products to the extent possible.</p> <p>Awareness Programmes were conducted wherever possible.</p> <p>The Company is regularly participating in the district level exhibitions, trade fairs, melas etc. conducted by various Government/Private sector entities. The Company has also corresponded with Corporate Companies viz. Infosys, Wipro etc. to utilize Coir products.</p> <p>The Company has received order of 4 (g) Exemption under K TPP Act, wherein, the Government Departments/Entities can directly procure required goods from the Coir Corporation without calling any tenders.</p>

	<p>Karnataka is not able to sell these products at such a low price on account of higher price of its product due to better quality and higher labour cost in Karnataka, as compared to other states. On an average KSCDCL is able to achieve a target of 94% of Rs. 24 crores per annum, which therefore means that there is a deficit of approx. Rs. 1.44 crores per annum. KSCDCL faces a hard time to meet its operating expenses on months when it is not able to achieve the monthly sales target of Rs. 2 crores.</p>	<ul style="list-style-type: none"> • GoK should ideally promote environment friendly products. As such it could request its various government departments to procure environment friendly coil products and accordingly, specify the technical requirements and conduct a minimum quality check of the materials/goods, prior to purchase and post receipt of products (and prior to release of payment to the supplier) to give a boost to the sale of environment friendly products manufactured by KSCDCL. • KSCDCL may consider exploring the option of offering a substantial discount to its customers to clear the closing stock primarily during the period of March of any FY to increase the last minute revenue. 	<p>Necessary action has been taken in this regard. Further, the Company has offering regular discounts to attract the customers/end users.</p>
<p>9</p>	<p>There are 7 showrooms of KSCDCL in Karnataka. Three showrooms are each managed by only one manager and the rest of the 4 are manned by two managers. It becomes a tedious task for the single manager to procure the orders, accumulate, supply and sell the products, inclusive of maintenance of accounts and day to day ledgers, at a meager salary of Rs. 10,000/-. These managers have also not been given any promotion or any incentive since the past 30 years. Moreover, any discrepancy in accounts or delay in</p>	<ul style="list-style-type: none"> • It is recommended that the strategy to penalize the showroom managers for non-payment for products purchased by customers is rolled back. Instead the showroom managers should be motivated and trained on how to improve the sales, followed by incentivizing them with bonus and or promotion. • On account of lack of resources coupled with the demand of coil-based products in the current locations and the aggressiveness of the showroom managers for marketing and selling the end products, a decision could be taken on which showroom are to be retained or otherwise closed. Accordingly, 	<p>Presently, the strategy of penalizing has been taken off, with a strict instructions to Showroom Managers to improve sales, so that they can get incentives on their performance.</p> <p>Further, the Company has closed its non-viable showrooms and decided to open showroom in all the district headquarters to popularize, publicize, to sell the coil products.</p>

	<p>payment by the purchaser is deducted from the salary of the managers. Such a potential scenario scares the showroom managers from taking a proactive initiative to sell more products to customers on credit, due fear of non-payment by the customer.</p>	<p>new sites for opening new showrooms could be explored, which have a potential of more acceptance and sale of coir products. KSCDCL could also explore the option of opening showrooms in states which do not grow coconut trees but may have demand for products that are manufactured by KSCDCL. Accordingly, the current showroom managers could be reshuffled.</p>	
<p>10</p>	<p>Swelling in board or other matters related to quality of products, need to be checked.</p>	<p>It is recommended that appropriate quality control measures are adopted and considered:</p> <ul style="list-style-type: none"> • At respective stages of development of the products; • During the display of the same in the showrooms for sale; Post-sale, during the agreed warranty period; or for a fairly long period during the life-span of the products, to win the confidence of the customers. 	<p>Necessary checks have been as and when required.</p>
	<p>Online sale of coir products could not be explored by KSCDCL, since such coir products are bulky and heavy, which may increase shipping costs and eventually the overall cost of product for the customer.</p>	<p>It is advisable that KSCDCL explores the option of selling products through the online e-commerce platforms of Amazon, Flipkart and international sites such as Alibaba.com. KSCDCL may also explore the option of setting up their own e-commerce platform. This may facilitate KSCDCL to get an access to a larger market and in most likelihood international base and customers. This may therefore enable KSCDCL to sell off their products at a much higher price, which may easily cover the cost of the logistics and result in larger revenue generation.</p>	<p>The Company has already corresponded with the Corporate companies viz. Infosys, Wipro etc. to utilize coir products. And also, taking necessary action to sell the products through e-commerce platforms.</p>

12	<p>In Kerala, tender coconuts are soaked in sea water to produce smooth white fibre which has greater allure. Such fibres have a lot of demand in the international market and hence are largely exported. White fibre is used to produce products like mats, mattresses, curled ropes, etc., a major advantage with these white fibres is that it can absorb and hold artificial colour better than brown fibre. Brown fibres are otherwise coarse and rough and don't carry much of an appeal in the mind of a consumer – these have a diminishing attraction and appeal. KSCDCL currently does not produce any such white fibre based products.</p>	<ul style="list-style-type: none"> If KSCDCL could capitalize on this emerging market segment of white fibre and start producing white fibre across its coastal belt. Even if KSCDCL could explore capitalizing 10% of the balance market share of 10,000 MT, i.e. 1,000 MT, at a market price of Rs. 22,000/MT, the estimated revenue of KSCDCL could increase by Rs. 2.2 crores. 	<p>In Karnataka, due to climatic and geographical conditions, white fibre could not be produced much, major produce is brown fibre. Hence, expected revenue could not be seen.</p>
13	<p>GST of 5% has been attached to sale of coir-based products, which unfortunately is hitting the sales of the products of KSCDCL.</p>	<p>It is recommended that GST Council of Karnataka could be approached for removal of GST from sale of products that are sold in domestic market, which unfortunately do not attract very high revenue. An appeal could be made to the GST Council to waive off GST rates for the sale of products which have a very low price in the market. Seeking GST waiver on such products could be explored by KSCDCL in consultation with the GoK</p>	<p>The Coir Associations are following up with the GoK and concerned department for waiver of tax imposed on Coir Products, which is under consideration.</p>
	<p>Accounts Department</p>		
14	<p>No specific timelines have been set for spent of the money, in the schemes</p>	<p>This may result in laid back attitude to complete the projects faster and in time to bear the fruit</p>	<p>The schemes of GoK being implemented by the Corporation is an ongoing schemes. The money</p>

	<p>awarded to KSCDCL by the GoK.</p>	<p>of success and for reducing the cost of interest on the loan, if taken. It is therefore recommended that time bound programs should be implemented for each of the programme/schemes. The accountability of every personnel in KSCDCL connected with the schemes and their roles and responsibilities should be clearly defined against the timeline. Any specific personnel responsible for the delay of the scheme, at any stage in KSCDCL should be held responsible and accordingly should reflect in his performance appraisal, irrespective of whether the person continues with his responsibility in KSCDCL or is transferred to some other department by the GoK.</p>	<p>received under the schemes are utilized in time. In some cases, with respect to procurement of machineries, tenders were invited through e-procurement portal, thereafter on finalization of tender and awarding of contract to the successful bidder, on completion of project the amount will be utilized fully. Due to tender process, there would be delay in utilization of schemes funds in time.</p>
<p>15</p>	<p>Non-Critical Administration Department the following factors also significantly impact the overall performance of KSCDCL: • Interference by political parties and individuals/employees associated with such parties, at times create a non-conductive and uneasy business environment; • Besides, unlike private players, KSCDCL cannot be firm with its employees or works to get a job done within a specified time frame.</p>	<p>It is recommended that the GoK allows some flexibility to KSCDCL to pursue and take some decisions similar to a corporate, so that it is able to compete with the private sectors to be able to make its operations more productive and accordingly sustain in the long run.</p>	<p>Suitable actions are taken in this regard.</p>
<p>16</p>	<p>The primary challenge in KSCDCL lies in recruiting and attracting workers on</p>	<p>low salary is one of the critical reasons for the employees of KSCDCL for not being able to</p>	<p>KSCDCL has adopted latest pay commission recommendation of pay scales to its employees</p>

	<p>account of low wages and meager employee incentives. We have been told that the morale of the employees is currently very low and are not motivated to give their best, on account of low salary or due to non-confirmation of temporary employees as permanent employees, who have been working since a long span of time.</p>	<p>deliver their best. The employees of KSCDCL need to be better incentivized and options need to be explored for converting the temporary workers as permanent workers for further motivation.</p>	<p>recently, to enable the employees to deliver their best in all ways. Further, suitable proposal submitted to Government for regularizing its temporary employees. Approval is awaited.</p>
17	<p>Production Department</p> <p>According to the information, provided by KSCDCL, the following factors have also contributed in decelerating the growth of KSCDCL:</p> <ul style="list-style-type: none"> • While the price of coconut husk, the cost of raw material and other logistics cost, inclusive of transportation have kept on increasing significantly, the market price of a significant number of the end coil products have remained constant since the past few years which unfortunately have also resulted in the fall of the profitability of the products. This increase in the price of coconut husk is primarily due to purchase of 90% of the coconut husk produced in Karnataka by Tamil Nadu. • Labor is available in Tamil Nadu at Rs. 180 to Rs. 200 per day, as compared to Rs. 300 per day in 	<p>Given the fact that KSCDCL serves as a purpose of livelihood for a lot of financially weaker section of people in Karnataka and considering that it also currently faces a lot of competition from other coil manufacturers within and outside the state of Karnataka, it is recommended that the GoK could explore the following:</p> <ul style="list-style-type: none"> • Provide subsidy/grant to KSCDCL to procure the coconut husk at the existing market price; • Provide subsidy/grant to KSCDCL in respect to availability of electricity; • Needless to mention, approximately 70 to 80% of the products of KSCDCL are purchased by other departments of GoK at a discounted price. If the products from KSCDCL are purchased by the other govt. departments at no discount, then a larger part of non-profitability can be curtailed in KSCDCL; • Explore more options of manufacturing pith 	<p>Necessary actions have been taken in this regard.</p>

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	<p>Karnataka, which thereby makes coir business in Tamil Nadu more profitable than in Karnataka.</p> <ul style="list-style-type: none"> • Unlike the production units in Karnataka, the production units in Tamil Nadu get support from their local government in the form of subsidies on electricity supplied to the units (almost 30% electricity subsidy). 	<p>blocks, similar to private players in Karnataka, which they are able to sell at an attractive price.</p>	
18	<p>The productivity of workers in KSCDCL is well below the optimum level.</p>	<p>In order to ensure higher productivity, the following is recommended:</p> <ul style="list-style-type: none"> • KSCDCL in consultation with GoK should consider taking significant steps in conducting appropriate training and skill development programs, so that the skills of the workers are upgraded in tandem with the constant changes in the technology. Accordingly, the human resource department (HRD) needs to take an active interest in acquiring the appropriate labor with the right skill sets as well as impart adequate and appropriate training to upgrade their skills to increase the productivity; and • KSCDCL should adopt the best practices observed in the coir business industry, and primarily the ones in the private sector. 	<p>Skill development programmes taken up and necessary trainings were provided to the workers engaged in production centres of the Corporation to gain more skill in manufacturing of coir products viz, mats, ropes, yarn etc. thereby ensuring increase in productivity and also more earnings by the workers.</p>
	<p>Accounts Department</p>		
19	<p>Operation and maintenance (O&M) contracts have been signed for the first</p>	<p>The O&M contracts should ideally be signed for the entire life span or for a</p>	<p>Necessary action taken in this regard. Further, wherever repairs and maintenance of</p>

	<p>year only, for the machines purchased by KSCDCL. The O&M charges for later years turn out to be much higher, thereby making the entire costing a costly affair.</p>	<p>substantial time period with the supplier of the machine, with conditions of payment, post annual maintenance or repair of the equipment. This could facilitate in improved costing and savings for KSCDCL.</p> <ul style="list-style-type: none"> • Apart from technology, it is also proposed that there must be thinking on the repair and upkeep of the existing machinery and there should be a maintenance department to repair the defunct machines. 	<p>machineries required, the same has been entrusted to concerned machinery supplier to take up the work in time, not affecting the production.</p>
	<p>Marketing Department</p>		
20	<p>The central go-down is in Tiptur. The distance between Tiptur and Hubli is approx. 475 kms. A trucker would take around 3 days of time to cover this distance. Customers placing some bulk orders in a showroom in Hubli may not be willing to wait for such a long span of time, as it may have a demand to deliver the end products much faster.</p>	<p>It is recommended that setting up of intermediate go-downs by KSCDCL along such long routes could be explored and accordingly set up in places, which have a higher demand for coir products manufactured by KSCDCL, to cut down the travel time and to meet the expectation time of the customers for the delivery of the purchased goods.</p>	<p>KSCDC already has godowns functioning Bangalore, Mysore and Tiptur (Tumkuru) for catering the needs. If future, suitable action plan will be prepared for setting up of godowns in other areas for smooth functioning.</p>
21	<p>There is competition from the private players which produce relatively inferior quality products than KSCDCL and sell them at a lower rate. For example, the Chinese mat products, priced at Rs. 40/- to Rs. 50/- may not last more than a year, as compared to the same product manufactured by KSCDCL at Rs. 100/-, which may last for approx. 4 years.</p>	<p>In a price sensitive market, people buy products that are available at a cheaper price, keeping in view that there is minimum assurance of expected quality. It is therefore recommended that:</p> <ul style="list-style-type: none"> • The quality and benefits of the product manufactured by KSCDCL, vis a vis similar one available in the market are displayed in the product of KSCDCL for educating the customers, which in turn will be able to make an appeal in 	<p>The Coir products are durable products compared to other Chinese products, hence, comprising in pricing is not possible. But, the Company to attract the customers has allowed discount of 20% throughout the year. For bulk purchases, a special discount is allowed subject to approval of the higher authority of the Company. Further, the Corporation had also contacted Coir Board, Govt to assist KSCDC in exploring of new value products.</p>

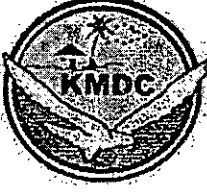
		<p>✓ How many new employment opportunities will be created through such an initiative or upgradation?</p> <p>✓ What could be the increase in livelihood per annum at an individual level for every beneficiary and the other social impacts it could accrue to the family of the beneficiary as a whole?</p> <p>✓ What could be the overall wealth that would be created for the beneficiaries on a per annum basis?</p> <p>✓ What is the timeline for completion of the project/scheme?</p> <p>✓ Whether upgradation of machines may call for retrenchment of existing workers and whether rehabilitation plan has been drawn for the workers who could be potentially impacted and retrenched?</p> <p>✓ What is the overall returns on investment in terms of the revenue generated?</p> <p>✓ What is the social returns on investment in terms of wealth created for the total target beneficiaries over the total investment made?</p> <p>• Such an assessment will lead to better utilization of the funds, as it will bring in more accountability for the organization that is seeking and utilizing the fund for achieving the targeted quantitative objectives on the completion of the implementing the schemes. Besides, it will also bring in better accountability</p>	
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4	<p>Retaining existing employees and attracting new talents is a challenge in some of the production facilities in KSCDCL.</p>	<p>More awareness could be created in the market, focused on the young generation and middle-aged skilled talents in the market on the benefit of earning double the wage, on account of Anurupa scheme. This may facilitate KSCDCL to attract more capable workers.</p>	<p>Already explained in above paras.</p>
5	<p>Lack of a system to monitor the outcome of the trainings conducted by KSCDCL for the grants received.</p>	<p>• Currently there is no system to assess the impact that could be explored from the amount invested on the training programs that are conducted by KSCDCL. Lack of a tracking system impacts the ascertaining how many of the trainees who have completed the training program have been either absorbed by KSCDCL in their manufacturing facilities or have sought employment elsewhere or are doing no job. KSCDCL has conveyed that an approximate of 40% of workers, who had been trained have been absorbed, although there is no such documentary evidence to support the same.</p> <p>• Based on the assessment carried out by us, for the average of the past 5 years of various training programs conducted by us, it leads us to the following:</p> <ul style="list-style-type: none"> ✓ Gap in percentage of wealth actually created by KSCDCL, as compared to the expected wealth that should have been created is approx. 20% in case of TCP and 18% in case of SCP; ✓ Social Return on Investment (SROI), i.e. wealth created as compared to overall investment is 53% for TCP and 47% for SCP; 	<p>Previously, the Corporation has taken up training programmes under different schemes of the GoK. Yearly, about 100-150 beneficiaries have got trained in manufacturing of coil products. Some of them were located locally and some were engaged in private industries. Hence, lack in maintaining database of the trainees.</p> <p>Further, the Corporation has utilized the grants whatever received from the GoK for imparting training to the local person. As informed in the observations/comments, suitable action will be taken to keep track on the trainees, grants utilized, etc. in future.</p>

		<ul style="list-style-type: none"> • It is recommended that: <ul style="list-style-type: none"> ✓ An effective monitoring system be established to assess the outcome on account of the trainings imparted, on a per trainee basis, at least for a period of one year, to assess the degree of SROI; ✓ The degree of SROI achieved could be considered as one of the performance parameters of the annual appraisal of the concerned personnel of the human resources and production department, responsible for imparting effective training to the fresh trainees; ✓ The process of identifying trainees through the 'trackers/mobilisers' need to be made more effective. Instead of just paying such trackers for just mobilizing trainees from villages for attending the training program, it is recommended that such trackers are paid on the basis of how many trainees have continued to serve in KSCDCL or in other coir industries or have started their own independent business in coir sector. The trackers could furnish quarterly reports of every trainee. The same could be independently verified by the KSCDCL personnel on periodic basis. Payment post satisfaction of the verification could be released to the tracker, on a periodic basis. 	
6	No partner could be identified to establish a coir mattress industry on a	• An external consultant hired by KSCDCL has submitted a report indicating that a capital	As per the observation made in the para, the Company had putting efforts to establish a

	<p>public private partnership model.</p>	<p>investment of Rs. 14 crores would be required for establishing a coir mattress industry. KSCDCL has been sanctioned Rs. 1.5 crores for the project of which approx. Rs. 86 lakhs has been spent in the purchase of a land and a balance of approx. Rs. 1.14 crores remain. It is very likely that no equity partner is coming forward on a public private partnership model for this project with KSCDCL, since over 90% of capital investment has to be brought in by the investor, which otherwise may not make commercial sense for the equity partner to enter in this project.</p> <ul style="list-style-type: none">• The prospects of the coir mattress market have been discussed in details in this report, earlier. It is recommended that keeping in view the huge potential that is in store in the coir mattress segment, KSCDCL may seek the balance fund of 90% from the coir board through the GoK, and establish their own coir mattress production centre.	<p>Mattress making unit with the financial assistance of Coir Board and GoK in the ratio of 90:10. The Company with the technical assistance of experts are in process of preparing suitable project proposal. Thereafter, the proposal will be submitted to Government for approval.</p>
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MANAGING DIRECTOR



ಕರ್ನಾಟಕ ಅಲ್ಪಸಂಖ್ಯಾತರ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ

Karnataka Minorities Development Corporation Ltd

12th Floor, Main Tower, Visweswaraya Centre, Dr. B.R. Ambedkar Veedhi, Bengaluru - 560001

Telephone: 080-22864782, Email: kmdc.ho.info@gmail.com, Website: www.kmhc.kar.nic.in

ಸಂ: ಕ.ಅ.ಅ.ನಿ/ಕಂ.ಕಾ/2020-21/ 2370

2ನೇ ಫಿಬ್ರವರಿ, 2021

ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿಗಳು,
ಸಾರ್ವಜನಿಕ ಉದ್ಯಮಗಳ ಇಲಾಖೆ,
ಬಹುಮಹಡಿ ಕಟ್ಟಡ, ಬೆಂಗಳೂರು - 1

ಮಾನ್ಯರ,

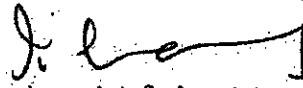
ವಿಷಯ: 2019 ನೇ ಸಾಲಿನಲ್ಲಿ ನಡೆಸಿರುವ ಮೌಲ್ಯಮಾಪನದ ಅನುಸರಣಾ ವರದಿ ಸಲ್ಲಿಸುವ ಬಗ್ಗೆ.

ಉಲ್ಲೇಖ: ತಮ್ಮ ಪತ್ರದ ಸಂ: ಸಾಉಇ 05 ಎಆರ್‌ಯು ದಿ: 19-11-2020.

ಮೇಲ್ಕಂಡ ವಿಷಯಕ್ಕೆ ಸಂಬಂಧಿಸಿದಂತೆ, Centre for Sustainable Development ರವರು ಮಾರ್ಚ್ 2019 ನಲ್ಲಿ ನಿಗಮದ ಮೌಲ್ಯ ಮಾಪನವನ್ನು ನಡೆಸಿ, ವರದಿಯನ್ನು ನೀಡಿರುವ ಕುರಿತು ಸದರಿ ವರದಿಯ ಮೇಲೆ ಕೈಗೊಂಡ ಅನುಸರಣಾ ವರದಿಯನ್ನು ಸರ್ಕಾರಕ್ಕೆ ಸಲ್ಲಿಸುವಂತೆ ತಮ್ಮ ಪತ್ರದಲ್ಲಿ ಕೋರಿರುತ್ತಾರೆ.

ಸದರಿ ವರದಿಯ ಮೇಲೆ ನಿಗಮವು ಕೈಗೊಂಡ ಅನುಸರಣಾ ವರದಿಯನ್ನು ಈ ಪತ್ರದೊಂದಿಗೆ ಲಗತ್ತಿಸಿ ಸಲ್ಲಿಸಿದೆ.

ತಮ್ಮ ವಿಶ್ವಾಸಿ,


ವ್ಯವಸ್ಥಾಪಕ ನಿರ್ದೇಶಕರು

ವಿಷಯ
21/02/2021

REPLIES TO

REPORT OF THE EVALUATION STUDY

To

DEPARTMENT OF PUBLIC ENTERPRISES

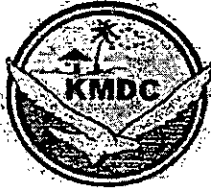
Government of Karnataka

By



ಕರ್ನಾಟಕ ಅಲ್ಪಸಂಖ್ಯಾತರ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ
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01 December 2020

PREAMBLE

An Evaluation Study was conducted by Centre for Research and Governance during March, 2019 on the instructions of the Department of Public Enterprises, Government of Karnataka on M/s. Karnataka Minorities Development Corporation Limited, Bengaluru (KMDC) so as to ensure that the public enterprise is working for the development of Minorities in the State are on course. Accordingly, a report was submitted to the DPE by the above on 18th March, 2019.

DPE has asked the KMDC to provide the replies to the report given by Centre for Sustainable Development.

As per the instructions the replies to the comments of Centre for Research and Governance is provided below:

REPLIES TO THE OBSERVATIONS

1. **(Point No. 5-Page 28-Targets and Achievement Scheme-wise)** *It can be seen that the utilisation pattern is rather erratic. Only the 'Arivu' Scheme and the 'Ganga Kalyana' Scheme can be said to be successful. But we note that the Land Purchase Scheme may not have been properly implemented, and the Government may have to utilise the machinery of revenue to find out the actual ground reality. Care should be taken for welfare schemes not to become real estate schemes. But under the scheme for Borewells under Ganga Kalyana Scheme, the statutory auditor should not find the juncture between the amount spent and the ground level result. Even though these things were pointed out, no action seems to be taken.*

But then unless, the details of the beneficiaries are known, ground level penetration cannot be assessed. As noted by Statutory Auditor, the cloud of suspicion raised by this is colossal.

REPLY:

As stated, 'Arivu' and 'Ganga Kalyana' Scheme is most popular and successful schemes of the Corporation. Land purchase scheme is a very good scheme and popular among minorities. Under this scheme, Unit Cost of Rs. 10 Lakhs @ 6% interest per annum which includes 50% subsidy. The scheme ensures the major support from the Government to the minority community from poverty to self-reliance. Moreover, the scheme provides ownership of the land to the poor landless agricultural labourers. The scheme is successfully implemented in Gadag and Koppal Districts of Karnataka State.

Apart from Arivu and Ganga Kalyana Scheme, we place on record that Shramashakthi, Micro loans to SHG groups, Vrutthi Prothsaha Schemes are also the popular schemes of KMDC.

2. **(Point No. 5-Page 31)** *Inspite of the target fixed, it appears to be low in terms of population matrix. It cannot be said that the corporation was an overwhelming success in this respect. After going through the applications and following some indices, it is found that even though some measure of success had been obtained, the equality to be attained in enhancement of capabilities of livelihood promotion, probably much more has to be done. It appears that the Minority Welfare Department and the Directorate were promoting the Corporation going by the tone of note sheets but the ground level penetration by the corporation seems to be sketchy. We had visited many schools run by the Minority Community but unfortunately, many of the teachers seems to be ignorant of the specific schemes of the Corporation.*

REPLY

The Corporation allocates the physical and financial target based on the Budget allocation made by the Government and based on the minority population of the District. In addition to this, minority community schools are run and controlled by Directorate of Minorities but not by KMDC and regarding publicity of the scheme, in the beginning of each financial year, the Corporation is giving wide publicity regarding all the schemes in all the leading newspapers, announcement is being made in all religious places such as Masjids, Churches, Gurudwaras, Basadis etc. Brochures and pamphlets are getting distributed to educate the people regarding the schemes of the Corporation, manual procedure of inviting the applications have been curtailed and under all the schemes "Online" application is being invited through the Corporation's Official Website.

In terms of Population Matrix, recent scheme like Micro Loan for Women (2020) population of the remote areas as per 2011 Census is taken into consideration. This will facilitate allotment of schemes in equitable manner to the population of the State. Efforts will be increased by way of advertisement of the schemes to remote areas from time to time which can address this issue. Mass and widespread awareness has also to be carried out by the Government through Media.

3. **(Point No. 8-Page 56-Recovery procedures)** *The procedure has the defects as mentioned below:*

(i) *There is no direct supervision on this issue from the Head Office.*

REPLY

A Recovery Officer has been appointed from the State Accounts Department at Head Office, who is overseeing the recovery process now which will address the issue referred to in the report.

(ii) *In line with best practices, proper financial monitoring systems are not present.*

REPLY

Financial Monitoring is being done by the Board of Director under the supervision of the Managing Director, who is also a Senior K.A.S. Officer.

Lack of proper follow-up on NPA's.

(iii) *There seems to be a dearth of data on NPA's, on practices in case of a non-response to legal notice, practice to reduce litigation, time period to classify a financial disbursement with loan component on non-payment as NPA, recovery period (time taken to recover a loan) recovery amount to expenditure on recovery ration, just to name a few.*

REPLY

Data of loan beneficiaries of the Corporation is maintained manually through record books which made it difficult to analyse the data of beneficiaries.

Corporation is in the process of implementation of a Loan Software to suit its requirements. Shortly the parameters of a working in the style of a Bank is expected in the Corporation. It will become the tool to access, assess and analyse the correct position of performance or otherwise of the beneficiaries in future.

4. **(Page No. 106 - Evaluation in general)** *KMDC may not be in a rosy situation. Its method of functioning is deplorable. There is absolutely no transparency in its dealings. Further, when the banks insisted that the subsidy cheques must be collected by the beneficiaries directly, not a single cheque could be disbursed. Thereafter KMDC came out with a solution to pay the amount directly to their accounts. But our respondents submit that the bank accounts are in direct control of the middlemen and, therefore, such measures have not helped the many. But then, as it is pointed out, a portion of the people do not claim the subsidy can be understood. But if a major section does not claim this subsidy, then something is very wrong with the system.*

REPLY

Increase in transparency is the latest improvement happened in the Corporation. Corporation is trying to minimise the cheque payments to the beneficiaries. Loan/Subsidy is transferred to the beneficiaries' bank account through online transfer directly. Under the leadership of the Managing Director, the Corporation has taken strict measures to eliminate the middlemen in the process of direct benefit transfer to the beneficiaries.

On the observation that the major section does not claim this subsidy, it is to be noted that some scheme conditions state that the subsidy is to be given after repayment of few installments. Since there are less repayments, the subsidy is not getting reached to many of the beneficiaries in real time. If the repayments are improved, the subsidy will also reach to the major section of the minorities in the State.

5. **(Page No. 108) RECOMMENDATIONS OF THE COMMITTEE:**

- (i) *Since Corporation is a Non-Banking Finance Company (NBFC), it must be made to work like any other banking company. The District Managers must be given the power and the responsibilities of selecting the beneficiaries and to justify it while the headquarters remaining the final sanctioning authority. The elected representatives must be encouraged to recommend people to be a beneficiary and nothing more.*

REPLY

To work like a NBFC, the Corporation has appointed General Manager (Finance) who is having vast managerial experience in a Public Sector Bank. Presently the Corporation is focussing on working like a Non-Banking Company and to implement prudent norms applicable to that industry.

Involvement of District Managers will give more scope to the middlemen in the schemes. During November, 2020, under the suggestions of the Secretary, Minority Welfare Department, a new scheme named "Microloan for Women (Covid-19) for the year 2020" has been planned to implement the scheme without human intervention. The process involves online application through website, selection through random computerised selection through random number method and payment directly to the beneficiaries to their bank accounts on selection. In future, most of the schemes are planned to be implemented in the above pattern.

- (ii) *The recovery of the loan amount must be responsibility of the District Managers and in case of non-recovery, as in any other nationalised banks, and in case of any infractions, which led to it, penalties must follow.*

REPLY

As of now the responsibility of recovery is the responsibility of the District Managers. With reference to the penalties, corporation will assess the position and would take necessary action on the same.

- (iii) *If any other Government entity is giving out grant for the same purpose as the Corporation grants loans, this exercise must stop immediately as it will only encourage financial irresponsibility on the part of the beneficiaries.*

REPLY

There are no other similar grants given by the Government for the same purpose. Each and every corporation in the State are exclusively serving the beneficiaries of separate community in the State. Some of them are Vishwakarma Corporation, Devaraj Urs Corporation, Ambedkar Corporation etc the grants of which are restricted to that particular community only.

- (iv) *The corporation must change its staff structure immediately. No employee on deputation must be allowed for more than three years to prevent empire building.*

REPLY

The Corporation is forced to retain the deputation employees since there is a shortage of availability of Government Staff in the State of Karnataka. The Corporation has approved the cadre and recruitment rules for the staff and it has been sent to the Finance Department, for its approval. Once it is approved, recruitment will be done through Karnataka Public Service Commission.

- (v) *Education, education, education, must be the basic thrust of the corporation. Unnecessary schemes must be curtailed and restrained. The livelihood promotion schemes may be promoted but then, it must reach the actual beneficiary. Thorough and regular monitoring is required for this. Officers of the Corporation, therefore, must work closely with ground level Government officers. In the present-day reality, there may not be any need for them to be associated with elected representatives or their people.*

REPLY

The Corporation has given more importance to education loans during 2020. Unnecessary schemes are temporarily suspended. Livelihood promotion schemes to Individuals and Self-Help Groups are continuing. Careful selection of beneficiaries are being carried out. This is closely monitored by the General Manager (Projects) at the Head Office. The District Managers closely work with District Deputy Commissioner's, CEO's of Zilla Panchyats, Tahasildars, Executive Officers in selection of beneficiaries. We do not have any comments on associating with elected representatives, as it is purely the State Government policy.

- (vi) *A high degree of transparency must be brought into the working of the corporation. Serious steps may be taken. Otherwise, the sovereign fund of the people of India as well as the people of Karnataka would be wasted with no results on the ground.*

REPLY

Directive Principles of the State Policy is adhered to in the working of the Corporation. Steps were already taken for transparency in working of the Corporation.

- (vii) *The proposal of the Hon'ble Chief Minister to have universal English Education is great blessing. There is no point in encouraging education in Urdu. That will only make these communities more inclusive. The need of the hour is global competitiveness and it can only be achieved by universal English Education and development of a scientific temper. The great Mustafa Kamal Pasha is guiding light in this regard.*

REPLY

The Corporation does not have any connection with the Language of Education in the State of Karnataka. It has been carried out by Directorate of Minorities and Minorities Commission.

There must be direct contact between the corporation and its beneficiaries. The middlemen of any sort must be eschewed.

REPLY

Strict measures were already taken to eliminate the involvement of middlemen in the working of the Corporation such as introduction of online system of inviting applications, online processing, loan software, Direct Benefit Transfer System etc, which are yielding good results. Corporation will continue to pursue the matter further in the future.

- (viii) *The process of giving grants invites irresponsible spending if there are other authorities which will provide grant of the same quantum in lieu of the loan proposed by KMDC. It appears to us, on examination of ground realities, to be very unethical. It takes away responsibility from the beneficiary. It sometimes has taken the form of an inducement for something which is not canvassed by the vision and mission of the Government. This must be firmly put down.*

REPLY

Corporation is striving hard to eliminate all unethical practices in its working.

- (ix) *The positive discrimination accrual of Sovereign fund may be restricted only to Muslims as no other community seems to be in need of it.*

REPLY

Minorities in the state are Muslims, Christians, Budhists, Jains, Parsis and Sikhs. Any decision on the inclusion/elimination of certain minorities of the State should be taken only by the Government and the Corporation do not have any role in it.

- (x) *It might be a better idea to change from inside first. The employee structure and strength must reflect multi communal pattern even though on different percentages but with commitment.*

REPLY

At present, there are very few Permanent Government Employees in the Corporation. Further to this the availability of Employees on Deputation from other departments is also very low. The C&R of the Corporation is approved and waiting for approval from the Government.

KMDC is implementing best employment practices in the Corporation and in case the availability of Permanent Employees improved, accountability of the staff would also get improved.

- (xi) *There should not be any long-range operators as transparency is negated by such applications. The participation of NGOs in ground level penetration and peer responsibility will enhance the credibility of the Corporation.*

REPLY

To eliminate long-range operators, recently in Micro Loan Scheme, Aadhar based mobile number linked verification has been carried out. This will be continued in all future schemes.

NGOs' participation is good in the corporation. The same would continue in future projects too.

6. *(Page no.56) We had asked as to why the subsidy amount released had to be transferred to the share capital. But no good response was to be had.*

REPLY

The evaluation study report has focussed more on the above subject. However, KMDC has changed the accounting procedure and accordingly, subsidy grant will be credited to "Other Expenses Account" instead of Share capital account.

7. *(Page-61) Why cheques would not be encashed within 6 months period-we could not get satisfactory reply. Probably the Govt. should look in to this.*

KMDC to make proper entries in the account ledgers. The accounts of those beneficiaries have to be released who have not availed the same. Take the amount to the accounts by cancelling the cheques. The identity of the beneficiary has to be properly verified and the ground level officers must regularly monitor.

REPLY

There are number of reasons for delay in sanctioning Loans by the banks. Few reasons are:

1. While submitting loan proposal, Banks are giving In-principle-sanction letter with a condition, subject to fulfilment of bank lending norms. Many a times non submission of required documents is not submitted by the beneficiaries which is *the* main reason for delay.
2. Change in the incumbency in Banks are another reason for delay.
3. Many a times, beneficiaries are not agreeing for terms and conditions of few bank norms.

Further, KMDC is making proper entries in the accounts books and takes initiative to Re-issue cheques with proper care.

8. *In conclusion "We have miles to go before we rest"*

REPLY

As indicated in the report, the Corporation has to walk many more miles to accomplish its aims and in the process working hard to trying to achieve its target. This is not a single day/month/year's task and the improvement is to be made continuously. Corporation is trying to achieve this goal through all its means and resources.

CONCLUSION:

On the reply to the observations by the Centre for Research and Governance to the Department of Public Enterprises, to achieve the Corporation's goal "**From Poverty to Self-Reliance**" to the Minorities population in the State, we humbly submit that the recommendations will be implemented with due care in letter and spirit. In case the recommendation requires approval from the appropriate authorities like Board of Directors, Secretary to the Government, Minority Welfare Department, the Minister for Minorities, Honourable Chief Minister etc., Corporation would pursue the matter with these higher authorities to obtain necessary approvals and would implement the same in the interest of the minority communities in the State of Karnataka.

Submitted for your kind information and perusal.

Thanking you,

Yours faithfully,


Managing Director