

## CHAPTER X : MINISTRY OF TEXTILES

### Indian Jute Industries Research Association, Calcutta

#### 10 Delay in commencement of a project by 12 years

**Deficient planning and management failure of Indian Jute Industries Research Association, Calcutta delayed a project on jute diversification by 12 years despite an expenditure of Rs 1.34 crore.**

IJIRA<sup>1</sup> proposed in February 1987, a project for diversified uses of cheap BIO-TKP based adhesive under SJDF<sup>2</sup>. The working group constituted by the Ministry approved the project in February 1987. While approving the project the working group recommended that there should be strict monitoring of the project by agency outside the Government and if progress was not shown after one year funds would be stopped. Subsequently IJIRA decided to instal jute laminating machinery in a jute mill so that the machine could be used by IJIRA for pilot mill trial and simultaneously by the jute industry for commercial production. The IJIRA selected CIL<sup>3</sup> to establish this core facility. The Ministry sanctioned in March 1988 Rs 34.55 lakh for the project. Although there was no monitoring by outside agency as recommended by the working group the Ministry sanctioned further amount of Rs 80.69 lakh between March 1989 and July 1994.

The Director, IJIRA procured and handed over to CIL the following machines:

- (i) One calico polytype coating and laminating machine in November 1990 with
- (ii) Accessories like singeing machine and spares in November 1989.

The total cost of the machines was Rs 94.90 lakh.

As per agreement between the IJIRA and CIL, the project would bear the cost of erection, commissioning, repair and maintenance while CIL would provide suitable site and floor space, pre and post operations materials, staff and services free of cost. The agreement also provided that an appropriate number of the project staff would be assigned to the pilot plant for operational purpose.

<sup>1</sup> Indian Jute Industries Research Association, Calcutta

<sup>2</sup> Special Jute Development Fund

<sup>3</sup> Champdany Industries Limited

The agreement was deficient to the extent that it did not specify any time frame for commissioning of the equipment and extent of financial and technical responsibilities to be borne by both IJIRA and CIL for experimental and commercial production. It was further decided in April 1991 that after completion of the experimental phase initially for a period of two years from the date of commissioning of the machines, review of the progress would be undertaken jointly by IJIRA and CIL for exploring the date of commencement of commercial production.

The singeing machine was commissioned in June 1992 with power from a diesel generating set. However, the coating and laminating machine though installed in February 1993, could be commissioned only in April 1994 after a delay of fifteen months due to non-completion of infrastructure and non-availability of requisite bulk power. The machine could not complete trial runs due to power problems, transformer breakdown and damage of machine parts between April 1994 and August 1995. Though trial runs were held between October and December 1995, the power and operational problems of the machines and its accessories could not be sorted out. As of December 1995 the machines could be used only to generate small samples.

IJIRA, however, did not wait until December 1997 for joint inspection as agreed earlier and in February 1996 intimated CIL that due to lack of technical expertise and fund constraints they would not be able to continue the project. CIL stated that they were surprised that IJIRA could not continue the project even before the experimental production was done and after CIL had incurred substantial expenditure. Although the agreement stipulated that IJIRA would provide appropriate project staff and cost for operation and maintenance, they did not keep their commitment. In November 1996 IJIRA informed the Ministry that commercial exploitation of facilities was not possible without the involvement of leading industries. After two years the Ministry decided in September 1998 to shift the machine to BJEL<sup>4</sup>. The machine with accessories was shifted to BJEL in the same month. Apart from cost of the machine IJIRA incurred an expenditure of Rs 23.55 lakh on installation and erection charges, materials cost, trial expenses and shifting charges. An additional expenditure of Rs 15.09 lakh was incurred on electricity. The dismantled machine with accessories is awaiting re-erection and commissioning on BJEL premises as of August 2000.

IJIRA conceived the project without considering their funding and technical capabilities for making the project operational. Although IJIRA had to provide appropriate project staff as per agreement, they failed to provide requisite technical know-how for experimental production. Although SJDF was meant for capital expenditure, IJIRA agreed to share electrical charges. However, even before experimental commercial production started they expressed their inability to continue with the project.

Thus, deficient planning and management failure of IJIRA was responsible for non-commencement of the project even after 12 years despite an expenditure

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<sup>4</sup> Birla Jute Export Limited

of Rs 1.34 crore. The objective of diversification of use of jute products also was not achieved.

The matter was referred to the Ministry in September 2000; their reply was awaited as of February 2001.