

EIGHTY-NINTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1981-82)

(SEVENTH LOK SABHA)

**EXECUTION OF A NAVAL PROJECT
AND DISPOSAL OF ALUMINIUM
SCRAP BY AN ORDNANCE FACTORY**

MINISTRY OF DEFENCE

[Action Taken on 43rd Report (Seventh Lok Sabha)]

Presented in Lok Sabha on.....
Laid in Rajya Sabha on.....

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1982/Chaitra, 1904 (S)

Price: Rs. 1.00

**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA
SECRETARIAT PUBLICATIONS**

ANDHRA PRADESH

1. Andhra University General Co-operative Stores Ltd., Waltair (Visakhapatnam).

BIHAR

2. M/s. Crown Book Depot, Upper Bazar, Ranchi (Bihar).

GUJARAT

3. Vijay Stores, Station Road, Anard.

MADHYA PRADESH

4. Modern Book House, Shiv Volas Palace, Indore City.

MAHARASHTRA

5. M/s. Sunderdas Gianchand, 601, Girgaum Road, near Princess Street, Bombay-2.
6. The International Book House Pvt., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.
7. The International Book Service, Deccan Gymkhana, Poona-4.
8. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.
9. M/s. Usha Book Depot, 585/A, Chira Bazar Khan House, Girgaum Road, Bombay-2.

10. M & J Services, Publishers, Representatives Accounts & Law Book Sellers, Bahri Road, Bombay-15.

11. Popular Book Depot, Dr. Bhadkamkar Road, Bombay-400001.

MYSORE

12. M/s. Peoples Book House, Opp. Jaganmohan Palace, Mysore-1.

UTTAR PRADESH

13. Law Book Company, Sardar Patel Marg, Allahabad-1.
14. Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad—U.P.

WEST BENGAL

15. Granthaloka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Parganas.
16. W. Newman & Company Ltd., 3, Old Court House Street, Calcutta
17. Mrs. Manimala, Buys & Sells, 128, Bow Bazar Street, Calcutta-12.

DELHI

18. Jain Book Agency, Connaught Place, New Delhi.
19. M/s. Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.

Corrigenda to 8th Report of PAC(7th Lok Sabha).

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
3	1.7	4	undertaken	undertake
3	1.7	6	sanctioned	sanction
3	1.7	15	to this	at this
4	1.13	2 (from bottom)	be taken	will be taken

CONTENTS

		PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I	Report	1
CHAPTER II	Recommendations and observations that have been accepted by Government	5
CHAPTER III	Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government	17
CHAPTER IV	Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration	18
CHAPTER V	Recommendations and observations in respect of which Government have furnished interim replies	19
APPENDIX	Conclusions and Recommendations	23

PART II

Minutes of the sittings of the Public Accounts Committee held on 30
March, 1982.

**PUBLIC ACCOUNTS COMMITTEE
(1981-82)**

CHAIRMAN

Shri Satish Agarwal

MEMBERS

Lok Sabha

2. Shri Subhash Chandra Bose Alluri
3. Shri Tridib Chaudhuri
- *4. Shri K. P. Singh Deo
5. Shri George Fernandes
6. Shri Mahavir Prasad
7. Shri Ashok Gehlot
8. Shri Sunil Maitra
- **9. Shri Gargi Shankar Mishra
10. Shri M. V. Chandrashekara Murthy
11. Shri Ahmed Mohammed Patel
12. Shri Hari Krishna Shastri
13. Shri Satish Prasad Singh
14. Shri Jagdish Tytler
15. Shri K. P. Unnikrishnan

Rajya Sabha

16. Smt. Purabi Mukhopadhyay
17. Shri N. K. P. Salve
18. Shri Tirath Ram Amla
19. Smt. Maimoona Sultan
20. Shri Patitpaban Pradhan
21. Prof. Rasheeduddin Khan
22. Shri Indradeep Sinha

*Ceased to be a Member of the Committee consequent on his appointment as a Deputy Minister w.e.f. 15-1-1982.

**Ceased to be a Member of the Committee consequent on his appointment as a Minister of State w.e.f. 15-1-1982.

(iv)

SECRETARIAT

1. Shri H. G. Paranjpe—*Joint Secretary*
2. Shri D. C. Pande—*Chief Financial Committee Officer*
3. Shri K. C. Rastogi—*Senior Financial Committee Officer.*

INTRODUCTION

I, the Chairman of Public Accounts Committee as authorised by the Committee do present on their behalf this Eighty-ninth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their Forty-third Report (Seventh Lok Sabha) on execution of a Naval Project and disposal of aluminium scrap by an Ordnance Factory.

2. In pursuance of the recommendations made by the Committee in their Forty-third Report (Seventh Lok Sabha), a Board of Enquiry was convened by Ordnance Factories Board, asking the General Manager, Kanpur to investigate into the matter of irregular disposal of aluminium scrap, involving loss of revenue to the tune of about Rs. 16.10 lakhs and fixation of responsibility therefor. The investigation report was required to be submitted by 31-8-1981. Deprecating the delay on the part of the Government in taking conclusive action on their recommendations, the Committee have desired that the Board of Enquiry should be asked to furnish their findings expeditiously and the precise action taken in pursuance thereof should be intimated to them within next three months.

3. The Committee considered and adopted this Report at their sitting held on 30 March, 1982. Minutes of the sitting form Part II of the Report.

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

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

NEW DELHI;
April 1, 1982
Chaitra 11, 1904 (S)

SATISH AGARWAL
Chairman
Public Accounts Committee

CHAPTER I

REPORT

1.1 The Report of the Committee deals with the action taken by Government on the Committee's recommendations and observations contained in their 43rd Report (7th Lok Sabha) on Paragraphs 23 and 11 of the Reports of the Comptroller and Auditor General of India for the years 1977-78 and 1978-79, Union Government (Defence Services), respectively on Execution of a Naval Project and Disposal of Aluminium scrap by an Ordnance Factory.

1.2 The 43rd Report which was presented to Lok Sabha on 29 April, 1981, contained 27 recommendations. Action Taken Notes have been received in respect of all recommendations/observations and these have been broadly categorised as follows:—

(i) *Recommendations and observations that have been accepted by Government :*

S. Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 21, 25 and 26.

(ii) *Recommendations and observations which the Committee do not desire to pursue in the light of the replies received from Government :*

—Nil—

(iii) *Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration*
S. N. 16.

(iv) *Recommendations and observations in respect of which Government have furnished interim replies.*

S. Nos. 20, 22, 23, 24 and 27.

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

Infructuous expenditure on the procurement of a motor boat (Paragraph 1.87—Serial No. 16)

1.4 Commenting upon the infructuous expenditure of Rs. 1.04 lakhs incurred on the procurement of a motor boat for purposes of inspection and measurement of dredging work on the Naval Project notwithstanding the fact that there was a specific provision in the dredging contract for the

contractor to provide the same at his cost, the Committee had in Paragraph 1.87 of their 43rd Report observed as follows :—

“The Committee find that an indent was placed on the DGS&D for procurement of a motor boat for purposes of inspection and measurement of dredging work notwithstanding the fact that there was a specific provision in the dredging contract for the contractor to provide the same at his cost. The DGS&D could deliver the boat only in January, 1977 after a delay of as much as three years and eight months. As the boat was not used for the project, it was issued on loan to the Naval Command Pool and was permanently transferred to Admiral Supdt., Dockyard in March, 1980. An expenditure of Rs. 1.04 lakhs was therefore, rendered infructuous. The Committee would like to be apprised why the boat was at all purchased and why the matter was not reviewed during the extended period of delivery of the boat. The Committee disapprove of such wasteful expenditure and would expect the Ministry to guard against such lapses.”

1.5 Action Taken note dated 26 October, 1981 furnished by the Ministry of Defence on the aforesaid observations of the Committee reads as follows:—

“Government sanction for procurement of a motor boat for the Project was issued in 1972. It was specifically provided in the sanction that the boat would be ultimately handed over to the Naval Dockyard to meet their authorised requirement. The transfer of the boat to the Naval Dockyard was against their authorised requirement and therefore, could not be considered as infructuous.

As there was delay in the delivery of the boat, a provision was made in the second dredging contract, concluded in February, 1974 for the contractor to provide a boat for inspection purposes. When the boat was delivered keeping in view the fact that the Project did not have qualified crew for operating the boat, it was transferred to the Eastern Naval Command Boat Pool which had sufficient trained personnel. Thus, the need for employing a crew for this purpose was obviated and the boat was also available for the Project authorities as and when required.”

1.6 In this connection Para 2 of U.O. No. 773|DP-45|77-78|(45)|77-78) Vol. IV dated 9-11-1981 from the Office of the Director of Audit (Defence Services) to the Ministry of Defence reads as follows:—

“The finalised Action Taken Note relating to PAC’s recommendation on Sl. No. 16 (Para 1.87) of the 43rd Report (7th

Lok Sabha) is silent in regard to the point as to why the Motor boat was transferred to Naval Dockyard Vizag as an authorised equipment before closure of the DGNP(V) Organisation. The Action Taken Note may please be suitably amplified to bring out the position in this regard as was suggested in our U.O. No. 492/DP-45|77-78|(45|77-78) Vol. IV dated 16-10-1981."

1.7. In their 43rd Report, the Committee had desired to be apprised why the question of procurement of the motor boat was not reviewed during the extended period of delivery of the boat. Government have not given any reasons for their failure to undertake this review. The Committee are not convinced with the argument adduced by the Ministry of Defence that it was specifically provided in the sanctioned issued in 1972 for the procurement of this motor boat that it would ultimately be handed over to the Naval Dockyard against their authorised requirement. The expenditure could therefore not be considered as infructuous. The argument is not convincing as the motor boat was mainly required for purposes of inspection and measurement of dredging work in connection with the Naval Project. Since the delivery of the boat was unduly delayed, a provision was made in the second dredging contract, concluded in February, 1974, requiring the contractor to provide a boat for inspection purposes. The Committee believe that to this stage the necessity for procurement of the boat should have been reviewed. Since the boat was transferred to the Naval Dockyard even before the closure of the naval project organisation, the Committee cannot but conclude that the expenditure of Rs. 1.04 lakhs on the procurement of the motor boat was infructuous. The Committee would once again emphasize the need for the Ministry to guard against such lapses.

Fixation of responsibility for loss of Revenue. (Serial Nos. 20, 22, 23, 24 and 27—Paragraphs 2.19, 2.21, 2.22, 2.23 and 2.25.

1.8 In Paragraph 2.19, the Committee had observed that the failure to send tender notice by the Ordnance Factory for disposal of 500 tonnes of aluminium scrap by registered post to DAVP inspite of the specific instructions could have been treated as a slip or mistake on the part of some junior officer but considering the subsequent chain of happenings the Committee were inclined to view it as a case of gross negligence on the part of the senior officers of the Ordnance Factory in safeguarding the financial interests of the Factory.

1.9 In paragraph 2.21, the Committee had observed that out of 27 parties applying for tender documents, 15 parties had applied for the forms even before the publication of advertisement on 13-6-1978. Fur-

ther, out of 20 parties whose offers were opened on 20 June, 1978 as many as 15 parties either did not make payment of earnest money or made payment of inadequate amount of earnest money. The Committee had felt that it did not stand to reason that as many as 15 parties out of 20 taking the trouble of buying the tender documents and submitting their offers to the Factory could not even deposit the requisite earnest money.

1.10 In Paragraph 2.22, the Committee had observed that there could have been some agency at work which prompted a large number of parties to purchase the tender documents and submit them, even without earnest money, so as to show, at least on paper, that a large number of tender forms were sold and offers received.

1.11 In Paragraph 2.23, the Committee had observed that out of 5 firms whose tenders were considered valid, three firms (A, B & C) having made the highest offers, were selected. All the three were local parties and the last two had the same local address and telephone number. Firm 'A' quoted Rs. 6,050 per tonne and desired to purchase 100 tonnes of scrap while firms 'B' and 'C' wanted to purchase 200 tonnes of scrap each at the rate of Rs. 6,030 and Rs. 6,021 per tonne respectively. (Compared with reference to the sale price of Rs. 9,250 per tonne in another Factory, the Audit had estimated the loss in the above sale to be of the order of about Rs. 16.10 lakhs). On 5 July, 1978 the Factory informed firms 'A', 'B' and 'C' that their offers were acceptable subject to fulfilment of certain conditions regarding removal of scrap and payment of its cost etc.

1.12 The Committee after considering all aspects of the matter, had in Paragraph 2.26 recommended that this case be investigated thoroughly and responsibility fixed for the loss of revenue resulting from this deal and the Committee be informed of the action taken in the matter.

1.13 In pursuance of the aforesaid recommendations of the Committee, a Board of Inquiry was convened by Ordnance Factories Board, Calcutta on 31-7-1981. In this connection, action taken note on Paragraph 2.26, furnished by the Ministry of Defence *vide* their O.M. No. 4/3/81(D(Prod.)) dated 3rd October, 1981, reads as follows:—

“A board of Enquiry has already been convened by O.F. Board, Calcutta *vide* their letter No. 1591/466/A/Vig.(Vol. VI) dated 31-7-81 asking General Manager, Ordnance Factory, Kanpur to investigate the matter and submit their report by 31-8-1981. Further action be taken by the O.F. Board after receipt of the report from O.F. Kanpur.”

1.14 The Committee note that in pursuance of the recommendations made in Paragraphs 2.19, 2.21, 2.22, 2.23 and 2.26 of their earlier Report, a Board of Enquiry was convened by Ordnance Factories Board vide their letter dated 31-7-1981, asking the General Manager, Ordnance Factory, Kanpur to investigate into the matter of irregular disposal of aluminium scrap, involving loss of revenue (Audit had estimated the loss to be about Rs. 16.10 lakhs) and fixation of responsibility therefor. The investigation report was required to be submitted by 31-8-1981. The Committee have not been apprised of the findings of the Board of Enquiry and the further action taken in pursuance thereof. Apparently, the Board of Enquiry have yet to finalise their findings. ..

1.15 The Committee strongly deprecate the delay on the part of Government in taking conclusive action on the recommendations of the Committee although it is almost a year that the Report was presented to Parliament. The Committee would like to point out that undue delay in taking action in such cases is bound to give an impression that there is deliberate effort to shield the guilty officials and in fact efflux of time may even defeat the purpose of enquiry. The Committee therefore desire that the Board of Enquiry should be asked to furnish their findings expeditiously and the precise action taken in pursuance thereof should be reported to the Committee within next three months.

CHAPTER II
RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN
ACCEPTED BY GOVERNMENT

Recommendations

1.72 Government approved in September 1968 a project for development of facilities for repair and maintenance of naval craft at Visakhapatnam. One of the main items of work in the project was capital dredging in the dockyard area. The areas planned for dredging included the main channel, the flood channel and the degaussing basin. The Soil investigations laboratory tests were carried out in the degaussing basin between March, 1968 and December, 1972 at a total cost of Rs. 10.89 lakhs (as against Rs. 5 lakhs sanctioned in February, 1968). The Committee find that the dredging of the degaussing basin which was commenced in December 1968 had to be suspended in November 1969 (with retrospective effect from August, 1969) due to the existence of rocks and the site had to be shifted after an expenditure of Rs. 50 lakhs had been incurred. The work could not be resumed for as long as 9 years *i.e.* till 1978-79 for the following reasons:

- (i) Quantum of rock encountered in the degaussing basin to be blasted was found larger than that anticipated which necessitated the resiting of the degaussing basin.
- (ii) Non-availability of 22 acres of Port Trust land opposite the wharves and jetties.
- (iii) Non-dismantling of rail-cum-road bridge scheduled to be dismantled by June, 1969 by the Port Trust.
- (v) Want of decision on the proposal for the realignment of two berths Nos. 12 and 13, which would effect the configuration of the channel.

1.73 The Committee find that 9 bore holes were dug on a trial basis in the degaussing basin. During the actual execution of the work, it was however revealed that the overlying strata could not be dredged as earlier visualised as rock was found in a portion of the degaussing basin in the shape of cross 24 metres long and 65 metres wide.

1.74 During their visit to the project site in January, 1981, a Study Group of the Committee were informed that even during the pattern survey,

decomposed rock was found in one of the bore holes between a depth of 15 to 18 metres. The representative of the Ministry stated that in evidence that the normal pattern of spacing was followed in the case. He added "But you will agree that here was an abnormal situation. . . . According to the normal sample survey, this was not bad but it happened that a particular place was very bad, so a second experiment was made".

[Serial Nos. 1, 2 & 3 (Paras 1.72, 1.73 and 1.74) of Appendix to 43rd Report of the Public Accounts Committee (7th Lok Sabha)]

Action taken

Only the factual position has been stated in the recommendations and the observations have been noted.

[Ministry of Defence O.M. No. 43(2)/81/D(N-IV) dated 26 February, 1982].

Recommendations

Considering the fact that the soil investigation in the area continued for as long as 4½ years *i.e.* from March, 1968 to December, 1972 the Committee can only infer that the investigations done before actual commencement of the dredging operations work were far too inadequate. It is unfortunate that in spite of clear indications of rock strata at the survey stage itself it was not considered necessary to defer the dredging operation till it became unavoidable later on. It would be seen from the succeeding paragraphs that this resulted in considerable amount of avoidable expenditure and delay in completion of the project. The Committee therefore, strongly emphasise the need for carrying out thorough and intensive soil investigations before commencement of work on such project.

[Serial No. 4 (Para 1.75) of Appendix to 43rd Report of the Public Accounts Committee (7th Lok Sabha)].

Action taken

The need for proper soil investigations is understood and normally due care is taken in this regard.

The recommendations of the Committee have been noted and general instructions reiterating this requirement have been issued to all concerned.

A copy thereof is enclosed (Annexure).

[Ministry of Defence O.M. No. 43(2)/81/D(N-IV) dated 26 October, 1981].

ANNEXURE**MINISTRY OF DEFENCE**

Subject:—43rd Report of PAC 1980-81 regarding Execution of a Naval Project.

A case has come to the notice of the Government wherein preliminary soil investigation work was carried out prior to taking up dredging work. In this case even though one of the test bore hole revealed the presence of decomposed rock, the Project authorities did not undertake further detailed investigation and proceeded with dredging work. Subsequently, it was found that the dredging strata could not be dredged as visualised earlier as rock was found in the area to be dredged. As a result, the position of the work had to be shifted slightly resulting in avoidable excess expenditure to the Government and delay in execution of the work.

2. The Public Accounts Committee have adversely commented on this and have strongly emphasised the need for carrying out thorough and intensive soil investigation before commencing of work on such Projects.

3. The above observations of the PAC may kindly be brought to the notice of all concerned for guidance and observance in future.

(T. R. SRINIVASAN)

Deputy Secretary (N-I).

CNS

E-in-C

DGNP(V)

DGNP(B)

[Ministry of Defence O.M. No. 43(2)/81/D(N-IV) dated
26 October, 1981].

Copy for information to:—

D (Budget)

Min. of Finance (Defence/Navy).

Recommendations

1.76 It is seen from Paragraph 19 of the Report of Comptroller and Auditor General of India for the year 1974-75, Union Government (Defence Services) that though the suspension of the first dredging contract was to be without any financial implications, the contractor had put in a claim in January 1970 for Rs. 56.35 lakhs. It was held that although the

suspension of work was agreed upon after mutual discussion, the contractor's point that the record of discussion does not constitute a legal modification of the contract was not without legal force. In October, 1973, sanction for Rs. 25 lakhs was accorded on the basis of a negotiated settlement with the contractor in settlement of all his claims. It was also decided that work under the first contract would be deemed to have been completed and a fresh settlement would be negotiated with the same contractor for the residual quantity. The second dredging contract was entered in February, 1974.

1.77 The Committee find that considerably higher rates had to be paid towards cost of soft dredging in the fresh contract. As against Rs. 3.50 per cu. m for the entire quantity of 22.74 lakh cu. m. contracted for earlier, the rates actually paid were Rs. 3.70 per cu. m for 13.97 lakh cu. m and Rs. 8.20 per cu. m for the remaining 8.77 lakh cu. m. The rate of rock blasting also went up from Rs. 85 per cu. m to Rs. 107.25 per cu. m and that of rock removed from Rs. 28.02 per cu. m, to Rs. 35.75 per cu. m. In addition the contractor had to be paid mobilisation charges of the order of Rs. 25 Lakhs and price escalation to the extent of Rs. 9.33 lakhs.

1.78 The Committee thus find that as against the anticipated expenditure of Rs. 89.13 lakhs the completion cost of dredging and rock blasting in the degaussing basin amounted to Rs. 170 lakhs i.e. an increase of Rs. 80.87 lakhs (91 per cent). Ministry's contention is that had the site of the degaussing basin not been shifted, the expenditure would have been still higher (Rs. 222 Lakhs). Thus according to the Ministry there was actually a saving of Rs. 52 lakhs in spite of increased rates allowed in the second contract.

1.79 While the Committee do not dispute the soundness of the decision to shift the site of the degaussing basin where considerably less rock blasting had to be done, they consider that having landed themselves in a difficult situation the project authorities had hardly any choice but to accept the revised terms of the contractor.

Thus, the initial wrong location of the site of the degaussing basin was responsible for much of the extra expenditure that had to be incurred under the second contract (Rs. 80.87 lakhs inclusive of Rs. 25 lakhs as mobilisation charges which had to be paid to the contractor in settlement of his claim arising out of the suspension of the first contract).

1.80 The Committee note that in 1971 when the earlier dredging Contract was still in force, the Port Trust authorities had indicated their willingness to make available 22 acres of land at an estimated cost of Rs. 13.45 lakhs. Processing of the case for the transfer of the land to the Ministry of Defence however, got delayed due to disputes regarding the modalities

of the transfer as also the quantum of compensation to be paid to the VPT. Further delay took place on account of the demand for payment of compensation subsequently raised by the VPT for shifting of two establishments viz. a mercantile training establishment and a private boat building yard which could only be finalised in October, 1975.

1.81 As early as in May 1968 it had been decided that a committee comprising of the representatives of the Ministry of Defence, Ministry of Shipping and Transport, Ministry of Finance (Defence), Navy, Port Trust and DGNP(V) be formed to look into the requirement of port authorities while examining the plans of the Navy. The Committee was also entrusted with implementation of various decisions arrived at from time to time.

1.82 From the Minutes of inter-ministrial meetings held from time to time, the Committee find that the naval authorities themselves were responsible to some extent for lack of progress in the case in the initial stages. In a meeting held in March 1968 it was pointed out that the Port Authorities had not been consulted by the Naval Authorities in formulating the expansion schemes. A year later it was again pointed out in the meeting held on 30 May, 1969 that the port authorities were not consulted by the Defence Ministry before they entered into a contract with the foreign firm for dredging in the area belonging to the port. It was held out that "the Port Authorities could not be made a Party to a contract which was concluded by the Navy without prior consultation with the port authorities."

[Serial Nos. 5, 6, 7, 8, 9, 10, 11 (Paras 1.76, 1.77, 1.78, 1.79, 1.80, 1.81, & 1.82) of Appendix to 43rd Report of the Public Accounts Committee (7th Lok Sabha)].

Action taken

Only the factual position has been stated in the recommendations and the observations have been noted.

[Ministry of Defence O.M. No. 43(2)/81/D(N-IV)
dated 26 February, 1982].

Recommendation

1.83 It is unfortunate that the Port Trust Authorities were not taken into confidence by the Naval authorities and their concurrence obtained for the dredging work in an area which still belonged to the latter.

1.84 In regard to the question of compensation to be given to the Port Trust for re-location of the two establishments, it was after protracted correspondence and discussion that the VPT agreed to scale down its demand from Rs. 148 lakhs to Rs. 10.5 lakhs. The Committee do not

quite appreciate why the two Central Ministries viz., the Ministry of Defence and the Ministry of Shipping and Transport could not settle the matter expeditiously.

1.86 The Committee consider that the Ministry of Defence did not pursue the matter energetically enough with the Ministry of Shipping and Transport and instead allowed the differences between the Port Trust authorities and the Navy to simmer. It is also obvious that the co-ordination committee formed at the project level did not enjoy sufficient authority to sort out the differences and take on the spot decisions. The Committee consider that in such cases scope should be provided to the co-ordinating committee at the project level to take decisions so that the projects do not get bogged down due to departmental wranglings.

[Serial No. 12, 13 & 15 (Paras 1.83, 1.84 and 1.86) of Appendix 43rd Report of the Public Accounts Committee (7th Lok Sabha)].

Action taken

The Naval authorities had kept the Port Trust Authorities informed of their land requirement and dredging programme was finalised only after ascertaining from them that there would be no objection. Owing to the complexities of the problem and the many agencies involved, finalisation of the details and alternative plans took considerable time even when the matter was pursued at the highest administrative level.

The observations of the Committee have been noted. General instruction in the matter have been issued to all concerned. A copy thereof is enclosed (Annexure)

[Min. of Def. U.O. No. 43(2)/81/D(N-IV) dated 26 October, 1981]

ANNEXURE

MINISTRY OF DEFENCE

SUBJECT:—43rd Report of PAC 1980-81 regarding Execution of a Naval Project.

In the execution of a Naval Project, land was require to be obtained from the Visakhapatnam Port Trust while the requirement of land was being discussed by the Navy with the Port Trust, the final commitment of Port Trust was not obtained in writing before finalising the dredging programme. The PAC has taken adverse notice of the fact that prior concurrence of the Port Trust was not obtained. The Committee has also adversely commented upon the time taken in finalising the terms of the transfer of land. As a result, the execution of the Project was delayed resulting in considerable additional expenditure.

2. All officers in the Service Headquarters and Ministry are requested that while dealing with other Departments/agencies, adequate care is taken to obtain written agreements, after verbal discussions, before projects involving financial implications are drawn up and taken up for execution so that the cases of this nature do not recur. Further all efforts should be made to settle disputes with other agencies on priority at sufficiently high level.

-Sd-

T. R. SRINIVASAN,
Deputy Secretary (N.I.)

COAS

CNS

CAS

E-in-C's Branch

DGNP (V)

DGNP (B)

Min. of Def. u.o. No. 43(2)/D(N-IV) dated 24-10-1981.

Copy for information to:—

D (Budget)

Min. of Finance (Def/Navy)

Recommendation

The Committee find that on account of the quinquennial revision of the value of the land undertaken by the Port Trust authorities in January, 1974 the Navy had to incur an additional expenditure of Rs. 21.52 lakhs. This is directly attributable to the delay in taking over the land. That such a review was due in March, 1973 had been made clear by the Port Trust authorities in their letter of 30 December, 1971 which stated *inter alia* this rate is based on the quinquennial valuation of the Port lands and will continue till March 1973 when next quinquennial valuation will be made."

The reply of the Ministry of Defence that the latter does not specifically state that the price of land proposed to be required by Navy was going to be enhanced due to next quinquennial valuation in March, 1973 therefore, fails to carry conviction.

[Sl. No. 14 (Para 1.85) Appendix to 43rd Report of the PAC (7th Lok Sabha)]

Action taken

The observations of the Committee have been noted.

[Ministry of Defence U.O 43(2)/81/D (N-IV) dated 26 October, 1981]

Recommendations

1.88 The committee note that in January, 1972 the Ministry of Defence had accorded sanction for the provision of a building for installation of an oxygen plant at a cost of Rs. 3.75 lakhs, which was revised to Rs. 8.87 lakhs in April, 1975. Originally the oxygen plant was to be procured from abroad. In November, 1973 it was decided by the users to instal a captive oxygen plant of an indigenous make. During the project review meeting held in September, 1974, it was decided to defer the installation of the plant and to procure liquified oxygen. Notwithstanding the decision taken in September, 1974 to defer installation of the oxygen plant, work on a portion of the building for installation the plant was commenced in January, 1976 and stopped only after it had progressed upto plinth level and an expenditure of Rs. 1.20 lakhs had been incurred.

1.89 In November, 1976 it was decided not to go in for the captive plant as it was assessed that the plant would be grossly under-utilised in the initial years and also because the return on the capital investment would be more than adequate to buy oxygen from the trade.

Apparently, the Ministry of Defence did not examine carefully the economics of the proposal while according sanction for construction of building.

1.90 The Committee are surprised that decisions involving expenditure of substantial sums of money from the Exchequer are not taken with proper care. The Committee expect that in future greater care would be taken at the Ministry level in scrutinising the proposals received from lower formations so that wasteful expenditure is avoided.

[Serial Nos. 17, 18, 19 (Paras 1.87, 1.89 and 1.90) of Appendix to 43rd Report of the Public Accounts Committee (7th Lok Sabha)].

Action taken

Building No. 24 was meant for installation of Oxygen and other industrial gas facilities. Out of 12 Sections, only one Section was meant for installing the Captive Oxygen Plant. The need for installing the Captive Plant had been recommended by the experts in their Project Report and accepted by the Naval and Engineering authorities. However, the proposal to go in for a captive oxygen plant was later modified when the procurement of oxygen from the trade was found to be more economical.

The plinth level work done on one section for installation of captive oxygen plant will be put to alternative, authorised use to ensure that there is no wasteful expenditure.

The Committee's observations have been noted for guidance.

[Min. of Def. u.o. No. 43(2)/81/D(N-IV) dated 26-10-1981].

Recommendations

The Committee have been informed by the Ministry that there was no procedure laid down in the past by which it could confirmed that a particular advertisement has been published by the DGCI&S, Calcutta or DAVP on a particular date and therefore the Ordnance Factory did not confirm the fact of publication of the tender notice in question before opening the tender. The Committee note that the Ministry have now issued fresh instructions to all the Ordnance Factories to ensure that the tender notices are sent to the respective agencies by registered post sufficiently in advance of the opening date of tender and if for any reason the advertisements do not get publicity, the opening date of tender shall be suitably extended. The Committee hope that the lapses of the nature referred to in th Audit Paragraph shall not re-occur in future and the fresh instructions issued will be followed in letter and spirit.

[Sr. No. 21 (Para 2.20) of Appendix to 43rd Report of Public Accounts Committee (Seventh Lok Sabha)].

Action taken

Instructions issued by the DGOF to all the factories vide letter No. 109/SP/D, dated 8-8-78 and 24-5-79 are being strictly followed by the factories in letter and spirit in order to avoid such lapses in future.

[Ministry of Defence (Department of Defence Production) U.O. No. 4/3/81/D(PROD), dated 3rd October, 1981]

Recommendation

Asked why no reserve price was fixed in such cases as required under order of 1973, the Ministry have stated that reserve price is fixed in the case of sale by auction and not in the case of disposal of scrap by open tender system. The committee consider it an unwise decision because the same proceeds obtained by another Ordnance Factory for the same type of scrap was Rs. 9,250 to Rs. 10,923 per tonne. Compared with reference to the sale price of Rs. 9,250 per tonne in another factory, the Audit have estimated the loss in the above sale of about Rs. 16.10 lakhs. The Committee therefore desire that the reason for non-fixation of reserve price in the open tender system should be immediately gone into and suitable safeguards devised to prevent such loss of revenue in future.

[Sr. No. 25(Para 2.24) of Appendix to 43rd Report of Public Accounts Committee (Seventh Lok Sabha)].

Action taken

The question of fixation of reserve price in the open tender system has been examined by the O.F. Board and necessary instructions have been

issued by them to all factories vide their Circular No. 212/2/SP/C, dated 10-2-81 regarding fixation of reserve price in case of disposal of scrap by open tender system also.

[Ministry of Defence (Department of Defence Production) O.M. No. 4/81/D(Prod), dated 3rd October, 1981]

Recommendation

Against, it remains inexplicable as to how it occurred to the Factory Management that the ledger price of aluminium scrap indicated as Rs. 9,330 per tonne was not correct and that it should have been Rs. 2,200 per tonne. The inaccuracy was described by the Ministry of Defence as an arithmetical error. It is to be noted, that the ledger price of Rs. 2,200 per tonne. was fixed as early as 1957. This was also confirmed during the course of the on the spot study undertaken by the Committee at the Factory premises. The Committee are surprised to find that no action was taken by the Factory Management to review the price of the scrap during all this period when the price was going up. The Committee have now been informed that the work of revaluation of scrap items has been taken up in the Factory. The Committee desire that the work of revaluation of scrap items not only in this Ordnance Factory but also in other factories under the control of Ministry of Defence should be taken up and action finalised without any loss of time. The Committee also emphasise that the work of revaluation of scrap items should be undertaken annually and the prices should be related to current market prices.

[Sr. No. 26 (Para 2.25) of Appendix to 43rd Report of Public Accounts Committee (Seventh Lok Sabha).

Action taken

The matter has been examined by the O.F. Board and Necessary circular has been issued by them vide their letter No. 450/5/SP/C(MM), dated 14-7-1981 (Copy enclosed Annexure) impressing upon the GMs of all Ordnance Factories for fixing of the price of scrap in relation to prevailing market price and book value of the item. They have also been instructed to form a separate cell in each factory who should be responsible for undertaking annual revaluation of scrap items with reference to current market price.

[Ministry of Defence (Department of Defence Production) U.O. 3/81/D(Prod) dated 3 October, 1981].

ANNEXURE

No. 450/5/SP/C(MM)

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

Ordnance Factory Board,

6, Esplanade East, Calcutta-700069.

Dt. the 14th July, 1981.

To,

The General Manager,

All Ordnance Factories.

SUBJECT: *Re-valuation of non-ferrous virgin metal, ferrous and non-ferrous scraps, waste stores and surplus empty containers held in stock by Ordnance and Equipment Factories.*

In accordance with the Ministry of Defence letter No. 452/5/SP/C/2077/D(Prod), dt. 21-1-77 (circulated to all factories under the Office Circular No. 45/5/SP/C, dated 28-2-77) the stock of the subject stores/scrap held in factories has to be re-valued in consultation with the Local accounts officer at an interval of every 2 years. The idea behind this procedure was to maintain up-to-date ledger showing the current market prices on the stores/scrap held in Factories so that the production cost is not reflected unrealistically.

In 43rd report of Public Accounts Committee (7th Lok Sabha) 1980-81 on disposal of aluminium scrap by an Ordnance Factory, it was reported that there is no committee or machinery specifically created for this purpose in that particular factory and the ledger price of the material which was fixed as early as the 1957 was not reviewed thereafter till 1980. The Committee, therefore, desired that the work of re-valuation of scrap items in Ordnance and Equipment Factories should be taken up and action finalised without any loss of time. The Committee also emphasised that the work of re-valuation of scrap items should be undertaken annually and the prices should be related to current market prices.

In order to achieve the object of re-valuation promptly it has been decided that a separate cell or section should be created in each factory, if possible and that particular Cell/Section should be made responsible exclusively for undertaking re-valuation work regularly and should submit a

progress report to SP/D, Section of Ordnance Factory Board HQrs. quarterly.

The prices of the scrap should be fixed in relation to the prevailing market prices and the book value of that metal. The guidelines issued under Ministry of Defence letter dated 21-1-77 quoted should be followed *mutatis mutandis*.

Kindly take action accordingly and acknowledge receipt of this letter.

Sd./- R. K. MITRA,
DDG/SP

- For Director General Ordnance Factories.

Copy to:—

The Addl. DGOF/OEF,
Ordnance Equipment Factory,
Sarvodaya Nagar,
Kanpur.

Ministry of Defence/D(PROD),
New Delhi

Reference to their U/O. FPC-4/3/81/D(PROD)
dated 30-5-1981.

The Controller of Accounts/Fys.
9, Chittaranjan Avenue,
Calcutta-700072.

The Accounts Officer.
All Ordnance Factories.

CHAPTER III

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

Nil

CHAPTER IV

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

Recommendation

The Committee find that an indent was placed on the DGS&D for procurement of a motor boat for purposes of inspection and measurement of dredging work notwithstanding the fact that there was a specific provision in the dredging contract for the contractor to provide the same at his cost. The DGS&D could deliver the boat only in January, 1977 after a delay of as much as three years and eight months. As the boat was not used for the project, it was issued on loan to the Naval Command Pool and was permanently transferred to Admiral Supdt., Dockyard in March, 1980. An expenditure of Rs. 1.04 lakhs was therefore, rendered infructuous. The Committee would like to be apprised why the boat was at all purchased and why the matter was not reviewed during the extended period of delivery of the boat. The Committee disapprove of such wasteful expenditure and would expect the Ministry to guard against such lapses.

[Serial Nos. 16 (Para 1.87) Appendix to 43rd Report of the Public Accounts Committee (7th Lok Sabha)].

Action taken

Government sanction for procurement of a motor boat for the Project was issued in 1972. It was specifically provided in the sanction that the boat would be ultimately handed over to the Naval Dockyard to meet their authorised requirement. The transfer of the boat to the Naval Dockyard was against their authorised requirement and therefore, could not be considered as infructuous.

As there was delay in the delivery of the boat, a provision was made in the second dredging contract, concluded in February, 1974, for the contractor to provide a boat for inspection purposes. When the boat was delivered keeping in view the fact that the Project did not have qualified crew for operating the boat, it was transferred to the Eastern Naval Command Boat Pool which had sufficient trained personnel. Thus, the need for employing a crew for this purpose was obviated and the boat was also available for the Project authorities as and when required.

[Min. of Defence U.O. No. 43(2)/81/D(N.IV) dated 26 October, 1981].

CHAPTER V

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

Recommendation

According to the procedure for disposal of scrap then in existence in the Ordnance Factories, 45 days time was to be given to the DAVP for publication of the tender notice in all leading newspapers before the actual date of opening the tenders. The tender notice was to be sent by registered post simultaneously to the Director General of Commercial Intelligence and Statistics, Calcutta (DGCIS) and Director, Advertising and Visual Publicity (DAVP) for publication in the Indian Trade Journal and the leading newspapers respectively. In the present case, the tender notice for disposal of 500 tonnes of aluminium scrap (Turnings and Borings) was sent to DGCIS by registered post on 6th May, 1978 and on the same day to DAVP by ordinary post. The notice was intended to be published in the issue of Indian Trade Journal dated 17th May, 1978. It was however, published in the said Journal printed at Calcutta on 7th June, 1978 bearing pre-dated date line 5th April, 1978 and which was available for sale only from 13th June, 1978. The tender notice was not published in any newspaper as the copy of notice sent to DAVP did not reach him. The tenders were opened on 20-6-78. The failure to send notice by registered post to DAVP in spite of the specific instructions could have been treated as a slip or mistake on the part of some junior officer but considering the subsequent chain of happenings, the Committee are inclined to view it as a case of gross negligence on the part of the senior officers of the Ordnance Factory in safeguarding the financial interests of the Factory.

[Sr. No. 20 (Para 2.19) of Appendix to 43rd Report of Public Accounts Committee (7th Lok Sabha)].

Action taken

A Board of Enquiry has already been convened under this office confidential letter No. 1591/466/A/Vig.(Vol. VI) dated 31-7-81 to investigate into the matter and to fix responsibility for the irregularities leading to the loss.

[Ministry of Defence (Department of Defence Production U.O. No. 4/3/81/D(PROD), dated 3 October, 1981].

Recommendation

Out of 27 parties applying for tender documents, 15 parties had applied for the forms even before the publication of advertisement (13-6-1978). The two parties from the outstation had actually applied for tender forms on 22nd May, and 6th June, 1978 respectively referring to the publication of tender notice in the Trade Journal although it was yet to be published. The two local parties (having the same address and telephone numbers) whose offers for 200 tones of aluminium scrap each were accepted, had applied for tender documents on 10th June, 1978 i.e. 3 days before the publication of the notice in the Trade Journal. It has also been stated that out of 20 parties whose offers were opened on the 20th June, 1978 as many as 15 parties either did not make payment of earnest money or made payment of inadequate amount of earnest money. The Committee feel that it does not stand to reason that as many as 15 parties out of 20 taking the trouble of buying the tender documents and submitting their offers to the Factory could not even deposit the requisite earnest money. The Committee note that there was a joint complaint from a few dealers that "tender papers were sold and submitted mostly by one single individual who had floated a number of firms". The Committee further note that an enquiry committee appointed by DGOF to look into these charges found them baseless.

[Sr. No. 22 (Para 2.21) of Appendix to 43rd Report of Public Accounts Committee (7th Lok Sabha)].

Action taken

A Board of Enquiry has again been convened by Ordnance Factory Board, Calcutta vide letter No. 1591/466/A/Vig(Vol. VI) dated 31-7-1981.

[Ministry of Defence (Department of Defence Production) U.O. No. 4/3/81/D(PROD) dated 3 October, 1981].

Recommendation

The Ministry of Defence informed that Audit in November, 1979 that as a "large number" of applications for tender forms were received, there was no reason to doubt that the sale notice did not receive wide publicity. The Committee do not consider these facts as mere coincidence. In the light of the above information, this leads the Committee to infer that there could have been some agency at work which prompted a large number of parties to purchase the tender documents and submit them, even without

earnest money, so as to show, at least, on paper, that a large number of tender forms were sold and offers received.

[Sr. No. 23 (Para 2.22) of Appendix to 43rd Report of the Public Accounts Committee (Seventh Lok Sabha)].

Action taken

A Board of Enquiry has again been convened by Ordnance Factory Board, Calcutta vide letter No. 1591/466/A/Vig (Vol. VI) dated 31-7-81 to investigate the matter again.

[Ministry of Defence (Department of Defence Production) U.O. No. 4/3/81/D(PROD) dated 3 October, 1981].

Recommendation

Out of 5 firms whose tenders were considered valid, three firms (A, B & C) having made the highest Offers, were selected. All the three were local parties and the last two had the same local address and telephone number. Firm 'A' quoted Rs. 6,050 per tonne and desired to purchase 100 tonnes of scrap while firms 'B' and 'C' wanted to purchase 200 tonnes to scrap each at the rate of Rs. 6,030 and Rs. 6,021 per tonne respectively. On 5 July, 1978, the Factory informed firm 'A' 'B' & 'C' that their offers were acceptable subject to fulfilment of certain conditions regarding removal of scrap and payment of its cost etc.

[Sr. No. 24 (Para 2.23 of Appendix to 43rd Report of Public Accounts Committee (Seventh Lok Sabha)].

Action taken

A Board of Enquiry has again been convened by Ordnance Factory Board, Calcutta vide letter No. 1591/466/A/Vig (Vol. VI) dated 31-7-81 to investigate the matter again.

[Ministry of Defence (Department of Defence Production) U.O. No. 4/3/81/D(PROD) dated 3 October, 1981].

Recommendation

The Committee after considering all aspects of the matter, feel that this case be investigated thoroughly and responsibility fixed for the loss of revenue resulting from this deal and the Committee informed of the action taken in the matter.

[Sr. No. 27 (Para 2.26) of Appendix to 43rd Report of the Public Accounts Committee (Seventh Lok Sabha)].

Action taken

A Board of Enquiry has already been convened by O.F. Board, Calcutta vide their letter No. 1591/466/A/Vig. (Vol. VI) dated 31-7-81 asking

General Manager, Ordnance Factory, Kanpur to investigate the matter and submit their report by 31-8-1981. Further action will be taken by the O.F. Board after receipt of the report from O.F. Kanpur.

[Ministry of Defence (Department of Defence Production)

U.O. No. 4/381/D(PROD), dated 3 October, 1981]

NEW DELHI;

April 1, 1982

~~Chaitra~~ 11, 1904 (S).

SATISH AGARWAL

Chairman

Public Accounts Committee

APPENDIX

Conclusions and Recommendations

Sl. No.	Para No.	Ministry/Department concerned	Conclusion/Recommendation
1	2	3	4
1	1.7	Defence	<p>In their 43rd Report, the Committee had desired to be apprised why the question of procurement of the motor boat was not reviewed during the extended period of delivery of the boat. Government have not given any reasons for their failure to undertake this review. The Committee are not convinced with the argument adduced by the Ministry of Defence that it was specifically provided in the sanction issued in 1972 for the procurement of this motor boat that it would ultimately be handed over to the Naval Dockyard against their authorised requirement. The expenditure could therefore not be considered as infructuous. The argument is not convincing as the motor boat was mainly required for purposes of inspection and measurement of dredging work in connection with the Naval Project. Since the delivery of the boat was unduly delayed, a provision was made in the second dredging contract, concluded in February, 1974, requiring the contractor to provide a boat for inspection purposes. The Committee believe that at this stage the necessity for procurement of the boat should have been reviewed. Since the boat was transferred to the Naval Dockyard even before the closure of the naval project organisation, the Committee cannot but conclude that the expenditure of Rs. 1.04 lakhs</p>

on the procurement of the motor boat was infructuous. The Committee would once again emphasize the need for the Ministry to guard against such lapses.

2 1.14 Defence (Department of
 Defence Production)

The Committee note that in pursuance of the recommendations made in Paragraph 2.19, 2.21, 2.22, 2.23 and 2.26 of their earlier Report, a Board of Enquiry was convened by Ordnance Factories Board vide their letter dated 31-7-81, asking the General Manager, Ordnance Factory, Kanpur to investigate into the matter of irregular disposal of aluminium scrap, involving loss of revenue (Audit had estimated the loss to be about Rs. 16.10 lakhs) and fixation of responsibility therefor. The investigation report was required to be submitted by 31-8-1981. The Committee have not been apprised of the findings of the Board of Enquiry and the further action taken in pursuance thereof. Apparently, the Board of Enquiry have yet to finalise their findings.

3 1.15 -do-

The Committee strongly deprecate the delay on the part of Government in taking conclusive action on the recommendations of the Committee although it is almost a year that the Report was presented to Parliament. The Committee would like to point out that undue delay in taking action in such cases is bound to give an impression that there is deliberate effort to shield the guilty officials and in fact efflux of time may even defeat the purpose of enquiry. The Committee therefore desire that the Board of Enquiry should be asked to furnish their findings expeditiously and the precise action taken in pursuance thereof should be reported to the Committee within next three months.

PART II

MINUTES OF THE SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 30 MARCH, 1982

The Public Accounts Committee sat from 1500 to 1830 hrs. in Committee Room No. 50, First Floor, Parliament House, New Delhi.

PRESENT

Shri Satish Agarwal—*Chairman*

- | | | |
|------------------------------|---|----------------|
| 2. Shri Mahavir Prasad | } | <i>Members</i> |
| 3. Shri Ashok Gehlot | | |
| 4. Shri Hari Krishna Shastri | | |
| 5. Shri K. P. Unnikrishnan | | |
| 6. Shri Patitpaban Pradhan | | |
| 7. Prof. Rasheeduddin Khan | | |
| | | |

REPRESENTATIVES OF THE OFFICE OF THE C&AG

1. Shri R. C. Suri—Addl. Dy. C&A.G.
2. Shri N. Sivasubramaniam—Director of Receipt Audit—II.
3. Shri G. N. Pathak—Director of Audit (Defence Services).
4. Shri S. R. Mukherjee—Director of Audit, CW&M.
5. Shri M. M. Mehta—Director of Audit, Central Revenues.
6. Shri R. S. Gupta—Joint Director (Defence Services).
7. Shri N. C. Roy Choudhury—Joint Director (Receipt Audit).
8. Shri G. R. Sood—Joint Director (Reports).
9. Shri K. H. Chhaya—Joint Director (Railways).

SECRETARIAT

1. Shri D. C. Pande—*Chief Financial Committee Officer.*
2. Shri K. C. Rastogi—*Senior Financial Committee Officer.*
3. Shri K. K. Sharma—*Senior Financial Committee Officer.*
4. Shri Ram Kishore—*Senior Legislative Committee Officer.*

2. The Committee took up for consideration and adopted the following Draft Reports subject to certain modifications/amendments as given in Annexures* I—IV.

*Not printed.

1. 96th Report on Para 2.29 (Excise)—Electric motors and para 2.65 (b) (Excise)—Cotton Textiles.
 2. 89th Report on Action Taken on 43rd Report (Defence) relating to execution of a Naval Project and disposal of Aluminium scarp by an Ordnance Factory.
 3. 93rd Report on Action Taken on 45th Report (Railways) relating to Wheel & Axle Plant.
 4. 95th Report on Action Taken on 53rd Report (Defence) relating to Review of inventory holding patterns in the MES in a Command.
 5. 90th Report on Para 6 (Civil), Food for Work Programme.
 6. Draft Report on Para 5 (Railways)—Damages to and deficiencies in wagons delivered to a Steel Plant.
3. The Committee also agreed to incorporate certain typographical errors/verbal changes as suggested by Audit.
4. After adoption of draft Reports, the Committee were briefed on "Planning Process-relating to Irrigation and Power Projects".

The Committee then adjourned.

20. Atma Ram & Sons,
Kashmere Gate,
Delhi-6.
21. J. M. Jaina & Brothers,
Mori Gate, Delhi.
22. The English Book Store,
7-L, Connaught Circus,
New Delhi.
23. Bahree Brothers,
188, Lajpatrai Market,
Delhi-6.
24. Oxford Book & Stationery
Company, Scindia House,
Connaught Place,
New Delhi-1.
25. Bookwell,
4, Sant Narankari Colony,
Kingsway Camp,
Delhi-9.
26. The Central News Agency,
23/90, Connaught Place,
New Delhi.
27. M/s. D. K. Book Organisations,
74-D, Anand Nagar (Inder Lok),
P.B. No. 2141,
Delhi-110035.
28. M/s. Rajendra Book Agency,
IV-D/50, Lajpat Nagar,
Old Double Storey,
Delhi-110024.
29. M/s. Ashoka Book Agency,
2/27, Roop Nagar,
Delhi.
30. Books India Corporation,
B-967, Shastri Nagar,
New Delhi.

P.A.C. No. 873

© 1982 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixth Edition) and printed by the General Manager, Government of India Press, Minto Road, New Delhi

