

**PUBLIC ACCOUNTS COMMITTEE  
1963-64**

**TWENTIETH REPORT**

**(THIRD LOK SABHA)**

**[Appropriation Accounts (Civil), 1961-62 and Audit Report (Civil), 1963 relating to Ministries of External Affairs, Food and Agriculture, Health, Home Affairs, Information & Broadcasting, Labour & Employment, and Law]**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***February, 1964***  
***Magha, 1885 (Saka)***

***Price : Rs. 1.90***

# LIST OF AUTHORISED AGENTS OF LOK SABHA SECRETARIAT

- |  |  |  |
|--|--|--|
| <p><b>ANDHRA PRADESH</b></p> <p>1. G. R. Lakshminpathy Chetty &amp; Sons, General Merchants &amp; News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh).</p>  | <p>11. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.</p> <p>12. The International Book Service, Deccan Gymkhana, Poona-4.</p> <p>13. Charles Lambert and Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.</p> <p>14. The Good Companions, Raspora, Baroda.</p> <p>15. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.</p> <p>16. Deccan Book Stall, Ferguson College Road, Poona-4.</p> <p>17. The New Book Company (P) Limited, Kitab Mahal, 188-90, Dr. Dadabhai Naoroji Road, Bombay.</p> | <p><b>PUNJAB</b></p> <p>23. The English Book Depot, 78, Jhoke Road, Ferozepore Cantt.</p>  |
| <p><b>BIHAR</b></p> <p>2. 'Jagriti', Bhagalpur-2.</p>  | <p>18. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.</p> <p>19. People's Book House, Opp. Jaganmohan Palace, Mysore-1.</p>   | <p><b>RAJASTHAN</b></p> <p>24. Information Centre, Govt. of Rajasthan, Tripolia, Jaipur City, Rajasthan.</p>   |
| <p><b>GUJARAT</b></p> <p>3. Lok Milap, District Court Road, Bhavnagar.</p> <p>4. The New Order Book Company, Ellis Bridge, Ahmedabad-6.</p>  | <p><b>MADHYA PRADESH</b></p> <p>5. The National Law House, Near Indore Library, Opposite Old High Court Building, Indore.</p> <p>6. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.</p>  | <p><b>UTTAR PRADESH</b></p> <p>25. Swastik Industrial Works, 59, Holi Street, Meerut City (U.P.).</p> <p>26. A.H. Wheeler &amp; Company (Private) Limited, 15, Elgin Road, Allahabad.</p> <p>27. Law Book Company, Sardar Patel Marg, Allahabad.</p> <p>28. Goel Traders, 100-C, New Mandi, Muzaffarnagar</p> <p>29. B.S. Jain &amp; Company, 71, Abupura, Muzaffarnagar.</p>        |
| <p><b>MADRAS</b></p> <p>7. The Kalpana Publishers, Booksellers, Trichinopoly-3.</p>  | <p><b>MYSORE</b></p>   | <p><b>WEST BENGAL</b></p> <p>30. M.C. Sarkar &amp; Sons (Private) Limited, 14, Bankim Chatterjee Street, Calcutta-12.</p> <p>31. W. Newman &amp; Company Limited, 3, Old Court House Street, Calcutta.</p> <p>32. Thacker Spink &amp; Company (1933) (Private) Ltd., 3 Esplanade East, Calcutta-1.</p> <p>33. Firma K. L. Mukhopadhyay, 6/IA, Banchharam Akur Lane, Calcutta-12.</p> |
| <p><b>MAHARASHTRA</b></p> <p>8. The Imperial Book Depot, 266, Mahatma Gandhi Road, Poona.</p> <p>9. The Popular Book Depot (Registered), Lamington Road, Bombay-7.</p> <p>10. M/s. Sunderdas Gianchand, 601, Girgaum Road, 6, Near Princess Sreet, Bombay.</p> | <p><b>ORISSA</b></p> <p>21. The Cuttack Law Times Office, Cuttack-2.</p> <p>22. Ekamra Vidyabhaban, Eastern Tower Room No. 3, Bhuvaneahwar-3, Orissa</p>   |  |

CORRI GENDA  
TO  
THE TWENTIETH REPORT OF P.A.C.  
(1963-64)

<u>Page</u>	<u>Para/ S.No.</u>	<u>Col. No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1	Table	6	7	1	165
41	Sub- para 3		8	cnltivation	cultivation
51	38		4	extended the	extended to the
55	Sub-para 6		3	have	were
59	Sub-para 2		6-7	I.C.M.R. will en- fully	I.C.M.R. will ensure that, in future, the amount of all grants-in-aid advances are fully
61			15	includes besides two Assistant	includes two Assistant
.			17	to be over staffed	to be excessive
70			6	Film	Films
			9	Film	Films
			23-24	fixed any	fixed on any
			34	logical and	logical end

P.T.O.

-: 2 :-

<u>Page</u>	<u>Para/ S.No.</u>	<u>Col. No.</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
73	Third heading		3	in pection	inspection
140	Sub- para 3	4	9	also brushed	also be brushed
151			12	done	due
151		4	3	arrangements	arrangement
152		3	2	Helath	Health
156		4	22	logical and	logical end
*P 46	Sub- para 2		L 3	Rs.37.38	Rs.37.33
*P 149		Col.4	L 3	Rs.37.38	Rs.37.33

## CONTENTS

	PAGE
COMPOSITION OF THE PAC, 1963-64 . . . . .	(iii)
INTRODUCTION . . . . .	(v)
CHAPTER I Ministry of External Affairs . . . . .	1
CHAPTER II Ministry of Food and Agriculture (Department of Agriculture) . . . . .	37
CHAPTER III Ministry of Food and Agriculture (Department of Food) . . . . .	43
CHAPTER IV Ministry of Health . . . . .	51
CHAPTER V Ministry of Home Affairs . . . . .	63
CHAPTER VI Ministry of Information and Broadcasting . . . . .	66
CHAPTER VII Ministry of Labour and Employment . . . . .	72
CHAPTER VIII Ministry of Law . . . . .	79
<i>Appendices</i>	
I Staff position in Indian Missions abroad] . . . . .	83
II Details of Budget Estimates, 1961-62 for Central Departments of the High Commission of India, London . . . . .	88
III Note on para 34 (i) (b) of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	90
IV Note on para 35 of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	92
V Note on para 37 of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	96
VI Note on para 37 (iv) of Audit Report (Civil), 1963 from Ministry of External Affairs. . . . .	100
VII Statements relating to para 39 of Audit Report (Civil), 1963 furnished by Ministry of External Affairs . . . . .	103
VIII Statement relating to para 39 (i) of Audit Report (Civil), 1963 furnished by Ministry of External Affairs . . . . .	108
IX Statements relating to para 39 (iii) of Audit Report (Civil), 1963 furnished by Ministry of External Affairs . . . . .	110
X Note on para 39 (iii) of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	121
XI Note on para 41 of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	127
XII Note on para 41 (b) of Audit Report (Civil), 1963 from Ministry of External Affairs . . . . .	129
XIII Statement showing the purchase, sales and losses incurred in the Scheme for State Trading in foodgrains for the years 1960-61, 1961-62 and 1962-63 . . . . .	130
XIV Statement showing the losses in transit and storage of foodgrains during 1960-61, 1961-62 and 1962-63 . . . . .	133

	PAGE
XV O. M. from Ministry of Information and Broadcasting No. 15/27/63-FC dated 14-1-64	135
XVI Summary of main conclusions/recommendations of the Committee	137

## PART II\*

- Proceedings of 33rd sitting held on 28-9-1963
- Proceedings of 34th sitting held on 30-9-1963
- Proceedings of 35th sitting held on 1-10-1963
- Proceedings of 38th sitting held on 6-11-1963
- Proceedings of 39th sitting held on 7-11-1963
- Proceedings of 40th sitting held on 8-11-1963
- Proceedings of 41st sitting held on 11-11-1963
- Proceedings of 42nd sitting held on 12-11-1963 (A.N.)
- Proceedings of 72nd sitting held on 10-3-1964.

---

\*Not printed. (One cyclostyled copy laid on the Table and five copies placed in the Parliament Library). See Introduction to 19th Report (p.15).

PUBLIC ACCOUNTS COMMITTEE  
(1963-64)

CHAIRMAN

Shri Mahavir Tyagi

MEMBERS

2. Shri Ramchandra Vithal Bade
3. Shri S. C. Balakrishnan
4. \*Shri J. B. S. Bist
5. Shri F. P. Gaekwad
6. Shri Gajraj Singh Rao
7. Sardar Kapur Singh
8. Shri R. K. Khadilkar
9. Shrimati Maimoona Sultan
10. Shri Mathura Prasad Mishra
11. Dr. Ranen Sen
12. Shri Prakash Vir Shastri
13. Shri Ravindra Varma
14. Shri P. Venkatasubbaiah
15. Shri Vishram Prasad
16. Shrimati K. Bharathi
17. Shrimati Maya Devi Chettry
18. Shri B. D. Khobaragade
19. Shri Dahyabhai V. Patel
20. Shri S. D. Patil
21. Shri Sadiq Ali
22. \*\*Pandit S. S. N. Tankha.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*

Shri Y. P. Passi—*Under Secretary.*

---

\*Declared elected on the 29th November, 1963 vice Shri Bhakt Darshan ceased to be a member of the Committee on his appointment as Deputy Minister.

\*\*Declared elected on the 29th August, 1963 vice Shri Nawab Singh Chauhan.

## INTRODUCTION

\*As authorised by the Public Accounts Committee, I hereby present this Twentieth Report on the Appropriation Accounts (Civil), 1961-62 and Audit Report (Civil), 1963 in so far as they relate to the Ministries of External Affairs, Food and Agriculture, Health, Home Affairs, Information and Broadcasting, Labour and Employment and Law.

2. The Appropriation Accounts (Civil), 1961-62 and Audit Report (Civil), 1963 were laid on the Table of the House on the 18th April, 1963. The Committee examined these at their sittings held on 28th and 30th September, 1st October, 6th, 7th, 8th, 11th and 12th November, 1963. A brief record of the proceedings of each sitting of the Committee has been maintained and forms part of the Report (Part II\*).

3. The Committee considered and finalised the Report at their sitting held on the 10th February, 1964.

4. A statement showing the summary of the principal conclusions/recommendations of the Committee is appended to the Report (Appendix XVI). For facility of reference, these have been printed in thick type in the body of the Report.

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

They would also like to express their thanks to the officers of the Ministries concerned for the co-operation in giving detailed information asked for by the Committee during the course of their evidence.

NEW DELHI;

MAHAVIR TYAGI,

February 18, 1964.

Chairman,

Magha 29, 1885 (Saka).

Public Accounts Committee.

---

\*Not printed.—[One cyclostyled copy laid on the Table and five copies placed in the Parliament Library]. See para 2 Introduction to Nineteenth Report (Third Lok Sabha).



I

MINISTRY OF EXTERNAL AFFAIRS

INDIAN MISSIONS ABROAD

Page 34, para 32.

The number of Indian Missions and Posts abroad (excluding Trade Missions under the Ministry of Commerce and Industry) stood at 114 at the end of 1961-62; the expenditure incurred by the Ministry of External Affairs on these Missions during that year amounted to about Rs. 557 lakhs out of which Rs. 351 lakhs represented pay and allowances, Rs. 88 lakhs rent of building and maintenance of Government owned buildings, Rs. 14 lakhs purchase and maintenance of furniture and Rs. 10 lakhs purchase and maintenance of cars.

About one third of the total expenditure incurred on the Missions is accounted for by four Missions (London, Washington, Karachi and Dacca) and the Permanent Mission of India at the Headquarters of the U.N.O., as indicated below:—

(In lakhs of rupees)

	1957-58	1958-59	1959-60	1960-61	1961-62
London	63	64	77	72	71
Washington	30	32	34	38	37
Karachi	15	20	20	20	21
Dacca	17	17	19	10	18
U.N.O.	16	18	17	18	18
Total	141	151	167	158	1

The expenditure incurred on 10 other Missions was over Rs. 10 lakhs each and that on 24 Missions, ranged between Rs. 5 to 10 lakhs each per annum. The expenditure on the Missions increased by about 21 per cent during the last 5 years, from Rs. 462.50 lakhs in 1957-58 to Rs. 557 lakhs in 1961-62.

Out of the expenditure of Rs. 557 lakhs incurred during the year 1961-62 on the Indian Missions and Posts abroad, the details given above accounted for Rs. 463 lakhs (Rs. 351+88+14+10). At the

instance of the Committee the Ministry have furnished a statement\* which shows that the balance of Rs. 94 lakhs represented contingent expenditure which includes P. & T. charges (Rs. 29·94 lakhs), hot and cold weather charges (Rs. 5·24 lakhs), books, publications and stationery (Rs. 6·34 lakhs), telephone charges (Rs. 6·81 lakhs), liveries (Rs. 1·33 lakhs), other office expenses (Rs. 31·07 lakhs), and publicity expenditure charged to contingencies (Rs. 13·32 lakhs). As regards the increase in expenditure by about 21 per cent between 1957-58 and 1961-62 another statement\* furnished to the Committee gives the following break up:—

(1) Opening of new Missions at Beirut, Bucharest, Dakar, Helsinki, Leopoldville and Daresalam . . . . .	4%
(2) Upgrading of Missions at Jeddah, Vienna, Vientiane, Kuala Lumpur and Lagos—and opening of I.S.I. Wing at Khartoum, Prague and Lagos . . . . .	3%
(3) Increase in Children's Education Allowance from Rs. 40/- to Rs. 80/- per mensem . . . . .	2%
(4) Increase in F.A. (Rs. 2·72 lakhs) and grant of additional F.A. in lieu of Income Tax (Rs. 6·80 lakhs) . . . . .	2·3%
(5) Increase in Sea fares and grant of Holiday and emergency passages . . . . .	2%
(6) Higher maintenance, Cost of Government owned Buildings and increase in House rents . . . . .	5%
(7) Increase in expenditure on Publicity . . . . .	0·7%
(8) Grant of Periodical increments and revision of Pay Scales of locally recruited staff . . . . .	2·5%
	21·5%

The increase in the foreign allowance included in item (4) above had been explained during evidence as due to increase in the cost of living as assessed by the Foreign Service Inspectors in 1957. As regards the additional foreign allowance, it was explained that this was sanctioned in 1959 in lieu of income tax that became payable by the Foreign Service Officers as a result of the Income-Tax Act being made applicable to them.

#### *Publicity*

The Committee enquired whether any items of expenditure could be identified as directly relating to the activities of the Missions. They

---

\*Not vetted by Audit.

were informed that the expenditure on publicity would be one such item. According to the Annual Reports of the Ministry of External Affairs, the total budgetary provision for the External Publicity Division, including Information Units abroad amounted to Rs. 1.06 crores in 1961-62 and Rs. 1.11 crores in 1962-63 of which about Rs. 25 lakhs and Rs. 28 lakhs respectively were for expenditure at Headquarters of the Ministry.

### *Representational Grant*

Another was the representational grant which was directly connected with the promotion of contacts and influence abroad. Asked to explain the manner in which the representational grants were distributed and controlled, the Director Finance stated that the scale of representational allowance was fixed for all representational officers in respect of every Mission except in the case of High Commission in London where only the High Commissioner and the Deputy High Commissioner were expected to do much of the entertainment at a personal level, a lumpsum grant in addition being retained by the High Commissioner for incurring of representational expenditure at lower levels according to requirements and with the sanction of the High Commissioner. In reply to a question the Committee were informed that the representational allowance was fixed for each post and did not vary according to the person holding the post. A statement has been furnished indicating the monthly representational grant for different officers serving abroad (not printed). In the accompanying note it has been explained that the representational grant to the extent permissible is drawn by the officer concerned against a simple receipt on the basis of representational expenditure actually incurred by him. The monthly bill is accompanied by a certificate duly signed by the officer concerned whereby the officer declares that the grant drawn in the previous month was actually appropriated for the purpose of representational expenditure and that no part thereof was not used for any other purpose for which it was not intended etc. A copy of the certificate is also sent to the Audit Officer. Besides the Mission maintains a proforma account of the representational grant earned and amount actually drawn from month to month in a prescribed form in respect of each officer to whom representational grant is assigned. The Committee had also been informed during evidence that the Heads of the Missions were expected to check periodically whether any such officer had been doing the entertainment at the level expected.

*High Commission of India, London*

The Committee desired to know why the expenditure on the High Commission in London had increased from Rs. 63 lakhs in 1957-58 to Rs. 71 lakhs in 1961-62 and also for the latter being so much higher than the expenditure in the Embassy of India, Washington (Rs. 37 lakhs) during the same year. They were informed that the increase was not due to recruitment of more staff but because of activities of some additional departments in London. Since 1959-60 some 248 persons were reported to have been retrenched. Some increase in expenditure was said to be due to upward revision of emoluments of the local staff who were on the U.K. Government's scales of pay consequent on a revision of pay scales by the Government of the U.K. At the Committee's instance a statement\* has been furnished giving the details of budget estimates for 1961-62 for the Central Departments of the High Commission of India, London (Appendix I). [Another statement\* indicating the staff position in the Indian Missions abroad has also been furnished (Appendix II)]. It is seen that out of the total budget provision of Rs. 68.51 lakhs about Rs. 18 lakhs and Rs. 13 lakhs respectively were for the Establishment and Account Departments. A provision of Rs. 15.14 lakhs is shown under other charges for all the six Central Departments for which department-wise details were not maintained. It has been stated that the Establishment department handled all the routine establishment work in respect of all the staff working in the High Commission whether borne on the budget grant of the Ministry of External Affairs or on the budget grant of other Ministries of the Government of India including the Defence Wings and India Stores Department. Similarly the Accounts Department was also handling work pertaining to all other Ministries/Departments of the Union Government and the State Governments. It is also seen that as against a total of 96 persons serving in the Embassy of India, Washington (which includes 28 persons serving in the I.S.I., Washington) the total number of persons serving in the High Commission of India, London (excluding the staff of the Indian Embassy in Dublin and the Consular Office, Birmingham) is 425, out of whom 204 and 106 persons respectively are working in the establishment and Accounts Department alone, the number of persons in the remaining departments being 115.

**It is clear from the information made available to the Committee that despite the retrenchment of 248 persons, since 1959-60, as reported, the High Commission of India, London is comparatively over-staffed even after taking account of the fact that its Accounts and**

---

\*Not vetted by Audit.

establishment departments are performing certain duties on behalf of organisations other than those under the aegis of Ministry of External Affairs. The scope for reduction of the staff in these two Departments also would be worth examining.

- The Committee would suggest in this connection that Mission-wise details of provision under pay of officers and pay of establishment should be given in the schedule annexed to the Demand for Grant No. 19—External Affairs so that an informed discussion in regard to their staffing is possible in Parliament.

Cash Balances—Pages 34 and 35, para 33

2. Government laid down in March 1950 that as a working rule the Missions abroad should not, at any time, hold cash balances in excess of their requirements for six weeks. A local audit of some of the Missions in 1960, however, showed that this rule had not been observed in the following Missions as indicated below:

Name of the Mission	Monthly Average Cash Holding	Rs.	Average Expenditure for 6 weeks
	Period		
Djakarta . . . . .	5/59 to 4/60	1,97,000	42,000
Hong Kong . . . . .	10/59 to 9/60	57,000	47,000
Shanghai . . . . .	3/60 to 8/60	26,000	14,000
Kobe . . . . .	4/60 to 8/60	23,000	8,000
Medan . . . . .	6/60 to 8/60	21,000	7,000

Government stated in July, 1961 that the cash balances in the Missions had been reviewed *de novo* and that the remittances for the next quarter had been suitably curtailed. Nevertheless instances of excessive holdings of cash balances for long periods were noticed as indicated below:

(Amount in lakhs of rupees)

Name of the Mission	Monthly average Cash Holding	Average Expenditure for 6 Weeks
Cairo . . . . .	4.84	1.50
Rajshahi . . . . .	0.30	0.17

In Cairo, the loss of interest on funds blocked during the years 1960-61 and 1961-62 worked out to over Rs. 20,000.

The representative of the Ministry stated that there was some discrepancy in the average figures assumed by Audit. In the case of Djakarta, the total budgeted provision was Rs. 6,70,000 and requirement of six weeks came to Rs. 83,000 and not Rs. 42,000 as shown by Audit. (According to a statement subsequently furnished by the Ministry however this figure was Rs. 68,600). It was added that the Missions had to incur expenditure not only on the External Affairs Ministry's account but also on behalf of the late Ministry of Commerce and Industry whose staff was working in the Indian Missions. Sometimes, even on Defence Ministry's account expenditure was incurred, to some extent, in the Missions. Also whenever delegations went, Missions were expected to make payment to them. All that was not reflected in the average figure assumed by Audit.

The Committee were informed that the Ministry had themselves written to Audit that—

“It may be stated in this connection that the cash account/cash balance reports of Missions are not received on due dates, that is on the 15th of the following month, despite repeated instructions issued by this Ministry. The Missions have been asked to ensure that such delays are avoided in future. In the absence of the latest cash balance reports, it is not always possible for this Ministry to check the latest balance of cash in hand.”

The representative of the Ministry stated in extenuation that the complaint was not general and that in certain cases there was delay in the submission of the accounts.

In regard to the mention in the Audit Report that even after July, 1961, excessive holding of cash balances for long periods was noticed in the Mission at Cairo—Rs. 4.84 lakhs against the normal holding of Rs. 1.50 lakhs, the representative of the Ministry explained that there was a proposal to open a Tea Centre at Cairo and arrangements were made to send Tea Advisers on the advice of the late Ministry of Commerce and Industry. As such the Mission at Cairo had something more than the normal holdings. The amount was kept in London for purchasing the requirements for the Tea Centre in Cairo; but the amount was not kept throughout the 12 months.

**The Committee note that factual statement in the Audit Report in regard to cash balances held in the Mission—Djakarta has been**

contested by the Ministry in evidence. The Committee have pointed out in the past that in order that they may come to proper conclusions, the Ministries should furnish full facts to Audit so that a complete picture is available to the Committee as regards facts. They hope that due care will henceforth be taken in this regard.

The Committee learnt that as late as in May, 1962, the Ministry had pointed out in a letter that a scrutiny of the recent cash accounts received from the Missions abroad revealed that a number of Missions were holding large cash balances in hand apart from holding heavy cash balances in banks. The Committee would like to know as to what steps do the Ministry now propose to take to remedy such lapses in future.

*Accommodation—pages 35 to 37, para 34.*

3. The total expenditure incurred by the Missions on rent and maintenance of buildings amounted to Rs. 88 lakhs during 1961-62.

(i) Defective arrangements for the hiring of accommodation were noticed in the Missions in Kathmandu, Tananarive (Madagascar) and Dacca.

(a) *Kathmandu*: In Kathmandu, two buildings were hired for residential purposes for five years from 15th October, 1956 on monthly rent of Rs. 1,850. The Mission did not execute any lease deed. For one of the buildings alone, on demand by the landlord, a rent of Rs. 2,200 p.m. had to be paid from 1st July, 1960. For the other building, a rent of Rs. 1,100 p.m. plus taxes etc. was claimed and a lease deed providing for the rent at that rate was signed on 1st March, 1962; Government had stated that an *ex-gratia* payment was also contemplated for the earlier period for which the rent had not been enhanced.

Against a sanctioned amount of Rs. 40,000 for carrying out additions and alterations in these buildings, the actual expenditure incurred during the period October, 1956 to December, 1957 came to Rs. 64,960. When the excess was reported to Government in July, 1958 they enquired the reasons for the excess and desired the actual work done at the site to be checked up again.

The Committee enquired as to why in 1956 when the buildings were taken on rent, no lease deed was signed. The representative of the Ministry stated that in 1956 the two buildings were hired for India Aid Mission which was at that time under the Ministry of Finance. The Mission came under the charge of the Ministry of External Affairs in 1961. Efforts were made to have the lease deed

executed by the landlord, but he objected to certain clauses then. When the lease deed was signed by the landlord the position had changed *viz.* the number of new Missions in Kathmandu had considerably increased as a result of which rents began to shoot up. The Indian Mission had, therefore, no option but to pay at the higher rate. To a question as to why steps were not taken at the time when the landlord had demanded rent of Rs. 2,200 per month for one building, to settle the terms for other building as well, the witness stated that the landlord did not agree to the terms of the lease proposed by the Mission and the only option was to vacate the building. In reply to a question, it was stated that no *ex-gratia* payment had been made in respect of the earlier period for which rent had not been enhanced. It was also added that the agreement had been signed for both the buildings at the rate of Rs. 2,200 and Rs. 1,100 respectively.

Questioned in regard to the circumstances in which the sanctioned estimate of Rs. 40,000 for carrying out additions and alterations in the two buildings was exceeded by more than 50 per cent (actual expenditure being Rs. 67,964 as reported in evidence), the representative of the Ministry explained that the original estimate was based on guess work only and pertained to the repair of nine flats; but when the work was actually done under the supervision of the C.P.W.D., two additional flats were also repaired and the expenditure came to Rs. 67,964. The excess had been regularised in October, 1962.

**The Committee have come across several cases in the past where due to occupation of hired buildings without prior execution of lease agreements or delays in entering into agreements, Government have been saddled with much higher liabilities than original negotiations envisaged. The Committee understand from Audit that in the present case, the lease agreement of the building in occupation could not be executed from 1956 onwards as the agreement form remained under correspondence between the Government of India and the Mission for a considerable time. The form as approved in August, 1958 was not acceptable to the landlord who sought many modifications therein. The Committee are surprised that it should have taken two years to settle the form of the agreement and another three years thereafter to execute the base agreement. This indicates that the matter was allowed to drift. The Committee suggest that Government may issue orders to the effect that as a rule buildings should not be occupied until execution of a lease agreement is effected.**



Serious notice should also be taken of delays in the Mission as well as in the Ministry in processing such cases.

Another unsatisfactory feature of this case was that it took over four years to investigate and regularise the excess of Rs. 27,964 over the sanctioned estimate of Rs. 40,000 in regard to the expenditure incurred on additions and alterations. The Committee desire to stress that if such investigation has to serve any purpose, it must be done with expedition.

*Tananarive—Para 34(i) (b):*

4. In Tananarive, the rent of the residence of the Head of the Mission was raised from Rs. 1,158 p.m. to Rs. 1,930 p.m. from 1st May, 1961. It was stated by the Mission that legally, the landlord had no case for any increase in rent and that on grounds of equity, an increase of only about 11 per cent, corresponding to the rise in cost of living could be justified as against 66 per cent finally agreed to.

The Committee enquired whether any lease deed had been signed when the building was hired. They were informed that no lease deed was executed as the building had been taken over in 1958 for a temporary period. Acute scarcity of accommodation compared to demand by various Missions was stated to be the reason for the increase of rent agreed to in May, 1961. As desired by the Committee, a note has been furnished (Appendix III) explaining the reasons for the extent of increase in rent agreed to in May, 1961. A passage from the note reads as follows:—

- “However, on 26th April, 1961, the Ambassador informed the Ministry that the landlord had refused to accept anything less than CF A 1,00,000 per month and that too, only after a great deal of persuasion. He added that the legal advice was that as the house was built before the war, it was not legally possible for the landlord either to increase the rent or to evict the tenant but in the event of a lack of agreement over the rent, the Embassy was morally bound to vacate the house. In the context of rising rents and shortage of suitable buildings for Embassy residences, he recommended that a 3 year lease at monthly rent of CF A 1,00,000 be signed. Government accepted this and sanction was conveyed on 11th May, 1961.”

**The Committee do not understand how the Embassy was morally bound to vacate the house in the event of a lack of agreement over**

the rent, when it was not legally possible for the landlord either to increase the rent or to evict the tenant. In their view, the proper course would have been to resist the steep increase demanded by the landlord which was also not justified under the local laws. It appears to them that the absence of a lease deed led the landlord to insist on the vacation of his building if the Embassy did not agree to pay the higher rent demanded by him. It has been argued in the note that the increase of rent in terms of rupees due to devaluation of the local currency in April, 1961 was only of the order of about 18 per cent. This is, however, an irrelevant consideration to determine the increase in rent for which the increase has to be reckoned in terms of the local currency, which was of the order of 66 per cent. The Committee hope that Government will profit by their experience in this and other similar instances and take care to have proper lease deeds executed prior to taking over buildings as already suggested by the Committee in para 3 above.

*Hiring of accommodation in excess of scales—para 34(ii)*

5. Government have laid down scales for office as well as residential accommodation. In the following instances, residential accommodation hired for officers and staff and office accommodation were in excess of the prescribed scales:—

(a) *Residential accommodation for officers and staff*

Mission	No. of instances	Percentage of excess
Tokyo . . . . .	8	25 to 67
Baghdad . . . . .	17	25 to 150
Jedda . . . . .	9	20 to 100
Dacca . . . . .	7	20 to 40

In reply to a question whether the Ministry had investigated the cases referred to in the audit para, the representative of the Ministry stated that they had gone into all these cases with some care. He added that it was not always possible to relate the accommodation available precisely to the scale prescribed which were more indicative than mandatory. It was sometimes a little in excess but financial ceiling was adhered to in all cases. It was the responsibility of the Head of the Mission to satisfy himself when the accommodation was taken over that all the necessary considerations had been met.

## 34(ii) (b)—Office accommodation

	Require- ments ac- cording to the scale laid down by Government	Accommodation ac- tually taken on rent	
Chancery Build- ing at Geneva	2,832 sq. ft.	3,927 sq. ft. for 10 years from June, 1956 at the rate of Rs. 21,757 per annum.	
Chancery Build- ing at Jedda	2,996 sq. ft.	5,494 sq. ft. from 9th July, 1960 at the rate of Rs. 29,473 per annum.	In addition, a sepa- rate building at a rent of Rs. 10,526 p.a. was hired from 9-7-1960 for the residence of First Secretary who had been previously ac- commodated in the Chancery building itself.
Building for staff and dispensa- ry of a medi- cal unit at Mecca.	18 rooms	24 roomed build- ing @ Rs. 26,315 p.a. from 18-7-1961.	

*Geneva.*—It was explained that Geneva was the centre of activity of various international conferences. It was admitted that the rented accommodation was somewhat in excess of the prescribed scale but there were proposals in hand for increasing the strength of the staff in Geneva where it was difficult to find accommodation strictly answering the scale. The accommodation was said to be fully utilised.

*Jedda.*—It was explained that the Indian Mission had about 3000 sq. ft. of space but more space of about 2500 sq. ft. was needed for establishing a reading room, a visiting room, cinema projection room, etc. Besides, during Haj season, there was a tremendous crowd of visitors and the whole building was not sufficient to meet the needs adequately. The activities of the Indian Mission were increasing and when it was learnt that no cinema house was given for exhibition of Indian Films, provision for a cinema projection room had to be made. An external Publicity Wing was also added to the Indian Embassy at Jedda and it took some space which was not included in the earlier estimate.

*Mecca.*—In Mecca also, the housing problem was reported to be extremely difficult and hence accommodation for residence, office and dispensary had to be combined. There were three rooms on the Ground Floor—one was used as visitors' room, the second was used by the Medical officer who also acted as Vice-Consul, and the third one was used as the first-aid room. On the First Floor there were five rooms for the medical officer and Vice-Consul. The Second Floor had four rooms for the compounder, medical staff etc. The Third Floor had four rooms for the Second Compounder and medical staff, stores, etc. The accommodation given to the Compounders etc. was within the prescribed limit. It was added that in all the cases referred to above where accommodation was far in excess, prior sanction of the Ministry had been obtained.

**The Committee hope that in all such cases due care will be taken to observe the scales as far as possible, in the interest of economy.**

*Unauthorised hotel charges—Para 34(iii)*

6. Government issued instructions in December, 1956 that under no circumstances, hotel charges should be incurred for any diplomatic officer so long as a house meant for another diplomatic officer of whatever rank, was lying vacant. In the following cases, the officers were accommodated in hotels when hired residential accommodation was lying vacant:—

Mission	Particulars of the accommodation	Avoidable Expenditure
Khartoum	Hotel accommodation for 4 months and 4 days for an officer who joined in October, 1958 when the Ambassador's residence had been lying vacant.	Over Rs. 2,500 on hotel rent.
Addis Ababa.	2 months and 28 days in a hotel for an officer who joined in January, 1960 when the Ambassador's residence remained vacant from 4-2-1960 to October, 1960.	Rs. 4,560 on hotel charges.

The officer was shifted to a residence in February, 1959.

The officer was moved to a residence hired for him from 1-4-60. An expenditure of Rs. 5,140 was incurred upto 30-9-1960 on house rent.

*Khartoum.*—The representative of the Ministry stated that the Assistant Press Attache had arrived in Khartoum in October, 1958 and the Ambassador's residence was undoubtedly vacant but it was not known when the new Ambassador would be posted. The officer was moved into the vacant residence four months later and in the meantime the residence was got cleaned, repaired etc. The witness added however that it was undesirable that very junior officers should occupy the Ambassador's residence. Besides, it was also difficult for them to bear the expense of maintaining it properly. He felt, therefore, that Government instructions needed modification.

*Addis Ababa.*—The representative of the Ministry stated that in this case also there was uncertainty about the date of arrival of the new Ambassador. Besides, the officer in question had a large family consisting of 5 or 6 children and the house had only two bed rooms and, therefore, he did not find it convenient to move into this building.

**The Committee feel that the Ministry should ensure that the instructions as laid down by Government are invariably observed by all Missions. If there was any difficulty in their observance, they should be examined separately and if necessary, the instructions amended.**

*Delay in construction of a Chancery Building by an Indian Mission abroad para 35, Pages 37-38*

7. A delay about 4 years in construction of a Chancery Building on a leased plot of land, resulted in an expenditure of Rs. 2.21 lakhs, the bulk of which proved to be infructuous as the plot of land was subsequently resumed by the foreign Government.

The plot of land was taken on lease in October, 1956 on an annual ground rent of Rs. 2,200. According to the Agreement, the construction had to start within one year and was to be completed within two years from August 1956. Tenders for the construction of the building were opened in September, 1957 and were sent to Government in November, 1957. More than a year thereafter (December, 1958), Government decided to depute an engineer from India to supervise the work. The Engineer was actually sent only in September, 1959 after a lapse of 9 months. On his advice, fresh tenders were called for and opened in February, 1960 but the decision thereon was taken only in June, 1960. Before the Agreement was entered into with the contractors, it was gathered that the foreign Government was considering the resumption of the plot of land for their own purposes.

2135 (Aii) LS—2.

The decision was informally conveyed to the Mission in September, 1960. No claim for the compensation could be sustained, as the Mission had failed to comply with the target date for the construction of the building according to the agreement. In the meantime, Government had to pay a ground rent of Rs. 8,800 for the plot and incur an expenditure of Rs. 1.23 lakhs on the Engineer despatched from India, fees of architects and surveyors, etc. In addition, an expenditure of Rs. 90,000 on rent for the Chancery building from 1st August, 1958 (the date by which the building was to be completed) to 31st December, 1962 was incurred and this liability at the rate of Rs. 2,000 per month was continuing.

The representative of the Ministry explained in extenuation that the circumstances of the case was peculiar. The Government of the Gold Coast, before Ghana got its independence, had offered a plot of land measuring about 1.32 acres on 75 years lease to the Indian Mission. Plans and estimates were made and an architect was also sent but in the meantime the Government of Ghana decided to acquire the entire area without any compensation because that area fell into their Master Plan to develop the town of Accra. Another building which had been constructed by some other country on a nearby plot had also been taken over by the Ghana Government. The Government concerned was understood to have made a free gift of it to Ghana and to that extent the Indian Mission was saved the embarrassment of having their building requisitioned or demolished. In this connection the following contents of a letter from the High Commissioner to the Ministry of External Affairs were brought to the notice of the Committee:

"The Government of Ghana is under obligation, however, to give us an alternative site. But I must point out that no alternative site could possibly be as central or valuable as the present site. Our engineer tells me, however, that there need be little or no alteration in our building construction plans. The Government of Ghana proposes to allot lands to various Missions in a particular area. If we do lose our present site it will be clearly due to our administrative delays in finalising arrangements for construction of the chancery building on a plot which had been given to us several years ago and for which the first lot of tenders had been invited sometime in 1957".

Giving the sequence of events, the Special Secretary of the Ministry of External Affairs stated that the plans and estimates were prepared by the CPWD and approved by the Departmental Finance

Committee in April, 1956. The administrative approval and expenditure sanction were accorded for construction of the Chancery building in May, 1956. The preliminaries were completed in November, 1956. It was already decided in consultation with the Central P.W.D. that the work should be done through a private Indian architect under the supervision of an officer of the C.P.W.D. and hence an Indian architect was sent. Subsequently there was some dispute about the fees etc. of the architect and consultations were held with technical authorities *viz.*, late Ministry of Works, Housing and Supply and the Central P.W.D. The question of appointment of an engineer was then taken up. Then, in July, 1957, the foreign exchange position suddenly worsened and the Government of India decided that foreign exchange should, as far as possible, be conserved. Accordingly it was decided to postpone construction of the building until the foreign exchange position improved.

To a question whether any attempt was made to get the target date—1st August, 1958, extended, the representative of the Ministry stated that the Mission did not imagine that the target date would be strictly adhered to by the foreign Government who were friendly. It was added that compensation was claimed by the Indian Mission in 1961 and the Government of Ghana did not accept the claim on the plea that they had offered a much better alternative plot of 3.48 acres on Independence Avenue which had a very central situation. (It is, however, understood from Audit that the alternative plot was really a part of land measuring 10.48 acres which had been taken on lease from the Government of Ghana in June, 1956 for construction of residential building for the officers and staff of the Mission. Approximately 2/3rd of this area was resumed by that Government in 1961 as no effective action had been taken to start construction work in that area also before the target date fixed in the agreement. The residual 1/3rd which had been left with the Mission for the construction of chancery building was also resumed in January, 1963 on the ground that the plot was earmarked for a Government Project.) The Government was now trying to allot lands outside the city in the diplomatic enclave.

**The Committee see from a note (Appendix IV) submitted to them in regard to resumption by Ghana Government of six other plots leased to India at Independence Avenue that Ghana's own requirements were constantly on the increase. They could not therefore understand the explanation that it was taken for granted that Ghana Government would not insist on resuming the 1.32 acre plot in terms of their agreement with India for our failure to construct the build-**

ing in time. The observations of the Indian High Commissioner at Accra quoted above who must have full local knowledge cannot also be brushed aside. The Committee are surprised at the extent of slackness and delay at every stage to which the Ministry itself has been a party. The Committee have no doubt that the plot was lost due to this delay and caused infructuous expenditure of Rs. 8,006 on ground rent and another Rs. 1.23 lakhs on the Engineer deputed from India and fees of architects, surveyors etc. They are also of the opinion that in view of the special nature of the agreement with Ghana Government and the liabilities already incurred foreign exchange difficulties arising in 1957 should have been overcome. The Committee hope that such cases will not be allowed to recur.

*Extra expenditure on renting of residential accommodation through Intermediaries—Para 36, Pages 38-39.*

8. In 1956, the Indian Mission at Djakarta took on rent two furnished houses for a period of ten years on a monthly rental of Rs. 1,500 and Rs. 650 respectively. The rent for the houses were far in excess of the controlled rents which were Rs. 150 and Rs. 65 respectively. The extra payment on this account for these houses amounted to Rs. 1.14 lakhs upto March, 1962. It was also pointed out that in these cases the arrangement arrived at was that in one case 90 per cent. of the rent would be paid in India by means of Reserve Bank of India draft and the balance in local currency, while in the second case 90 per cent. would be paid in foreign currency and 10 per cent. in local currency. The Committee enquired why this extraordinary way of making payment, considerably in excess of the controlled rent was agreed to. The representative of the Ministry explained that there were great difficulties in obtaining accommodation at controlled rates. The land-lords were also reported to have insisted on obtaining substantial part of the payment in foreign currencies. He further added that this practice was being followed by every foreign mission.

The same Mission rented in 1956 through an intermediary three other residential houses particulars of which are given below:

	Date of Occupation	Date of Vacation	Controlled Monthly rent	Agreed total monthly rent
House 'A'	23-1-1956	Still occupied	Rs. 50	Rs. 1,000
House 'B'	7-8-1956	Still occupied	Rs. 16.50 (Subsequently reduced to Rs. 10.40)	Rs. 400
House 'C' (2 units)	7-9-1956	30-1-1957	Rs. 54.20	Rs. 950



The intermediary undertook to obtain residence permits from the Housing Authority for all the houses, to renovate house 'C' which was in a dilapidated condition and to convert it into two furnished family residential units. He persuaded the Mission to occupy a part of the House 'C' on 7th September, 1956 without obtaining the necessary permits. In spite of the efforts of the Mission, the local authorities refused to issue permits but provided alternative accommodation for one family at controlled rent of Rs. 62.50 per month from 31st January, 1957 in lieu of the portion of House 'C' already occupied by the Mission. The Mission was, however, able to obtain permits in respect of Houses 'A' and 'B' subsequently and only controlled rents are being paid direct to the landlords since 1st January, 1959. In the meantime, a sum of Rs. 43,627 had been paid to the intermediary in respect of these 3 houses over and above the controlled rent. The intermediary claimed that he had invested nearly Rs. 70,000 on the houses in buying out the previous tenants, in paying key money, in carrying out repairs and alterations and in providing furniture and equipment. He also stated that he had been guided by an assurance that the houses would be rented by the Mission on a long term basis and that as these arrangements had been terminated, he should be compensated. Government sanctioned on 3rd March, 1962 the payment of a sum of Rs. 40,000 to him on the recommendation of the Ambassador that the intermediary should be protected against undue loss. There was, however, no evidence on record to show that any assurance had been given to him by the Embassy. The law Ministry also had advised that there was no legal case for payment of compensation.

The representative of the Ministry stated that the intermediary was instrumental in getting these houses vacated by paying compensation to the previous occupants and in getting them furnished. It was admitted that it was rather an unusual thing for the Government to pay to an intermediary but this was done under the stress of circumstances in the difficult conditions prevailing in Djakarta.

The following remark of the Ministry of Finance relating to this case was brought to the notice of the Committee:

"This is a very bad case in which full facts were not placed before Government when obtaining the sanction and the facts were also kept back later till the Accountant General, Central Revenues pointed out the heavy remittances made by the Indian merchants concerned by making undue profit out of transactions made through them and not direct with the landlords. We were told that the merchants in ques-

tion would purchase those houses at fabulous prices and give them on reasonable rental. What we, however, now find is that they took the houses at ridiculously low controlled rent, paid some key money and charged us very heavy rent which enabled them to make those heavy remittances in rupees. Shri \_\_\_\_\_ has secured an income of Rs. 1,746 p.m. on all the houses given to us on an investment of Rs. 66,357 i.e., he has got a return of 31.5 per cent. on this investment—a very high return indeed.

If our Mission had been careful about public funds, they should have found out some details about the so-called investments to be made by Indian merchants and they themselves would have come to know the way we were being duped."

The witness stated in extenuation that nobody could know about the investment made by the person concerned because the whole transaction was not on legal basis. Only an assumption had been made.

It was also brought to the Committee's notice that the Law Ministry had advised that the intermediary had no legal case to claim compensation. They enquired, therefore, as to why the Ministry of Finance concurred in the payment of Rs. 40,000 to him in spite of their own reservations in this regard. The representative of the Ministry of Finance stated that this was done in order to honour the verbal commitments made by two of our Ambassadors. Asked to state whether the Ministry proposed to issue orders discouraging such unofficial and unwritten arrangements in future, the representative of the Ministry agreed that such unwritten arrangements were not proper.

**The Committee take a serious view of the unwritten and unactioned commitments to the extent of Rs. 40,000 made by our Ambassadors at Djakarta to pay compensation to the intermediary when there were no means to ascertain the expenses actually incurred by him. The Committee hope that Government will sternly discourage such actions.**

The Committee were also informed by Audit that the Financial Adviser while agreeing to the payment of Rs. 40,000 specifically recorded 'I would certainly not advise going in for a supplementary grant for the purpose.' In this connection the Committee desired to have a note indicating whether the sum of Rs. 40,000 paid as compensation to the intermediary was included in the Supplementary budget 1961-62 and if not, the reasons therefor. This note has since been received in which it has been stated that as supplementary grants for 1961-62 had already been presented to Parliament no Supplementary grant for 1961-62 could be asked for this item. Provision

was, therefore, included in the budget estimates for 1962-63 as a specific item through a new item statement.

*Purchase and maintenance of furniture—Pages 39 and 40, para 37—*

9. An expenditure of Rs. 14 lakhs was incurred on purchase and maintenance of furniture during 1961-62. Defects in the maintenance of the accounts of the furniture, etc. in the Missions abroad were mentioned in paragraph 71 of the Audit Report (Civil), 1961. The following types of defects were noticed during audit conducted in 1961 and 1962.

(i) In the Missions in Rio de Janeiro, Karachi, Ankara, Baghdad, Beirut, Saigon, Jeddah, Gangtok and Rangoon stock registers were not properly maintained and it could not be verified if the items of furniture purchased/acquired had been brought to account.

(ii) Annual physical verification of furniture and other stores, as required under the rules had never been conducted in the Missions at Rio de Janeiro, Karachi, Baghdad, Khormshahr, Pnom Penh, Vientiane, Jeddah, Khartoum, Accra, Colombo, Kandy and Rangoon. The Ministry stated in February, 1963 that physical verification had since been completed except in Karachi. In Dacca, a total shortage of furniture valued according to Audit at about Rs. 10,000 was noticed during physical verification conducted in November-December, 1961 but had not yet (December, 1962) been investigated. A proportion of this shortage (Rs. 5,750 approximately) was noticed in 1957 and later years.

(iii) All articles of furniture are required to be distinguished with a distinctive mark which should be recorded in the stock register and that for costly items like carpets, radios, silverware etc., detailed particulars are to be recorded. Failure to comply with this important rule was noticed in the Missions in Karachi, Oslo, Vientiane, Berne, Jeddah, Gangtok, Cairo, Khartoum, Bucharest, Colombo, Kandy, Rangoon and Bangkok.

(iv) It was noticed that furniture in excess of the prescribed scales was issued for the residences of the officers and staff in the Missions in Karachi, Khoramshahr, Beirut, Jeddah, Gangtok, Khartoum, Colombo and Rangoon without charging rent therefor.

In Jeddah, sanction to purchase furniture worth Rs. 4,770 was accorded on 27th March, 1961, orders were placed without obtain-

ing any quotations by 31st March, 1961 and payments were made along with the orders before the actual supply was made in order to avoid lapse of budget provision.

In Rangoon, furniture costing over Rs. 4,000 was purchased in July, 1960 by a senior officer direct without inviting quotations, without placing any written orders and without even informing the Chancery. This involved an avoidable expenditure of Rs. 2,440 on account of higher rates and purchase of inadmissible items.

*Maintenance of Stock Registers and Physical verification of stocks—  
Sub-paras (i) and (ii)—*

10. The Committee were informed that 72 Missions had completed the work as regards compilation of stock registers and physical verification of furniture and other stores. Reports were, however, awaited from some of the Missions in regard to the results of the physical verification. Asked whether the reports available disclosed major shortages, the witness stated that the shortages were not significant and had been explained. Some items which had become worn out were not written off at the proper time according to the financial rules.

In regard to the results of stock verification at Karachi and other Missions for which reports were available, the Committee had desired to be given detailed information which the Ministry had made available (Appendix V). The Mission at Karachi are reported to have completed verification of furniture and compiled stock registers on the basis of the available stocks. It has not, however, been found possible to determine whether the stock was in excess or short of the furniture purchased as the original stock registers were incomplete in many respects. 54 other Missions are reported to have reconciled the entries in the old stock registers with those in the new registers compiled in accordance with the instructions issued in December 1961. Information is awaited from the remaining Missions (36 Missions). Substantial shortages have been noticed at Ottawa (Rs. 14,467), Dacca (Rs. 5,997), Vienna (Rs. 2,489) and Rio de Janeiro (Rs. 1,790). Some items are shown to be in excess at The Hague, Dacca, Belgrade (Rs. 2,256), Mandalay, Medan and Canberra.

As regards the shortage of furniture at Dacca, the representative of the Ministry stated that the verification carried out in 1957 and

1960 showed the shortages to the extent of Rs. 5,636 and not Rs. 10,000 as pointed out by Audit. Some of the missing articles had since been traced and the shortage now stood at about Rs. 5,213. Many items like crockery, glassware etc. totalling about Rs. 3,571 which had outlived their life, had not been written off, and articles worth Rs. 1,642 only had yet to be accounted for.

*Distinctive marking of furniture—Sub-para (iii)—*

11. The Ministry had informed Audit in February, 1963 that the work of embossing distinctive marks on furniture had been completed in most of the Missions mentioned in the Audit Report. The delay in some Missions was reported to be due to late receipt of metal numbering plates from India. The Committee were informed that the remaining work was expected to be completed in the near future.

*Irregularities in the purchase and issue of furniture—Sub-para (iv)—  
Rent free issue of extra furniture—*

12. As desired by the Committee a note has been furnished (Appendix VI) which explains the circumstances in extenuation of the free issue of furniture in excess of the prescribed scales for the residences of officers and staff in the Missions in Karachi, Khoramshahr, Beirut, Jeddah, Gangtok, Khartoum, Colombo and Rangoon. In a majority, of cases, the excess issue was made because of the availability of surplus furniture and lack of adequate space for storing them.

*Irregular purchases:*

*Jeddah.*—Asked why the sanction was issued as late as 27th March, 1961, the representative of the Ministry stated that the sanction for the purchase of furniture in Jeddah was not given from the Ministry. Under the delegated powers, the sanction was given by the local Mission. According to the information furnished by the Mission, they had decided about it in February, 1961. The Mission had also stated that on the file which the Audit saw, there were two or three quotations taken from certain firms. It was however, admitted that these were not brought to the notice of the Audit at the proper time.

*Rangoon.*—The Committee were informed that the officer in question was the Counsellor in the Embassy who arrived in Rangoon in June, 1960. In July he was asked to move into the residence of the Ambassador as there had been a change of Ambassador. There was a long delay in renting a suitable house for the officer. The Ambassador was due to arrive in early November and the Chancery was able to rent a house for the Counsellor only from 1st November. So, at short notice, he had to acquire furniture. The Mission had not clarified to the Ministry the position with regard to the statement of Audit that the Chancery was not informed by the Counsellor while placing orders for furniture. It was, however, admitted that the procedure adopted in this case was certainly unusual.

The Committee feel that the picture that emerges out of evidence in regard to the irregularities alleged in the Audit Report in respect of purchase and control of furniture and other stores is not wholly creditable to the Ministry and the Missions concerned. They note, however, that the position in regard to maintenance of stock registers and physical verification of stock have since improved. They hope that there will be insistence hereafter that rules in this regard will be strictly observed. The deficiencies and excesses observed should be expeditiously examined and responsibility fixed not only for the specific deficiencies now noticed but also for the lapses observed in regard to the proper maintenance of the Registers in the past.

The Committee are averse, on principle, to the rent free issue of furniture in excess of normal scales. They are unable to accept the plea taken that in some instances it was for the purpose of proper storage. Such a step could be justified only in exceptional circumstances when for a month or two, an unforeseen difficulty of storage might arise.

The Committee take a serious view of the purchase effected by the Counsellor in Rangoon in July, 1960 of furniture for Rs. 4000 without inviting quotations, without placing any written orders and without even informing the Chancery. The Mission has not cared to give a full explanation to the Ministry in this regard, as reported. There cannot be any justification for such unseemly procedure for furnishing a residence which became available in November, 1960. The Committee desire to stress that the Ministry should not countenance departures from financial propriety. They hope that suitable action will be taken in this case.

*Purchase and Maintenance of cars—Pages 40 and 41, para 38—*

13. Generally, a car is supplied to every Head of Mission/Post for his exclusive use and a separate car or cars are provided for staff duties to the extent considered necessary. The total expenditure under this head during 1961-62 was Rs. 10 lakhs. The defects, generally, noticed in connection with the supply and maintenance of Government vehicles are mentioned below:—

(a) *Cairo*.—In Cairo, it was noticed in May, 1962 that a car rendered surplus in February, 1957 was not sold till August 1961 on the ground that an additional staff car was required in the Mission though Government had consistently rejected the proposal since August, 1958. This involved an avoidable expenditure of Rs. 16,850 (apart from depreciation of the car) on repairs and maintenance of the car after September, 1958.

Explaining the facts of the case, the representative of the Ministry stated that when the office of the Consulate-General in Alexandria was closed down and it was merged with the Mission at Cairo, the Car was transferred to Cairo and the Mission began using it as a third staff car from May, 1957. When this matter came to the notice of the Ministry the Mission was asked to surrender the car to the late Ministry of Commerce and Industry. The Mission, however, contended that the additional staff car was necessary because the office had been expanded. Cairo was a busy airport with VIPs passing through all the time. Had this car not been there, expenditure on hiring transport would have been incurred. After protracted correspondence, the Ministry issued instructions that a third staff car would not be allowed and, therefore, it was sold. The Committee have been informed separately that the car had originally been purchased in April, 1954 for Rs. 11,863 and it was sold in August 1961 for Rs. 4,409.

**The Committee are unhappy to note that the Mission at Cairo continued to disregard the orders of the Ministry for three years. They feel that such a tendency should be sternly discouraged.**

14. (b) *Nairobi*.—In Nairobi, it was noticed in March, 1962 that a cinema van purchased at a cost of Rs. 30,000 in November, 1956 had done only 3,600 miles till January, 1962 and that too mostly on account of periodical checking. The van had been used only on 24 occasions during all these years for showing documentaries. The cost of repairs and maintenance including depreciation and interest charges came to over Rs. 35,000 upto December, 1961. The reason given for the poor utilisation of the van was that the driver had been retrenched on grounds of economy.

It was explained that after emergency was declared in Kenya the van had to be demobilised and the driver retrenched. As soon as the emergency was lifted, the van was brought into operation and it became possible to use it for publicity. The witness had no information as to the period for which emergency lasted in Kenya.

The cinema van in Nairobi has apparently only a limited use. It practically remained unutilised for six years although the Committee understand, the emergency in Kenya lasted only for two years. The expense of Rs. 35,000 for use of the van on 24 occasions only is obviously too heavy. As such the Committee suggest that instead of retaining the van the possibility of hiring suitable transport locally when required should be examined.

15. (c) *Dacca*.—It was noticed in Dacca in April, 1962 that a trailer purchased in July, 1957 for Rs. 3,531 to carry film equipment and generator had been lying idle ever since.

It was stated by the Ministry in February, 1963 that the trailer was required to carry transformers for exhibition of films out of Dacca Municipal limits. Since the Mission was not allowed by the Government of Pakistan to take the trailer out of the Municipal limits, the exhibition of films was made with the equipment carried in the jeep itself where electricity was available. The witness stated that they were trying to sell it now.

**The purchase of the trailer appears to have been made without proper examination.**

*Irregular purchases of cars—para 38(ii)—*

16. Instances of irregular purchase of cars were noticed in the Missions in Jeddah, Khartoum and Gangtok.

In Jeddah, a car of European make was purchased locally for Rs. 14,374 in April, 1961. Had the car been ordered from the manufacturers as required under the rules, the Mission could have obtained a discount of 15 to 20 per cent. Similarly, in Khartoum a car of American make was purchased through the local agents who allowed a discount of only 7½ per cent. In this case the payment was made in advance in U.S. dollars. The car was received in December, 1961, 4 months after payment and 2½ months after the expiry of the agreed delivery period. The delay in supply resulted in an expenditure of Rs. 2,050 on the hire of a car.



In Gangtok, a car fitted with automatic transmission and released from another Mission was obtained in Calcutta in March, 1959 without considering its suitability for hilly roads. It had to be sent back to Calcutta in less than a year. The expenditure on freight and incidental charges to and from amounted to Rs. 1,463 and another Rs. 4,660 had to be spent on hire charges during March, 1960 to November, 1960 pending the supply of a new car.

*Jeddah.*—The representative of the Ministry stated that there was a rule in the car code under which it was permissible to purchase a car locally when the local price did not exceed the c.i.f. price obtainable under the normal procedure by more than 10 per cent. (the Committee, however, since understand from Audit that the rule in the car code cited by the Ministry refers only to cars of U.S. make and not of European make). The price actually paid did not exceed the price that would have been paid had the car been obtained from Bonn. As against the discount not availed of, the freight charges were saved. Besides local purchase also entailed better service through a local garage. It was, however, pointed out by Audit that the Ministry in their reply did not point out that the basic facts stated in Audit paragraph were wrong. In reply to a question, it was explained that the Ambassador was authorised by the Ministry telegraphically in March, 1961 to purchase the car locally although the formal sanction was issued six months later and so, it was worded *ex post facto*.

(In this connection the Committee understand from Audit that the telegraphic and other correspondence between the Embassy and the Ministry during the period September, 1960 to March, 1961 only envisaged the purchase from the local dealers and the question of the purchase from the local dealers *vis-a-vis* ordering it from the manufacturers does not appear to have been specifically considered. It appears to have been assumed that the demand was urgent and would have to be met by local purchase.)

*Khartoum.*—The representative of the Ministry stated that the car could not be delivered by the dealer in August, 1961 due to rains and traffic dislocation. The actual delivery took place in December, 1961.

*Gangtok.*—Asked whether the suitability of the car in the hilly area was considered and what were the reasons for the delay of about a year in its disposal, the representative of the Ministry stated that the car was sent there from Lahore after the winding up of the Indian Mission in Lahore. The automatic transmission fixed

in the car did not function in Gangtok, probably, because the roads were not in good shape. It was added that it was not always the case that a car with automatic transmission could not function on hilly roads. With regard to disposal of the car, it was stated that normally one would not dispose of a car all of a sudden without examining whether it could not be set right, as there was the difficulty of getting sanction for a new car from Finance Ministry.

The case regarding purchase of the car by the Mission in Jeddah is again an instance where full facts of the case were not explained to Audit in time. Further, in the case of the purchase in Khartoum there appears to be little justification for making the payment in advance in U.S. dollars. The Committee hope that such instances will be avoided in future.

*Defective maintenance of Cars—Para 38 (iii)—*

17. In the Missions in Mexico City, Salisbury, Rajshahi and Accra it was noticed that sufficient attention was not given to the proper maintenance of Government vehicles. In Mexico heavy repair charges of a car (Rs. 3,827 for one year) were attributed to several factors e.g., that the car was not run on proper petrol and that it was not regularly serviced or driven by the driver alone. In Salisbury, the premature replacement of a car purchased in May, 1956 was proposed in December, 1959, due to its bad condition. In Rajshahi, where there are no servicing facilities, no alternative arrangements were made for regular servicing and a car was never serviced in its life of six years.

In Accra, no action was taken against a driver who was held responsible by the police for an accident in December, 1959 and was reported careless by the Service Agents in September, 1960. He was dismissed from service only after he took away a car from the Mission, used it in the night and left it all broken up in a ditch on 10th May, 1962. The cost of repairs was estimated at Rs. 2,667 and the Mission proposed replacement of the car.

The Committee desired to know as to why in some of these cases cars were not maintained properly. The representative of the Ministry stated that in Mexico, Southern Rhodesia and East Pakistan, servicing facilities were not very good. In Mexico, high Octane petrol as required was not available. In Southern Rhodesia the roads were very bad. In Rajshahi also good servicing facilities were not available and servicing facilities in Dacca also were not upto the mark.

It was admitted by the witness that the Mission at Accra showed undue leniency to the driver in not dispensing with his services soon after adverse police reports were received. The driver, since dismissed, was a local man. It was hoped that the mission would be more careful in future.

The Committee understand that instructions have been issued to the Missions for taking proper care in the maintenance and repair of cars in future. They regret that issuing of instructions at all became necessary in such a matter. Particularly serious is the case in respect of Rajshahi where a car was never serviced during its life of six years. The Committee feel that negligence of this type should be seriously viewed.

*External Publicity—Pages 41 and 42, para 39—*

18. On 31st March, 1962, there were 50 Information Units in the Missions abroad to deal with External Publicity and the expenditure thereon during the year 1961-62 was Rs. 83.48 lakhs. The main functions of the Information Offices attached to Missions are the organisation of film shows, the running of libraries and the publication of periodical bulletins and special brochures.

In order to have an appraisal of the functioning of the Information Units abroad the Committee had called for some detailed information which has been furnished\* (Appendix VII). An abstract of the break-up of the total expenditure incurred abroad during 1961-62 on external publicity is given below:

		(In lakhs of rupees)
1.	Pay & Allowances of officers and establishment . . . . .	47.52
2.	Books, stationery & publications—	
	Expenditure on Publicity . . . . .	2.11
	Balance expenditure . . . . .	1.15
		} 3.26
3.	Publicity contingencies—	
	Bulletins . . . . .	9.38
	Film shows . . . . .	0.63
	Other publicity . . . . .	3.31
		} 13.32
4.	Other charges—	
	P. & T. charges . . . . .	4.58
	Repair & maintenance of buildings . . . . .	8.92
	Purchase & Repair of cars . . . . .	0.36
	Purchase & Repair of furniture . . . . .	1.22
	Telephone charges . . . . .	0.17
	Misc. including liveries . . . . .	4.13
		} 19.38

\*Not vetted by Audit.

At present 75 units are reported to be equipped for holding of film shows and 73 for library facilities. The number of Missions who issue Bulletins is reported to be 56 and they issue 14 dailies, 3 bi-weeklies, 18 weeklies, 10 fortnightlies, 13 monthlies, 4 quarterlies, 1 four-monthlies, 1 triweekly and 7 bulletins at irregular intervals. The number of brochures published by the various units is reported to be 203. The Committee feel that there is scope for economy in expenditure particularly under "other charges". They desire this to be examined and the result communicated to them.

*Information Service Wing at Accra—para 39 (i).*

19. In Accra, the cinema van went out of commission in April, 1957 when it met with an accident and the publication of the periodical bulletin entitled "India News" was also suspended in December, 1961, when there was a sudden rise in printing costs. The activities of the post, thus, stood considerably curtailed. The printing of the bulletins was resumed from August, 1962.

The following expenditure was incurred on the Information Service Wing from 1957-58 to 1961-62:

Year	Actual expenditure in lakhs of rupees
1957-58 . . . . .	1.81
1958-59 . . . . .	1.48
1959-60 . . . . .	1.53
1960-61 . . . . .	1.68
1961-62 . . . . .	1.74

The Committee enquired why the expenditure was not reduced when the activities of the Wing were severely curtailed both in regard to exhibition of films and issue of news bulletins. It was explained that although the accident to the cinema van resulted in some reduction in the showing of films outside Accra the Mission continued to hold shows at its own premises at the request of local cultural and educational institutions. During the suspension of printing of the news-bulletin between December, 1961 and July, 1962, due to 100 per cent increase in charges demanded by the printers, the Mission was reported to have carried on its publicity programme through cyclo-styled press releases.

The Committee have been given the break-up\* of the expenditure of the Wing during the five years ended 1961-62 (Appendix VIII). They notice from the statement that the expenditure under 'Allowances and Honoraria' increased from Rs. 31,000 in 1958-59 to Rs. 57,000 in 1961-62. During the same period P & T charges increased from Rs. 7,600 to Rs. 10,800. The 'Miscellaneous' expenditure rose from Rs. 5,900 in 1958-59 to Rs. 14,600 in 1960-61 (reduced to Rs. 7,700 in 1961-62). It appears to the Committee that adequate attention was not being paid to economising expenditure to the extent possible. They suggest that the Ministry may conduct a review of the expenditure incurred by this wing so as to reduce expenditure to the minimum necessary.

*Defective maintenance of stock registers of library books etc.—Para 39 (iii)—*

20. In Istanbul, Damascus and Vientiane, it was noticed that the stock registers of Library books were not properly kept and it was not possible to ascertain if all the books received had been entered in the Registers. In Beirut, Damascus, Addis Ababa, Khartoum and Cairo, it was seen that many books given out on loan had been outstanding for years (since 1957) and no action had been taken to recover or write them off.

In San Fransisco, Istanbul, Damascus, Beirut, Saigon, Vientiane, Addis Ababa, Khartoum, The Hauge and the India House Library, London, it was noticed that a proper stock taking of Library books had never been done, and that the extent of losses, if any, could not be ascertained.

In Kathmandu, it was noticed that a physical verification conducted for the first time, in May-June, 1961 on the resignation of the Librarian indicated a loss of books (valued at over Rs. 14,000) i.e., about 40% of the total stock of books in the library. The exact loss could not be ascertained as the stock register had not been properly

---

\*Not vetted by Audit.

kept. In September, 1962, it was stated by Government that lists of books were being compiled and that it would take considerable time to ascertain the exact amount of loss.

During evidence the Committee elicited information in regard to the general set up of libraries in the Indian Missions and the extent to which they were proving useful. At their instance the Ministry has supplied a list\* of basic books supplied to every newly established library and a statement showing the list of newspapers/periodicals subscribed to by the Ministry of External Affairs (External Publicity Division) for Headquarters and Indian Missions abroad (Appendix IX). A note has also been furnished (Appendix X) indicating the position with regard to stock taking of books and maintenance of records in the libraries mentioned in para 39 (iii) of the Audit Report.

The Committee find that the note furnished by the Ministry is not as informative as they would have liked it to be. Such information as it conveys also discloses an unsatisfactory state of affairs in most of the Missions mentioned in the Audit Report. By and large it has not been possible either to bring the registers up-to-date or to complete the physical verifications of stocks. The Committee regret to note that in several cases including such an important library as the India House Library in London the stock verification has never been done in the past. Lack of adequately trained staff, space and the need for economy are stated to have been serious obstacles hampering the smooth and orderly functioning of the libraries. The Committee are particularly surprised that the plea of shortage of staff should have been advanced in the case of India House Library while the High Commission in London are obviously over staffed.

The Committee recommend that the libraries should be organised properly and where the extent of work justifies trained Librarians should be provided to look after them. In the meantime priority should be given to complete physical verification of books which can well be undertaken by assembling teams by drafting men from the other branches of the Missions. The Committee would like to have a report when this work and the compilation of registers is duly completed.

*Failure to invite quotations before awarding printing contracts—  
Para 39 (iv).*

21. In Tehran and Nairobi, it was noticed that the printing work connected with the periodical bulletins had been entrusted to some

---

\*Not vetted by Audit.

presses for the last several years without inviting any quotations. In Bonn, it was noticed in April, 1962, that similar work costing over Rs. 20,000 per annum had been entrusted to a firm on the basis of some estimates submitted by them in 1956.

The Committee were assured that the Ministry would look into these matters and take care to see that proper procedures were actually being observed in awarding such contracts.

*Drawal of funds on fictitious bills—Pages 42 and 43, para 40.*

22. In May, 1959, the Havildar Accountant of a Battalion of the Assam Rifles got a fictitious bill for Rs. 1,06,159 signed by the Commandant and embezzled the entire amount. He then deserted service. In July, 1960, the Naik Accountant also similarly got a fictitious bill for Rs. 2,890 signed by the Commandant and deserted service after misappropriating the money. The non-accountal of the amounts was taken up during the local audit conducted in March-April, 1961 and the nature of the fraud was established during the subsequent Departmental Enquiry in May, 1961.

The person responsible for the defalcation of Rs. 1,06,159 was absconding and a warrant of arrest and proclamation for attachment of his property had been issued. The other accountant was tried by the Commandant of the Battalion for charge of desertion and was sentenced to undergo one month's rigorous imprisonment and was also dismissed from service. He deposited the entire amount of Rs. 2,890 in the criminal court which discharged him without any further punishment. The Board of Enquiry held the Commandants guilty of gross negligence.

The Ministry had stated (November, 1962) that necessary action against one of the supervisory officers was being initiated by the Army authorities and that no action against the other officer was possible under the Army Act as he had already retired from the Army.

Replying to a question, the representative of the Ministry stated that the reason why the embezzlement of Rs. 1,06,159 could not immediately come to light was that the Naik Accountant committing the defalcation did not make any entry for the amounts received in the registers of the Unit. Such entries should have been checked by the Commandant who did not exercise due care. The matter was reported to the police and was still under investigation. The Commandant had, however, admitted that he was careless in this matter. There was a surmise that when the bill was made out, it was for Rs. 159/- and the first three figures 106 were subsequently added.

Asked why no disciplinary action was taken against the Commandant concerned, the witness stated that the officer retired in November, 1959 and such an action had become time barred under the Army Act by the time the defalcation came to light in 1961. In reply to a further question, he stated that at no stage of the enquiries was any criminal complicity of the Commandant suspected. However, full facts of the case had been communicated to the Assam Government who had re-employed the officer in their Police Department. It was further disclosed that the Ministry of Law had advised as under:—

“Even though no disciplinary action can be taken now, it may be possible to file a suit against him under the general law for damages for negligence. For this, the Government should have sufficient evidence to establish negligence and loss resulting from negligence. The IG, Assam Rifles, and the Legal Adviser, NEFA may be requested to examine, if necessary, in consultation with the Government Pleader if there is sufficient evidence to establish negligence. Negligence would depend upon the duties cast upon him in this regard.....”

To a question, the witness stated that this case had been referred to the NEFA Administration seeking their advice whether a civil suit should be filed. In the meantime, enquiries had been floated to ascertain what assets he owned.

**What surprises the Committee is that no serious attempt was made since March-April, 1961, to examine the accounts of the Havildar Accountant immediately after he absconded. It was only the commandant at the time who could order a proper enquiry. The fact that he did not care to do so, calls for an investigation before it is concluded that it was a case of mere carelessness. In any case such an officer would be a grave risk in any position of responsibility and the Committee hope that Assam Government will have come to the same conclusion. They desire that their observations be communicated to that Government.**

**In terms of the Law Ministry's advice given in December, 1962, the Ministry are yet to make up their mind whether or not to file a suit against the officer. The Committee deprecate the delay of about 13 months in this regard in coming to a decision.**

*Delay in submission of adjustment T.A. Bills—pages 43 and 44 para 41.*

23. Advances of Travelling Allowance drawn on tour or on transfer are required to be adjusted by submission of bills of actual journeys immediately on the completion of the tour and within 6 months



of assumption of the new post on transfer. It was, however, noticed that adjustment of advances aggregating Rs. 2,63,114 was overdue on 31st December, 1962, against 24 gazetted officers and 316 non-gazetted officers of the Missions and the Ministry. The year-wise break-up of the outstanding advances is given below:

Year of Advance drawn	No. of cases	Amount Rs.
1951-58 . . . . .	118	74,355
1958-59 . . . . .	40	21,373
1959-60 . . . . .	75	71,350
1960-61 . . . . .	107	96,036

A few typical cases of long delays in submitting bills in connection with the actual journeys performed are given below:—

(a) An officer of the Indian Foreign Service drew in May, 1960 an advance of Rs. 14,297 on his transfer from Washington to Rangoon. He reached Rangoon in June, 1960 and was again transferred to Madagascar in August, 1961. A further advance of Rs. 800 was drawn by him in July, 1961 without adjusting the previous advance. The adjustment T.A. Bill for the original advance had not been submitted till December, 1962.

(b) Another officer drew the following advances:—

	Rs.
(i) Advance of T.A. on transfer (In March, 1958) . . . . .	26,667
(ii) Advance of T.A. on transfer (in August, 1960) . . . . .	29,058
(iii) Advance of T.A. on tour (in August, 1960) . . . . .	1,775

The officer's final travelling allowance bill against the first advance was submitted only in March, 1962, which showed that a sum of Rs. 7,246 was drawn in excess by him; out of this, an amount of Rs. 6,950 was refunded in September, 1961, i.e. after 3 years, Rs. 181 in March, 1962 and Rs. 115 in July, 1962.

The travelling adjustment bill for Rs. 23,428 against the second advance of Rs. 29,058 drawn in August, 1960 was submitted to audit

in November, 1961; and the amount drawn in excess (Rs. 5,630) was refunded in January, 1962.

The third item of tour advance of Rs. 1,775 was drawn on the eve of his transfer to another country. The adjustment bill was not submitted on completing the tour and before proceeding on transfer. The adjustment bill against this tour advance was awaited (January, 1963).

Explaining the general position, the representative of the Ministry stated that considering that there were about 1400 persons abroad, many of them constantly on the move, and there being an annual expenditure on travelling of about Rs. 20 lakhs, the number of cases in which adjustment of advances was in arrear was not large. The arrears were stated to be decreasing despite the fact that the number of Missions kept on increasing. It was added that action was being taken to retrench the amounts outstanding from the various officers from their pay bills. In the old cases under consideration difficulties were being encountered in locating the actual place where the particular officer might be serving because the details were rather confusing. It was added that some of the persons concerned had retired. But with the help of Audit, correct data was being collected with regard to each individual officer and as soon as the relevant information was available, Heads of Missions concerned would be requested to start immediate recovery in case the amount had not been adjusted already.

It was brought to the Committee's notice that the Manual of Instructions issued by the Ministry of External Affairs in 1958 contained a provision that if a case of advance drawn remained unadjusted on the expiry of six months from the date of arrival of an officer at the new post, the unadjusted amount should be recovered from his salary unless the Government's prior approval had been obtained for extension of the period. These instructions were reported to have been reiterated in August, 1962 and assurance also given to Audit in January, 1963 that the backlog would be cleared expeditiously. The latest position, however, was reported to be that out of 340 cases only 17 cases had been settled so far, (one out of 40 pertaining to the period 1958-59, 4 out of 75 of 1959-60 and 12 out of 107 of 1960-61). It is clear that if care had been taken to apply the rules strictly the backlog would not have accumulated at all.

From a note\* submitted to the Committee showing the position in respect of 118 cases pertaining to 1951-58 (Appendix XI), they see that

---

\*Not vetted by Audit.

**in not a single case was action taken to order recovery from salary and no record was available of any extensions for the submission of adjustment bills applied for or granted. These cases only betray lack of adequate administrative control by the Ministry in financial matters, otherwise, the submission of adjustment bills was not such an involved task as could not be completed within the prescribed period irrespective of the conditions of service abroad.**

'24. The Committee now deal with the specific cases of delay referred to in the Audit Report.

*Para. 41 (a)*

The representative of the Ministry explained that the officer's explanation was asked for and he submitted that there was some delay because of his very early retransfer from Rangoon. In extenuation it was stated that this officer was asked to proceed by air, as a matter of urgency, from Washington to Rangoon in June, 1960, to take charge of the Embassy, as the Ambassador had been transferred to another Mission. His family arrived by boat in November, 1960. Then, one of the boxes was mislaid. This box contained most of his personal papers. By the time the papers could be traced the officer was transferred to Madagascar. The box was received when the officer reached Madagascar. On his retransfer he drew an advance of only Rs. 800 which was considerably less than the expenditure involved. Then he took some time to settle down in his new post. He sent in July, 1962, a bill for the recovery of the entire amount. The T.A. Bills had since been received and the same had been sent to Rangoon for counter-signature by the Controlling Officer.

*Para 41 (b)*

In extenuation the Committee were informed that the officer was transferred from Baghdad to Santiago, Chile. The advance was given in Baghdad in March, 1958, and he first submitted the adjustment T.A. Bill in August, 1960 and the bill was returned by Audit after eight months i.e., in April, 1961. There was a political revolution in Baghdad in July, 1958 and all business activities came to a complete standstill and some firms were closed down. The officer had to settle various bills with the shipping and forwarding firms and so on. Then there was the question of finding the requisite currency for the payment of the transportation charges. It was added that these agencies could not be paid in advance because they did not know how much expenditure was likely to be incurred. It was further stated that the officer did not apply formally for extension of time but he was reminded about it. It was also added that unlike the case of the lower

staff, like clerks, where the administrative Ministry itself was responsible for the timely submission of TA Bills, gazetted officers were expected to be more responsible and they dealt directly with the audit, who might help in such matters. It was admitted by the witness that there had been considerable delay.

In reply to a question, the Committee were informed that before the officer drew the second advance of Rs. 29,058, he had submitted his T.A. bill pertaining to the first advance for the audit. A note\* has also been furnished in this regard (Appendix XII).

The Committee, however, understand from Audit that this position is not correct, as the adjustment bill was sent to Audit under the Embassy's letter dated, the 11th August, 1960 while the officer signed the Second Advance T.A. bill on the 18th July, 1960.

The Committee desired to know if the Ministry could devise some way for checking up the accuracy of the amount of T.A. advance. The representative of the Ministry stated that the T.A. advance Bill was like a budget estimate and the cases, under consideration, were those of the Ambassadors whose estimates could not be objected to by office.

The Committee are unhappy to note that financial irregularities have been committed even by Ambassadors. In the second case particularly the Committee fail to see why the Ambassador, who drew advances to the extent of Rs. 57,000 in all on two occasions did not refund forthwith Rs. 7,246 saved by him out of the first advance of Rs. 26,667 and Rs. 5,630 saved out of the second advance of Rs. 29,058 when the savings were sizeable enough not to have escaped his notice. The Committee recommend that such cases, as soon as they are detected, should be brought to the notice of the higher authorities in the External Affairs Ministry so that prompt action can be taken. The Committee would also like to invite attention in this connection to their earlier recommendation contained in para 39 of their 8th Report (Third Lok Sabha).

#### *General*

25. The various irregularities pointed out in the Audit Report seem to indicate that the control of the Ministry over the various Missions abroad is somewhat loose in financial matters. The Committee are of the view that this needs tightening up.

---

\*Not vetted by Audit.

## II

### MINISTRY OF FOOD AND AGRICULTURE

#### (DEPARTMENT OF AGRICULTURE)

*Uneconomic working of a scheme—para 46—page 46.*

26. In May, 1957, the Tripura Administration purchased for Rs. 14,765 five bone digesters, each of annual capacity of 400 maunds, which started operation between April and July, 1958. Five more such digesters were purchased for Rs. 18,223 in January, 1958 and transported from Calcutta after one year, during January and February, 1959.

According to Audit upto the end of 1961-62 a total expenditure Rs. 86,699 was incurred on the scheme. Against the total capacity of 4,000 maunds per year, only 2,032 maunds of bone meal in all, valued at Rs. 21,539 (approximately) were produced during 1958-59 to 1961-62, of which only 1,197 maunds were distributed upto March, 1962. It had been stated that the output had increased to about 80 maunds per month in 1962. The Administration decided in January, 1962 to retain only six of the digesters and to dispose of four, two of which had been lying unutilised from the beginning.

The surplus digesters had not been disposed of till December, 1962. The Administration had stated that the people of the territory were not prepared to collect bones on religious grounds.

The Committee enquired whether any survey was made about the availability of raw materials like bones etc. before purchasing the digesters. The Secretary stated that no specific survey was made in this regard. Although there were a large number of cattle in Tripura and the religious sentiment in collecting the bones was also confined to a certain classes of Hindus only, in the absence of slaughter houses, there was difficulty in collecting bones from various places.

The Committee were also informed that according to the Ministry the gross value of output was Rs. 35,215 and the loss after deducting working expenses (Rs. 39,684) was Rs. 4,469. The amount of

Rs. 39,684, however, represented only the running expenses and did not take into account the expenditure on staff, miscellaneous expenditure on account of repairs, liveries and stationery and other elements such as interest on capital depreciation charges and proportionate cost of transport and installation charges. As for the reasons for not taking these expenses into account the representative of the Ministry stated that because of a misconception on the part of the administration, it was treated only as a developmental activity and not as a commercial venture. Therefore, instead of keeping proper income and expenditure accounts only receipts and payments accounts were maintained. However, after objection from Audit, the Administration had started maintaining income and expenditure accounts from 1962-63.

The Committee were also informed that out of 4 surplus bone digesters, two had already been sold without any loss and the other two were likely to be sold shortly. As regards utilisation of the bone-meal produced, the Secretary stated that the whole quantity produced was being sold now.

**The Committee regret to note that no survey was made about the availability of raw materials before purchasing the bone digesters. The Administration even failed to watch the working of the five digesters purchased at a cost of Rs. 14,765 in 1957 before placing order for the next five digesters, resulting in avoidable loss on the care and maintenance of the surplus digesters besides unnecessary locking up of funds.**

**The Committee desire that the surplus bone digesters should be disposed of expeditiously.**

*Avoidable payments to a firm—page 46-47—para 47.*

27. An Agreement with a firm of clearing agents at Calcutta for the clearing and stocking of Government timber expired on the 31st December, 1953 but a quantity of 2,573 tons remained with the firm for a further period of about ten months without an agreement about the rate for storage, even though timely notice had been received from the firm that fresh terms would have to be settled for any service rendered by them after the termination of their contract. Ultimately, in March, 1955, the firm put forward in court a claim for Rs. 4.70 lakhs which was compromised by Government by paying in February, 1960 a sum of Rs. 56,722. This included (i) Rs. 32,434 towards ground rent and establishment charges for timber stored by the firm and (ii) Rs. 15,004 towards refund of amounts withheld on account of shortages of timber.

In evidence, the Secretary stated that although the contractor had earlier informed that the existing rates would not be applicable for the balance of the stock, it came to the notice of the Ministry only on 28-12-1953 that the contractor would have stock of timber on his land on expiry of his contract on the 31st December, 1953. A meeting was then held with the two contractors to find out whether the new contractor would be given possession of the land and rest of the stock of timber. The Government were under the impression that the lease of the land where timber was stocked would automatically be transferred to the new contractor by the Port Commissioner on a recommendation made by Government as on earlier occasions. But the contractor, who had a separate contract with the Port Commissioner, refused to part with the land the lease of which had not expired. It was not clear at that time as to how long these stocks would remain with the contractor. Therefore, no particular steps were taken for making any fresh agreement. The stocks were, however, cleared in ten months.

As regards loss on account of shortage of timber the Committee were informed that a sum of Rs. 6,377 had already been recovered from the shipping company. Certain further outstanding claims for a few hundred rupees were also expected to be realised soon.

The Committee are not satisfied with the explanation in the case. They regret to note that no action was taken to settle the rate for the clearing and stocking of the balance of timber as soon as it became clear that its continued storage with the old contractor was unavoidable. The plea that it was not clear at that time as to how long these stocks would remain with the contractor is hardly convincing. Had timely action been taken in the matter, it would have saved delay and legal expenses incurred over a period of years.

The Committee also note that out of Rs. 15,004 paid to the contractor towards refund of amounts withheld on account of shortage of timber, only a sum of Rs. 6,377 had been recovered from the shipping company and further claims for only a few hundred rupees were pending. They would like to be informed of the reasons for the non-realisation of the balance of the loss on this account.

28. The Agreement with the firm provided that the firm would be entitled to receive a sum calculated at the rate of Rs. 15 as. 6 per ton for all timber shipped from Andamans and handled by them inclusive of all standard charges viz. Port Trust dues, Harbour dues

etc. Although the firm were paid at this rate for all timbers shipped during the period 6th October, 1950 to 15th December, 1953, they failed to pay a sum of Rs. 1,38,775 representing Port Trust dues to the Port Trust Authorities. The claims of the Port Trust have since become time barred. No legal action had been taken by the Government against the firm to realise the amount with the result that the firm received an unauthorised aid amounting to Rs. 1,38,775.

In evidence, the Secretary stated that in their view the arrangement for the storage of timber on the Port Trust land was between the contractor and the Port Trust authorities. The Ministry compensated the contractor with an all inclusive flat rate of Rs. 15/6/- per ton which included compensation for any port trust dues that might be payable by the contractor. It was for the clearing agents and not for the Government to pay the necessary charges to the port trust authorities. The Port Trust Authorities had also not raised any demand against the Ministry for these dues nor did they at any time point out to them that the contractor was defaulting in the payment of dues. He also added that in this case the timber was consigned in the name of the contractor. From the information received from other Port Trust Authorities it was found that the consignee was made liable for the payment of ground rent.

The Committee pointed out that the Ministry of Law have in this case held that—

“It is not clear how their clearing agents, would be responsible for payment of those charges in respect of goods imported by Government. The Company is after all the agent of Government for clearing those goods and the ultimate responsibility appears to be that of Government. Even if there be an agreement between the Government and the clearing agents in that behalf, still as regards the Calcutta Port Commissioners, the primary responsibility would be that of the Importer Government.”

The Secretary stated that the Law Ministry had expressed this view on a reference from the Ministry of Transport and Communications but they (Ministry of Food and Agriculture) had not accepted it.

The Committee observe that there is difference of opinion between the Ministry of Food and Agriculture and Law regarding the liability for the Port Trust dues. They, therefore, desire that the Ministry should refer the matter to the Ministry of Law for their



**reconsideration and that their final opinion be intimated to the Committee as well.**

*Infructuous expenditure on an Oilseed Research Station—para 108—  
Page 120*

29. With the approval of the Indian Central Oilseeds Committee, an oil-seed research station was established in Anantapur (Andhra Pradesh) in 1954, with the object of evolving the varieties of oil-seeds with maximum oil-yielding capacity. In 1955-56, the results of the research were found to be unsatisfactory as the soil in Anantapur was rocky and not suitable for conducting experiments. The station was, however, shifted to another locality only after two years in July, 1958.

The failure to ascertain the suitability of the soil before the establishment of the research station at Anantapur resulted in an expenditure of Rs. 68,762 incurred on the station during the period 1954—58 becoming largely infructuous. The Ministry informed Audit in January, 1963 that the question of evolving a suitable procedure for the selection of appropriate sites in consultation with the State Governments was under the consideration of the Committee.

In evidence, the Secretary stated that it was the State Government which acquired the land, made the survey and set up the station. Out of non-recurring expenditure of Rs. 33,594 incurred on immovable property, including Rs. 4,000 on livestock, the State Government had refunded Rs. 21,596. The livestock were transferred to the new station. However, the recurring expenditure of Rs. 68,762 incurred on the station, comprising of Rs. 49,463 on staff and establishment, Rs. 16,403 as cost of cultivation and contingency and Rs. 3,896 as depreciation on land and building, was borne by the Indian Central Oil seeds Committee.

The Committee were also informed that according to the revised pattern of assistance, all non-recurring expenditure and 50 per cent of the recurring expenditure would be borne by the State Governments except in the case of stations for Oilseeds Committee which would meet 100% of the recurring expenditure.

The Committee were informed by Audit that although the Station was established in 1954, it was only in 1957 that the Indian Central Oil Seeds Committee after an inspection of the site reported that 'from every angle the farm site is not suitable for experimental work'. **The Committee regret to note that although all the recurring expenditure on the Station was to be borne by the Indian Central Oilseeds**

**Committee no steps were taken by them to satisfy themselves about the suitability of the site before releasing the grants. It is surprising that it should have taken them three years to realise that the site was not suitable for experimental work. This resulted in an infructuous expenditure of Rs. 68,762.**

**The Committee hope that the procedure for the selection of appropriate sites for such research stations should be finalised early in consultation with the State Governments to avoid the recurrence of such cases. The Committee also trust that in future no such research stations would be opened without making a thorough enquiry in consultation with State Governments, about the suitability of the site and its soil.**

*Presentation of the Audit Reports of Autonomous Bodies to Parliament*

30. The Audit Reports on the accounts for 1961-62 of the Autonomous Bodies mentioned below have not yet been presented to Parliament\*. The dates on which the respective Audit Reports were sent to the Ministry are indicated below:

Name of the Body	Date on which sent to Ministry
1. Indian Council of Agricultural Research . . .	30th October, 1962
2. Indian Central Coconut Committee . . .	29th May, 1963
3. Indian Central Oilseeds Committee. . .	15th March, 1963
4. Indian Central Arecanut Committee . . .	29th March, 1963
5. Indian Lac Cess Committee . . .	27th August, 1963

The Secretary stated that although the audited accounts for these autonomous bodies had been placed before Parliament, the question of placing the audit reports before Parliament was under consideration of the Ministry of Finance.

**The Committee regret to note the delay in the presentation of these Audit Reports to Parliament. They desire that such Reports should be presented to Parliament as soon as possible after their receipt from Audit.†**

\*Laid on the Table of the Lok Sabha on the 11th February, 1964.

†The Ministry of Food and Agriculture (Deptt. of Agriculture) intimated *vide* their O.M. No. 1-10/63—Budget, dated the 9th January, 1964 that it had now been decided to present in future to Parliament the Audit Reports along with the Annual Reports and Audited Accounts.

### III

## MINISTRY OF FOOD AND AGRICULTURE (DEPARTMENT OF FOOD)

*Scheme for the Purchase of food-grains—Para 76, pages 76-78—*

31. The scheme of State Trading in food grains which was introduced in 1943-44 continued during the year 1961-62. The cumulative losses since the beginning of the scheme in 1943-44 worked out to Rs. 98.24 crores of which an amount of Rs. 46 crores had so far been charged to revenue. The proforma accounts for 1960-61 and 1961-62 prepared by the Ministry are reproduced in Appendix V of the Audit Report (Civil), 1963. A broad analysis of the transactions during the years 1960-61 and 1961-62 are given below:

	1960-61		1961-62			1960-61		1961-62	
	Quan- tity (In lakhs tons)	Value (In Crores of Rs.)	Quan- tity (In lakhs tons)	Value (In Crores of Rs.)		Quan- tity (In lakhs tons)	Value (In Crores of Rs.)	Quan- tity (In lakhs tons)	Value (In Crores of Rs.)
Opening stock	10.75	43.49	24.00	93.96	Sales	41.35	162.23*	38.15	148.54*
Purchase (including freight, incidental and direct charges)	55.06	223.52	34.81	148.00	Loss in distribution	0.46	...	0.14	...
Deduct- Cost of short land- ed quantity charged to Insurance		(—) 0.69		(—) 0.53	Miscel- laneous receipts	...	0.88	...	0.35
Indirect Expenses	...	4.99	...	6.05	Closing stock	24.00	93.96	20.52	84.73
Interest on Capital	...	4.44	...	5.39	Total loss on the tran- sactions (includ- ing value of grains lost in transit and dis- tribution)	...	18.68	...	19.25
	<u>65.81</u>	<u>275.75</u>	<u>58.81</u>	<u>252.87</u>		<u>65.81</u>	<u>275.75</u>	<u>58.81</u>	<u>252.87</u>

\*The figures exclude amounts of Rs. 0.64 crore in 1960-61 and Rs. 0.55 crore in 1961-62, creditable to a proforma insurance account maintained by the Ministry.

During the course of evidence, in order to have a clear idea about the loss under the scheme, the Committee desired to have a statement showing the analysis of the loss during each of the years 1960-61 to 1962-63 separately under:

- (i) Subsidised sales of imported food-grains;
- (ii) Transit losses; and
- (iii) Storage and distribution losses.

In this connection, the Ministry has furnished two statements\*, *vide* Appendices XIII and XIV. The First statement (Appendix XIII) shows the purchase, sales and losses incurred in the scheme for State Trading in food-grains in the years 1960-61, 1961-62 and 1962-63. From the figures furnished in this statement, the Committee observe that the total of overall losses incurred under the scheme of State Trading in food-grains during the years 1960-61 to 1962-63 were Rs. 18·68 crores, 19·25 crores and Rs. 26·56 crores (provisional) respectively (Grand total Rs. 98·24 crores since 1943-44).

The second statement (Appendix XIV) shows the losses in transit and storage during 1960-61, 1961-62 and 1962-63. The figures of transit losses and storage losses, as furnished in the statement, are given below:—

	Transit Loss		Storage Loss	
	Quantity (In M. tonnes)	Value (In lakhs of Rs.)	Quantity (In M. tonnes)	Value (In lakhs of Rs.)
1960-61 . . . . .	20,224	88·48	1,341	6·43
1961-62 . . . . .	18,966	79·57	1,910	8·25
1962-63 . . . . .	51,154	2,07·74	5,209	23·02

From the above figures, it would be seen that there has been a sharp rise in the transit losses as well as storage losses during the year 1962-63 (total loss Rs. 230·76 lakhs). The Committee would like the Ministry to furnish a detailed note indicating the reasons for this sharp rise, and steps taken to minimise such losses.

32. Asked about the reasons for the loss in storage, the Secretary of the Department stated that these losses were partly due to driage and partly to infestation by insects. Some loss also occurred in the handling of food-grains. It was, however, difficult to assess exactly as to how much loss was done to driage and how much due to infesta-

\*Not vetted by Audit.

tion by insects as the loss was discovered only at the time of weighing. The Committee were also informed that no maximum or minimum limit of driage had been fixed as the extent of driage depended on various factors that varied from season to season, and according to the storage conditions. However, the total loss in storage in 1960-61 and 1961-62 was only .02 per cent. and .05 per cent. respectively.

The Committee were informed that as a result of special drive by the Department for the investigation of transit and storage losses, substantial progress had been made and as against 1,38,508 items for transit and storage losses on 31-3-1962, the number of items remaining to be investigated as on 5th November, 1963 was 15,281 only (14,185 items for transit losses and 1,096 storage losses). With the reorganisation of the accounting system, the position was expected to improve further from the next year.

As regards transit losses in respect of depots outside Calcutta in the Eastern Region also (Which are not included in the figures of transit losses given in para above, as these had not been worked out), according to a note furnished by the Ministry, out of over 37,000 items for the period ending 31st March, 1962 all except 2,293 items had since been investigated and regularised

While the Committee are glad to note that there had been improvement in the investigation of cases for transit and storage losses they desire that the arrears should be cleared early. Steps should also be taken to reduce the losses in storage and distribution to the minimum.

As regards transit losses the Committee observed from a Statement furnished by the Ministry that the position regarding claims lodged with the Shipping interests and their settlement was as follows:

(value in lakhs of Rs.)

Year	No. of claims lodged during the year	Value of claims referred to in Col. 2	No. of claims out of the No. of Col. 2 which have been settled upto 31-3-63	Gross Value of claims referred to in Col. 4	Amount for which claims referred to in Col. 5 have been settled	No. of claims on 31.3.63 pending out of claims referred to in Col. 2	Gross Value of the claims referred to in Col. 7
1	2	3	4	5	6	7	8
1960-61	199	26.17	184	15.95	7.60	15	10.22
1961-62	95	9.72	69	3.59	1.80	26	6.13
1962-63	107	21.21	13	0.23	0.12	94	20.98

In addition to the claims against the Shipping companies, a large number of claims were pending against the Railways. According to Audit the number of such claims as at the end of March, 1963 was 6,257 totalling over Rs. 32.23 lakhs. It was explained in evidence that there were certain difficulties in proving these claims when wagons were received with seals in tact, the discrepancies arising possibly due to miscounting of bags or due to mechanical weighment at one end and manual weighment at the other.

The Committee view with concern the large number of claims for transit losses pending settlement with the Shipping companies (total amount pending on 31st March, 1963, Rs. 37.38 lakhs) and the Railways (total amount pending on 31st March, 1963 over Rs. 32 lakhs). They desire that efforts should be made for the early settlement of these claims.

#### *Inter Depot Transfers*

33. (a) Registers are required to be maintained by the Pay and Accounts Officers of the Ministry for linking the quantities of food-grains despatched from docks to depots or from one depot to another with the quantity taken on stock by the receiving depot. In respect of the grains transferred upto March, 1962 about 6,200 items involving a quantity of 26 lakhs tonnes valued approximately at Rs. 100 crores were lying unlinked at the end of December, 1962, 3091 of these items were more than one year old. The work of liquidating arrears was stated to be in progress.

The Committee were informed in evidence that according to the latest position the number of unlinked items was 386 involving a quantity of about 1,39,000 tonnes. It was admitted that in the depots the accounts were not looked after as carefully as they should be. The Committee consider this as a highly unsatisfactory position.

Explaining the reasons for the delay in the linking of the items, the representative of the Ministry stated that it was due to late receipt of stock accounts from the depots and certain defects or omission in furnishing particulars of despatches, etc. However, recently there had been some reorganisation of the accounting system and the position was expected to improve. Instructions had also been issued in consultation with Audit introducing a new procedure under which the receipt and issue sides would be linked before the Receipt-cum-issue vouchers were sent to the Accounts Office. Further, the depots had been instructed to send the vouchers regularly so that linking could also be done regularly rather than at the end of the year as had been the practice so far. The Committee would like to watch the position in this regard through future Audit Reports.

34. (b) The accounts of the Tripura Administration had so far been received only upto the year 1957-58. According to Audit even in respect of these accounts the receipts had not been linked with the despatches to Tripura to ensure that the Administration had correctly accounted for all the quantities of food-grains supplied to them. It was only from November, 1960 that a procedure of despatching transfer advices in respect of issues to Tripura was introduced.

The Committee were informed that the receipts had been linked up with the despatches upto the year 1957-58 and the results communicated to Audit. It was pointed out by the Comptroller & Auditor General that even in regard to despatches of wheat to the Tripura Administration during 1959-60 there was difference in the figures of the Pay and Accounts Officer and that of the Tripura Administration. According to the Pay and Accounts Officer, the despatches were only 25,836 mds. as against 52,053 mds. according to Tripura Administration. The Secretary of the Department informed that the Tripura Administration had been asked to reconcile these figures. He also admitted that in the past there was hardly any system of accounting or proper procedure in Tripura Administration. Recently there had been some improvement in this regard but it would take some time to bring the accounts up-to-date. **The Committee consider it unfortunate that there was lack of proper system of accounting in Tripura Administration. They hope that vigorous steps would now be taken to improve the position, to reconcile the figures and to clear the arrears.**

*Contract for transporting food-grains—para 77—pages 78-79.*

35. Under a contract entered into by the Tripura Administration in September, 1958, for transportation of food-grains from Kalkalighat Railway Station to Government godowns in Tripura, the contractor was required to clear from the railway station the entire quantity of Government food-grains within 7 days of their receipt. Owing to the inability of the contractor to clear the stocks expeditiously, about 70,000 maunds of rice accumulated, by the middle of December, 1958, in transit depots at the Kalkalighat railway station and at Choraibari. Out of this total quantity about 40,000 maunds were lying unprotected in the open. Without terminating the contract for failure to implement it, another contractor was engaged at a higher rate from 17th December, 1958 for transporting fresh receipts of food-grains.

The previous contract was subsequently terminated on 7th January, 1959 when there was still a stock of about 71,900 maunds remaining uncleared in the custody of the first contractor. Before

this accumulation could be cleared by engaging additional contractors, a loss of food-grains valued at about Rs. 2.67 lakhs occurred as a result of damage by rain and pilferage for which the first contractor has been held responsible. The Ministry had stated in January, 1963 that a sum of Rs. 70,000 (approx.) in respect of the loss had been adjusted against the pending bills and the security deposit of the contractor and that a civil suit had been filed against him in connection with the loss. The additional expenditure on the clearance of stocks accumulated by the first contractor amounted to Rs. 38,600. According to Audit it was known that the first contractor originally engaged had no experience of the transport business; no enquiry was, however, made by the Department about his financial status and capacity to fulfil the contract before entering into an agreement with him.

The Secretary of the Department stated in evidence that the Tripura Administration had engaged the contractor, who was the lowest tenderer, after obtaining a certificate from the Sub-Divisional Officer that he was financially sound and had previous experience of the work. It, however, appeared from the documents that the contractor was only a wine merchant. The Sub-Divisional Officer, was, perhaps, guided by the fact that the contractor had set up his office in the transport operators' association building. The matter was, however, being pursued to find out under what circumstances the certificate had been issued by the Sub-Divisional Officer.

The Committee are surprised to learn that the contract for transportation of food-grains should have been awarded to a contractor who was only a wine merchant. The Committee are of the view that the matter requires a thorough investigation with the object of fixing responsibility.

36. Asked about the reasons for the accumulation of large stocks in transit depots, the Secretary stated that the explanation of the contractor was that it was due to the reasons beyond his control. The stock started arriving on 29th September, 1958 but the contractor was not able to obtain inter-State movement permit till 7th October, 1958. After that he started clearing the stocks but not at the requisite pace. Further, there were heavy rains for 10 days and the traffic could not be resumed until 3rd November, 1958. As the contract was to be current till the Middle of November and the contractor was pleading that the accumulation of stocks was due to factors beyond his control, there was hesitation in terminating the contract with him. But when large stocks of food-grains accumulated in his possession (71,563 mds. on 17th December, 1958) it was felt that instead of cancelling his contract, a part of the contract should be



awarded to another contractor so that the stocks could be transported more quickly. The first contractor, however, failed to clear the stocks and, therefore, after consulting the legal adviser the contract was terminated on 7th January, 1959. A civil suit had been filed against the contractor for the loss suffered by the Administration. The Committee were, however, informed that on enquiries it was found that the contractor had already disposed of some of his property to *benamidars* and probably some further suits would have to be filed to enforce the decree, when received.

The Committee were also informed that according to the report of the Administration about 14,000 to 16,000 mds. of food-grains had been lying exposed to weather (The rest of the stock was stored in more satisfactory conditions). Out of the total quantity, the actual loss of food-grains as a result of damage by rain and pilferage was only 5,000 maunds.

The Committee are not happy over the manner in which the Administration has acted in this case. In their opinion as soon as the unsatisfactory performance of the original contractor came to the notice of the Administration, steps should have been taken to appoint another contractor for the clearance of the stocks. This would have prevented the accumulation of heavy stocks in transit sheds which were not fully protected against rains or pilferage and consequential loss (5000 mds) to the Administration.

*Hiring of Godowns—para 78—page 79.*

37. For the purpose of storing food-grains, godowns were hired at various places in India for different periods and necessary staff appointed for looking after them. 131 such godowns (in regions other than the Eastern Region), however, remained vacant for various periods between July, 1957 and January, 1962, as indicated below:

- (i) 50 of these godowns remained vacant from 3 to 14 months after which they were surrendered;
- (ii) 37 godowns were put to use only after they had remained vacant for 2 to 22 months.
- (iii) there were delays upto 12 months in surrendering 41 godowns after the stocks in them had been cleared;
- (iv) 2 godowns have neither been utilised nor surrendered since they were hired in January, 1961;
- (v) one godown with a capacity of 6,000 bags remained vacant for 33 months, after which 420 bags were stored in it.

A total expenditure of over Rs. 1.50 lakhs was incurred on pay and allowances of the staff and rent of the godowns during the period they remained unutilised.

Explaining the reasons for the hired godowns remaining vacant for the various periods, the Secretary stated that certain godowns had to remain vacant for certain periods because of operational necessities for storing more stocks as and when received. It was difficult to dehire the godowns and disband the staff whenever these godowns became vacant and then re-hire them and re-employ the staff whenever required again. The godowns had remained vacant to some extent because of the uncertain position regarding the procurement and import of food-grains till 1960-61. However, now, the programme in this regard was more definite and therefore, it had been possible to rationalise the programme of building the storage capacity. During the current year about 100 centres of about 4 lakh bags capacity had been closed down. With the expansion of the activities of the Central Ware Housing Corporation in the States, action had also been taken to see as to what extent the vacant godowns could be utilised.

The Committee are not satisfied with the explanation in this case. Even after allowing for the hiring of some extra accommodation as and when it became available and allowing for a reasonable period for which they might remain vacant owing to the uncertainty of other factors, they see no justification for such a large number of godowns (131) remaining vacant for long periods (2 to 33 months) before they were either utilised or surrendered. These delays, the Committee regret to note had resulted in avoidable expenditure on pay and allowances of the staff and rent of the godowns during the period they remained vacant (over Rs. 1.50 lakhs). The Committee desire that steps should be taken to make proper assessment of the requirements of the storage capacity in accordance with the programme for the purchase of food-grains to avoid such infructuous expenditure.

## IV

### MINISTRY OF HEALTH

#### CONTRIBUTORY HEALTH SERVICE SCHEME

*Data 48, page 47*

38. The Contributory Health Service Scheme was introduced in 1954 to provide medical facilities to the Central Government employees residing in Delhi and New Delhi. The Scheme is being gradually extended the employees of Semi-Government organisations which are required to make contributions at the rates fixed on the basis of *per capita* expenditure. The expenditure on the scheme and the contributions received from the beneficiaries are given below:

(In lakhs of rupees)

	upto 1958-59	1959-60	1960-61	1961-62
Expenditure	158.00	63.03	64.90	88.03
Contributions received	87.62	35.15	32.86	43.02

The above figures do not include a sum of about Rs. 3 lakhs per year incurred on pay and allowances etc. of the staff working at the headquarters of the C.H.S.S. and the rent of the buildings occupied by the dispensaries.

The Committee enquired whether any proforma account was being maintained to ascertain the financial results of the working of the scheme and to enable them to make recoveries on a proper basis from the autonomous bodies etc. to which the Scheme had been extended. It was explained that no formal proforma accounts had been maintained but figures had been worked out to ensure recoveries on a proper basis. In reply to a question it was stated that the amount of Rs. 3 lakhs referred to above was also taken into account while calculating the charges to be realised from the semi-Government Organisations covered by the Scheme.

It was noticed during audit inspections that many of the organisations concerned were not submitting monthly statements of the actual strength of the staff for purposes of calculating the contribution due from them and recovery in most cases was based on approximate figures. The representative of the Ministry stated that the statements were now being received. The Committee however,

desired to be furnished with a note stating whether the statements had been furnished by all the institutions concerned and, if not, why not and who were the defaulters. They desired that the note should also indicate as to when they were asked to furnish those statements and when they actually did so. The information is awaited.

The Committee recommend that a proper form should be prescribed in consultation with audit so as to assess on a systematic basis the cost of the Scheme from year to year. As regards the recovery of expenditure from the semi-government organisations brought under the scheme, the Committee feel that this need not be done on the basis of monthly calculations. In their view it should be enough to base the calculations on the strength of staff during one month in a year; but the C.H.S. Directorate must insist on obtaining the figures in time.

*Expenditure on local purchase—Para 48 (A) (i) and (ii), Pages 47 & 48—*

39. Heavy expenditure was being incurred on local purchase of medicines to the extent of about 50 per cent, of the total purchases, as indicated below:—

(In lakhs of rupees)

Year	Expenditure on local Purchase			Total	Percentage of local purchase to total purchase
	Total Purchases during the year	From authorised chemists	By inviting limited tenders for replenishment of stocks		
1959-60 . . .	40.02	5.62	9.32	14.94	37%
1960-61 . . .	37.78	4.20	20.22	24.42	65%
1961-62 . . .	47.21	8.06	16.69	24.75	52%

The rates paid for local purchases were generally higher than those paid by the D.G.S. & D. A test check of certain medicines costing in all Rs. 99,405 purchased partly from authorised chemists and partly on the basis of limited tenders in 1961-62 showed that a saving of the order of Rs. 24,000 might have been effected if the purchases had been made through the D.G.S. & D. Purchases from the authorised chemists involved the payment to them of a commission of about 8 per cent. over the "Trade Rates" for the medicines.

(ii) The large volume of local purchases according to Audit might be partly attributed to the following defects in the procedure in the preparation of annual indents:—

- (a) The indents were not placed on the Director General, Supplies and Disposals sufficiently in advance to enable latter to procure the supplies in time.
- (b) The forecasts of requirements as sent to the DGS & D or Medical Stores Depot did not take into account the large quantities purchased locally from different chemists in the previous year. An *ad hoc* provision of 25 per cent was made for anticipated increase in consumption in cases of frequently prescribed medicines; but no such addition was made for other medicines although the Scheme itself was being extended gradually.
- (c) The purchase of medicines, much in excess of requirements, was also noticed. A few instances are given below:

Name of medicine	Balance as on 1-4-61	Purchases during the year 1961-62	Issued during 1961-62	Balance as on 31-3-62
Tablets Belladonel Retard	2,70,780	3,00,000	1,74,015	3,96,765
Tablets Calcium Gluconate	8,28,400	5,30,000	8,31,950	5,26,450
Tablets Pthalyal Sulphathiozole	7,43,700	2,00,000	4,11,350	5,32,350

The representative of the Ministry of Health informed the Committee that the expenditure on local purchases had come down from 65% in 1960-61 and 52% in 1961-62 to 40% in 1962-63. He added that local purchases had to be made mainly due to delays in obtaining supplies through the DGS & D. Although indents had to be placed with the D.G.S. & D. 6 to 8 months in advance, yet sometimes supplies materialised after a year or 18 months. Explaining the causes for the delay in his office, the D.G.S. & D. informed the Committee that the indents contained more than 500 items and their processing according to the procedures laid down took time. This matter was considered by him at a meeting with the Director General, Health Services; Army Medical Corps etc. and it was agreed that requirements from April onwards should be communicated to the D.G.S. & D.

before the end of July and the medicines should be classified according to certain broad categories. This system was enforced from 1961-62 and it had been working satisfactorily. One difficulty which used to cause delay was stated to be due to the insistence of the C.H.S. authority that every tablet, every packet should bear a stamp "C.H.S.—not for sale". Some manufacturers were averse to such stamping. To a suggestion that the C.H.S. authorities might be authorised to purchase their own requirements of medicines directly, the D.G.S. & D stated that they would also have to follow a similar procedure; but his office had an additional advantage of experience in the methods of procurement etc.

In respect of the audit observation that the rates paid for local purchases were generally higher than those paid by the D.G.S. & D., the representative of the Ministry stated that about 7 to 8 per cent. extra was paid to the chemists, out of which 3 to 4 per cent. constituted sales-tax. Regarding the audit objection that the forecasts of requirements as sent to the D.G.S. & D. or Medical Stores Depot did not take into account the large quantities purchased locally from different chemists in the previous year, the Committee were informed that the forecasts were based on the monthly average consumption which duly took into consideration the consumption of locally purchased medicines.

The Committee enquired as to why medicines were purchased much in excess of requirements, the representative of the Ministry stated that efforts were made to frame the estimates correctly but it was very difficult to be cent per cent correct in all cases. Sometimes the consumption of a medicine dropped considerably and since the indent was placed much in advance such a situation could not be foreseen.

The Committee note that expenditure incurred on local purchases of medicines is still very heavy (*i.e.*, 40 per cent. of the total). They feel that this problem can be solved partly by better liaison with the D.G.S. & D. and partly by improving upon the estimates of future requirements. The Committee also feel that arrangement of procurement should duly take into account the functioning and urgent nature of requirement of medicines. Accordingly, it should be worthwhile if in appropriate cases rate and running contracts are entered into by the D.G.S. & D. with the manufacturers for supplies through the latter's local agents. Under this arrangement C.H.S. authorities should be able to make purchases directly from the local agents as and when required at the rates agreed to. This should also avoid over stocking of medicines.

**Store Accounts—Para 48(A) (iv—vi), page 48—**

40. The store accounts were being maintained in stock Record Cards by persons handling the stores instead of by an independent Stores Accountant. No 'security' had been obtained from persons handling stores. Certain cases of alleged pilferage of medicines were stated to be under police investigation but their details had not been intimated to audit.

The Committee were informed that so far the stores were kept according to the instructions contained in the M.S.D. Manual but now the Kardex System, as suggested by Audit had been introduced. It was also stated that security was now being obtained from persons handling stores.

Regarding cases of alleged pilferage of medicines the representative of the Ministry stated that out of 22 cases, 11 cases of departmental store-keepers had been sent to Court and the rest were under investigation. Since it was not clearly known earlier that they were cases of pilferage, Audit could not be informed about them.

To a question, whether stores relating to the 11 store-keepers had been verified and what was the result thereof, the Committee were informed that the stores had been verified and no shortages had been found but these cases were the result of some wrong entries having been made in the account books. It was added that pilferage had taken place in dispensaries and not in the Central Stores. The Committee were also informed that in some dispensaries the compounder was also acting as a store-keeper.

The Committee take a serious view of the fact that in contravention of the rules, no report was made to Audit in regard to pilferages and falsification of accounts. Expert audit scrutiny was obviously necessary as soon as suspicions were raised. The Committee desire that the Ministry of Finance should take due notice of this and prevent recurrence of such instances.

The Committee had asked for a note indicating the nature of charges against 11 store-keepers who were being prosecuted and the amount of pilferage suspected in the remaining 11 cases which have still under investigation. The note is still awaited. They deprecate the delay in submission of the note.

**Miscellaneous—Para 48(B), page 49—**

41. A review of the cash book showed substantial undisbursed balances almost in every month. The amounts held on this account at the end of March, 1961 and March, 1962 were Rs. 21,584 and

Rs. 28,703 respectively. No action was taken to refund amounts remaining undisbursed for more than 3 months as required under the rules. In some cases, undisbursed amounts were not refunded for periods varying from 8 to 12 months. A review of the imprest account for the period April, 1960 to March, 1962 showed that the account closed with *minus* balances in 10 months. This indicated that undisbursed pay and allowances, etc., were being utilised to meet day to day contingent expenditure, a procedure which was against rules.

Explaining the reasons or delay of 8 to 12 months in the refund of undisbursed amounts, the representative of the Ministry stated that these cases related to the arrears of pay or allowances of the C.H.S. staff on account of refixation of pay and over-time allowance, etc. Some persons had resigned. The payment was made in about 7 or 8 months time and as such the amounts were kept for more than the required period. It was added that steps had been taken to regularise them and to observe the rules, as required.

**The Committee take a serious note of such disregard of the financial rules and hope that steps will be taken to avoid a recurrence of such cases.**

*Irregular retention of unspent amount of grant-in-aid, Para 92, page 95—*

42. In February, 1960, Government sanctioned a grant-in-aid of one lakh of rupees to the Port Blair Municipal Board for the construction of its office building and town hall without specifying any condition. A condition was imposed in April, 1960, that the grant should be utilised within a specific period of time (which was fixed by the Administration as 31st March, 1963). Under the rules, only so much of the grant should be paid during a financial year as was likely to be expended during that year. Nevertheless, the entire amount was paid in March, 1960 though the plans and estimates for the building were not prepared till even November, 1961.

In June, 1962, Government sanctioned an *ad hoc* grant of Rs. 22,200 to meet the rent of the Municipal Office building for the period from 11th January, 1959 to 31st March, 1962. In August, 1962, Government informed audit that similar grants would continue to be given to the Board till the construction of its own building was completed. The amount of Rs. one lakh was refunded by the Port Blair Municipal Board on 30th March, 1963.

The Committee desired to know the reasons for the Grant of Rs. 1 lakh given to the Port Blair Municipal Board without observing the usual precautions. The representative of the Ministry stated that the



Port Blair Municipal Board was being set up for the first time and was urgently in need of funds. They represented that they needed the accommodation and as such the money was sanctioned. The grant was processed by the Ministry of Home Affairs and given by the Ministry of Health with the concurrence of the Ministry of Finance. Conditions were imposed, subsequently about the period within which it should be expended, but on account of the poor organisation of that Board, the grant could not be utilised by them and ultimately it was refunded. To a question as to why the entire grant was released in February, 1960, even before an estimate had been prepared, the representative of the Ministry stated that it was anticipated that the Board would be able to utilise the amount within the year. It was added that the project had probably been abandoned. With regard to payment of further grants to meet the rent of the buildings, it was stated that the present Municipal Committee did not require it.

The Committee do not see any extenuating circumstance for release of the entire grant of Rs. one lakh unconditionally in February, 1960, when even the design of the building was not known. They are surprised that none of these Ministries including Finance cared to observe the precautions as prescribed in the financial rules before the grant was sanctioned. The Committee are anxious that the recurrence of such cases is prevented.

#### INDIAN COUNCIL OF MEDICAL RESEARCH

Para 91, pages 93 and 94—

43. The Council is financed mainly through grants paid by the Central Government. The receipt and expenditure during 1961-62 and preceding two years were as follows:

(In lakhs of rupees)

	Receipts			Expenditure	
	From Govt.	From foreign aid	Misc.	On Enquiries	On fellow-ship and Research Programme
1959-60 . . .	37.93*	1.68	0.47	48.89	..
1960-61 . . .	50.00	0.87	0.76	47.18	1.88
1961-62 . . .	50.00	1.49	0.60	(A)	(A)

The Committee desired to know the basis on which the provision for grants to the Council was made in the Central Budget. The Director of the Council stated that in July circulars were issued to ascer-

\*Includes Rs. 3.93 lakhs given directly to other organisations from the provision made in the Central Budget for Indian Council of Medical Research.

(A) Information not available as the accounts of the Council are awaiting finalisation.

tain whether any workers required research grant. The proposals were scrutinised by September and an estimate of the requirements was prepared by the Director and communicated to the Ministry of Health in September. In November each scheme was scrutinised by expert groups to decide as to which deserved grant from the Council. The Director added that the Council was receiving *ad hoc* grants on the basis of the money spent by them year after year on various schemes etc.

The Committee feel that the I.C.M.R. should evolve some procedure whereby their detailed budget estimates are framed and sent to the Ministry of Health only after the selection of schemes with the advice of expert groups. In this way the Ministry would be enabled to make provision in the Central Budget on a more realistic basis.

*Delay in receipt of accounts and utilisation certificates—Para 91 (A), pages 94-95—*

44. The Council's programme of research is carried out in three research centres directly run by the Council, and several research units and 'enquiries' at various Medical Colleges and Institutions. In addition, the Council gives grants-in-aid to the Director of Health Services of the various States and a few other bodies for medical research. The Council has a centralised system of accounts and audit. The Officer-in-Charge of the various centres, units and 'enquiries' are provided with advance to meet expenditure on approved items of work. A sum of Rs. 37.36 lakhs, as detailed below, was stated to be outstanding in August, 1962 in the books of the Council for final adjustment of the expenditure:

(In lakhs of rupees)

Particulars	1959-60 and earlier years	1960-61	1961-62	Total.
For want of audited statement and utilisation certificates in respect of grants given to Directors of Health Services, of various States and other bodies . . . . .	4.46	0.61	5.52	10.59
For want of adjustment bills on account of advances for construction of Buildings. .	10.31	7.30	..	17.61
For want of adjustment bills .	0.25	0.38	0.84	1.47
For want of stamped receipts.	2.47	1.04	4.18	7.69
<b>TOTAL . . . . .</b>	<b>17.49</b>	<b>9.33</b>	<b>10.54</b>	<b>37.36</b>

The Committee were informed that out of Rs. 37.36 lakhs, outstanding adjustment, a sum of Rs. 17.71 lakhs had since been adjusted. The delay in adjustment of accounts was explained to be due to the fact that the researches etc. were conducted by various medical colleges, institutions and hospitals, the accounts of which were audited by the Accountants-General of the States concerned and on the basis of their reports, the accounts were adjusted by the I.C.M.R. and these took time. With regard to adjustment of accounts relating to the construction of buildings amounting to Rs. 17.61 lakhs, the witness stated that the buildings were constructed by the C.P.W.D. who had spent the money but the certificate was awaited. Out of the amount of Rs. 7.69 lakhs outstanding for "want of stamped receipts", a sum of Rs. 6.64 lakhs was stated to have been cleared.

The Committee note the progress since made in adjusting the expenditure on the basis of the audited accounts (Rs. 17.71 lakhs out of Rs. 37.36 lakhs). They however, view with concern the fact that about 50 per cent of the amount outstanding in August, 1962 (i.e. Rs. 17.49 lakhs) related to 1959-60 and earlier years. They hope that this backlog is being expeditiously cleared and the I.C.M.R. will fully adjusted within a year of their disbursement.

#### ALL INDIA INSTITUTE OF MEDICAL SCIENCES

*Engineering Unit—Para 110(a), pages—125-26—*

45. The building works of the Institute were being done by the Central Public Works Department upto December, 1958 when it was taken over by a Building Committee formed by the Institute with the approval of Government. The Engineering Unit comprised one Superintending Engineer, one Executive Engineer, two Assistant Executive Engineers and sixteen Section Officers besides other junior staff. According to Audit, the work load available for this staff appeared to be low as compared with the standards adopted in the C.P.W.D. as shown below:—

(In lakhs of rupees)			
Years	Major and Minor works	Maintenance	Remarks.
1961-62 (Actuals).	10.00	1.55	
1962-63 (Budget)	3.50*	4.47	The work load for a mixed Division under the charge of an Executive Engineer adopted by the C.P.W.D. was Rs. 14 lakhs construction and Rs. 8.3 lakhs maintenance. A Superintending Engineer had five such Divisions, under his charge.

\*The Institute had proposed a provision of Rs. 20 lakhs in the Revised Budget which was yet (December, 1962) to be approved.

The Committee desired to know the justification for maintaining an independent engineering staff by the All India Institute of Medical Sciences. The Director of the Institute stated that the Building Committee of the Institute after due deliberations had decided that the Institute should have its own construction engineering unit. It was added that in the beginning the construction of the institute buildings was entrusted to the C.P.W.D. For completion of the pre-clinical block, the C.P.W.D. required about five years. As the classes had already started functioning and the hospital was coming up, it was necessary to expedite further construction and, therefore, the Building Committee decided to have an independent construction unit. It was added that this aim had been achieved, as the Teaching Block was completed in half the time taken by the C.P.W.D. for completing the pre-clinical Block although the amount of work involved was the same, if not more. To a question it was stated that the unit got the construction work executed through contractors except maintenance of the buildings and some building works. The Superintending Engineer was the technical officer in charge of the whole programme which was supervised by the Building Committee.

The strength of the staff as it now existed was composed of two parts—one for supervision of the architects' work and the other for the maintenance and construction undertaken by the Institute itself. It was explained that maintenance did not mean merely building repairs but also day to day operation and maintenance of a very complicated system of air-conditioning, hot water and gas installations, electrode boilers and sanitary installations.

As regards the work load handled by the construction unit *vis-a-vis* the standard work-load in a mixed Division in the C.P.W.D., the witness explained that the figures mentioned in the Audit report excluded the value of the work got done by the institute construction unit through contractors which was Rs. 12.55 lakhs in 1961-62 and Rs. 19.84 lakhs in 1962-63. The actual establishment charged including  $2\frac{1}{2}$  per cent paid to the architects worked out to 6.5% in 1960-61, 6.05% in 1961-62 and 5.4 per cent in 1962-63 of the cost of the works done against  $9\frac{1}{2}$  per cent charged by the C.P.W.D. The Committee enquired what exactly was the division of responsibility between the architect and the engineering unit in regard to supervision of new construction. The representative of the Institute stated that ordinarily a private architect's supervision was not upto Governmental standards and, therefore, it was thought necessary to have a fairly high-powered engineer who could devote himself exclusively to the task of exercising quality control etc. Besides, the Superintending Engineer also advised the Institute with regard to the rates for the execution of the extra items which were numerous. It was urged that the Superintending Engineer of the Institute should not be regarded as a Superintending Engineer of a C.P.W.D. Circle who had five construction divisions under him. He was purely for the purpose of assisting the Institute in fulfilling its main obligation to Government that it would not pierce the ceiling of expenditure fixed by Government. The Committee were

assured that this stipulation of Government was being fulfilled cent per cent. To a question as to why the necessity of appointing a Superintending Engineer was felt, when the Building Committee included the Chief Engineer of the C.P.W.D. as Member the representative of the Institute stated that a Member of the Committee could not go into the analysis of the rates etc., as he functioned only at a Committee meeting. The prior scrutiny of rates and checking up whether measurements were correctly taken etc., required a whole time technical officer.

The Committee are not convinced about the need of a Superintending Engineer when the advice of the Chief Engineer C.P.W.D. in addition to that of their architects was available to the Institute. The Executive Engineer assisted by his other staff could well assist the Chief Engineer in matter of detail. Besides, the remaining staff of the Engineering Unit which includes besides two Assistant Executive Engineers, sixteen Section Officers and other junior staff appears to be over staffed. (It is significant to note here that the Building Committee of the institute itself had recommended that there should be a small technical staff consisting of an Executive and Assistant Engineer and two Section Officers for supervising the progress of construction works). The Committee recommend that the strength of the Unit *vis-a-vis* the construction work which still remains to be executed may be examined and economy to the maximum extent possible, may be effected, urgently.

*Extra expenditure on acceptance of higher tender—Para 110(b), page 126—*

46. Tenders for the work "construction of Phase III Hospital (O.P.D. Blocks)" estimated to cost Rs. 30.24 lakhs were invited so as to reach the Institute on 31st August, 1960. Only two tenders from Class I architects were received as detailed below:

---

Lower Tender . . . . .	Rs. 30.49 lakhs, i.e. 0.8% above the estimate.
Higher Tender . . . . .	Rs. 31.84 lakhs, i.e. 5.3% above the estimate.
Difference . . . . .	Rs. 1.35 lakhs.

---

The Superintending Engineer of the Institute recommended the acceptance of the lowest tender. The Building Committee observed in their meeting held on 11th October, 1960, that the rates quoted by the lowest tenderer were reasonable but they felt that it would be advantageous to award the work to the higher tenderer (as he was already engaged in construction of the Teaching block of the Institute) if he agreed to reduce his quotation to that of the lowest tenderer. If he did not agree to the reduction, the work should

2135 (Aii) L.S.—5.

be awarded to the lowest tenderer. The Committee, however, referred the tender papers to a firm of private architects who were subsequently selected as the "Architects" for the work. The advice of the architects was in the following terms:

"We consider that the rates for concrete work quoted by both the contractors are on the low side. While it may be conceded that the rates quoted by the higher tenderer will yield very little or no profit to the contractor, the rates quoted by the lower tenderer are quite unworkable and must result in a loss to the contractors."

We are definitely of the opinion that if the work is awarded to one lower tenderer there is bound to be continuous friction between the supervisory staff and the contractors, as the contractors will attempt all the time to do sub-standard work to reduce their losses to the minimum. The speed of work will be very low and we fear the contractor may not be able to complete the work at all."

On their advice the Building Committee, in their meeting held on 11th November, 1960 reversed their earlier decision and decided to award the work to the contractor who quoted higher rates. Thus the benefit of competitive tenders to the extent of Rs. 1.35 lakhs was lost to the Institute.

According to Audit the rates quoted by the lowest tenderer for the concrete work for the bulk of the items were higher than the estimated rates based on the C.P.W.D. Schedule of Rates.

Explaining the background of the case, the Director of the Institute informed the Committee that at its second meeting the Building Committee took notice of the recommendations of both the Superintending Engineer and the Architect and also the fact that the previous performance of the higher tenderer was very satisfactory and decided to give the work to him.

Referring to the fact that both the tenderers had quoted rates higher than the estimates of the institute, the Committee enquired how the architect's view was accepted. It was explained that the estimates were framed on the basis of C.P.W.D. Schedule of Rates which were lower than the prevailing rates.

**The Committee do not find that the explanations given are fully satisfactory. If the quotations of the lower tenderer were unworkable, the estimates were even more unworkable. If it was so, the Committee feel that the Superintending Engineer should also not have recommended acceptance of the lower tender, as he did. The Committee feel that estimates must be framed in the light of the prevailing costs, if they are to serve the purpose of making an objective assessment of the reasonability and workability of the tenders received.**

## V

### MINISTRY OF HOME AFFAIRS

#### *Alleged defalcation in a Sub-Treasury—Page 50—Para 49*

47. A physical verification of cash balance on 10th March, 1961, at a Sub-Treasury in Tripura showed a shortage of cash amounting to Rs. 83,996 and a loss of a bag containing Rs. 14,570 deposited for safe custody by one Circle Officer. The matter was reported to the Police on 10th March, 1961. The Potdar of the Sub-Treasury had left the place on the 2nd March, 1961 on casual leave without handing over the key of the single lock chest. It was later discovered that he had escaped thereafter to a foreign country, and he could not be repatriated as he was declared to be a national of that country. The Sub-Treasury Officer and the Sub-Treasurer were suspended in March, 1961 and subsequently placed under arrest.

A special audit of the accounts conducted in June/July, 1961 showed that amounts in excess of the requirements were being withdrawn from the Currency Chest to the double-lock in the custody of the Treasury Officer and the cashier, and then transferred to a single-lock under the custody of the cashier, though this was shown in the daily balance sheets as having been transferred to the double-lock. A Board of Enquiry constituted in April, 1961, which had been directed to submit its Report by the 15th May, 1961, did not submit the report till the 5th May, 1962. The Board held five officers responsible for the defalcation.

The Committee enquired why the key of the single-lock was entrusted to the Potdar instead of its being kept in the custody of a responsible officer. The Secretary, Ministry of Home Affairs stated that, although the treasurer was responsible for cash in the single-lock, it was the usual practice to entrust it often to the Munim, Potdar or some other trusted subordinate. The bad practice followed in the present case was of keeping cash in the single-lock, too much in excess of the day-to-day requirements. At the same time there was falsification of accounts in regard to cash kept in the double-lock and the single-lock. The witness added that the Sub-Treasury Officer in-charge of the Treasury should have ensured that excessive cash was not kept in the single-lock. The Sub-Divisional Officer and other Revenue Officers who visited the Sub-Treasury from time to time ought to have checked the cash in the double-lock and the single-lock, and detected excessive cash kept in the single-lock. The Committee understand from Audit that the Board of Enquiry reported the following irregularities:

- (a) Big sums of money were used to be drawn out from the Sub-Treasury unauthorisedly for personal benefits and they were also recouped occasionally to replenish the cash balance. This continued throughout the year 1960.

- (b) The entries in the books were at times inflated or deflated to suit the purposes of the treasury authorities.
- (c) There was an almost chronic shortage in the cash balance.
- (d) The monthly verification of cash balance was never carried out and the certificates of physical verification recorded in the Cash Book were not based on facts.

The Committee were informed by the representative of the Ministry of Home Affairs that out of the five officers held responsible by the Board for the defalcation, disciplinary proceedings had been started in November, 1962 against three officers including the Additional Sub-Divisional Officer, and criminal proceedings had been launched in December, 1962 against two.\* Asked if any action had been taken against the Collector, the witness replied that, it being a Sub-Treasury, the Collector's responsibility was only remote, though he was ultimately responsible; the immediate responsibility was that of the Sub-Divisional Officer. Instructions had, however, been issued that Collectors should inspect the sub-treasury cash balances more frequently.

The Committee feel concerned about the various mal-practices pointed out by the special audit and the Board of Enquiry, which had been allowed to prevail in the Sub-Treasury till an embezzlement of Rs. 98,566 was detected. They hope that necessary remedial measures will now be taken. The Committee also regard it as most objectionable to entrust the key of the single-lock chest to a Potdar or some other subordinate, instead of its being kept in the custody of the treasurer. This practice had obviously facilitated the embezzlement in the present case.

The Committee regret to point out that, although the Potdar had left the place on 2nd March, 1961, the matter was, according to the Board of Enquiry, brought to the notice of the Zonal Sub-Divisional Officer only on the 9th March, 1961 and the verification was conducted on the 10th March, 1961. It is not clear why the Cash Chest was not broken open for use in the following day's transactions, which would have brought out the embezzlement earlier and might have helped in arresting the Potdar before he left for the foreign country.

The Committee deplore the inordinate delay of about one year on the part of the Board of Enquiry in the submission of its Report. In extenuation of this delay, the Secretary, Ministry of Home Affairs stated that the Board was waiting for the special Audit to be completed and there was also a change of one member in its composition during the course of the investigation. The witness, however, agreed that the Board should not have delayed its Report by one year. The Committee consider it unnecessary to emphasize the need for utmost expedition in conducting enquiries in cases of fraud in order to avoid losses and delinquents escaping punishment.

---

\*In September, 1962, the Tripura Administration had informed Audit that no action was possible against one of the five officials who had become a national of Pakistan.



The Committee are further perturbed over the delay of 6-7 months in initiating disciplinary proceedings and criminal proceedings against the delinquent officers after the receipt of the report of the Board of Enquiry, and hope that the Home Ministry would see that their offices do not tend to be lethargic in dealing with cases of 'indiscipline or corruption. They should not only avoid all delays in investigations, but also be very firm and prompt in 'taking action'.

**VI**  
**MINISTRY OF INFORMATION AND BROADCASTING**  
**CHILDREN'S FILM SOCIETY**

Pages 96-99, para 93.

48. The Children's Film Society was set up in May, 1955 to produce films for children and adolescents and to arrange for their distribution and exhibition in India and abroad. Government agreed to pay grants to the Society on the following pattern:—

- (a) First Year.—100 per cent. of the cost of a feature film to be produced in that year.
- (b) Second Year.—75 per cent. of the cost of a feature film and two short films; the grant was to be reduced to the extent that the income from distribution of the first film exceeded 25 per cent of the cost of the second year's programme.
- (c) Third Year.—50 per cent. of the cost of a feature film and two short films; the grant was to be reduced to the extent that the income from the distribution of the second year's films exceeded 5 per cent. of the cost of third year's programme.

It was expected that 30 per cent. of the production cost would be realised by the sale of tickets; and the remaining gap of 20 per cent. as well as the cost of release prints and the administrative expenses of the Society would be met from the capital subscribed by its members and donations (about Rs. 5 lakhs). A broad analysis of the receipt and expenditure of the Society is given below:—

(In lakhs of Rupees)

Year	Receipts			Expenditure	
	Grants received from Govt.	Subscription received from Members (States)	Other receipts (including sale of tickets)	Film cost, production cost and prints	Other Expenditure
1955-56 to 1958-59	13.73	0.06	2.24	12.38	3.59
1959-60 . . .	6.01	0.70	1.08	7.18	1.43
1960-61 . . .	9.25	0.55	1.27	8.71	2.60
1961-62 . . .	10.34	0.60	1.17	9.73	2.45

It would be seen from the above table that the grants received by the Society from the Government upto the end of 1961-62 were to the tune of Rs. 39.33 lakhs.

The Society had not been able to realise sufficient revenue from the exhibition of its films and from the subscribers. Government had, therefore, been giving grants on an increasing scale from year to year. In 1961-62, grants from Government constituted 90 per cent. of the total expenditure of the Society.

A test check of the Society's accounts conducted by Audit in October, 1962 disclosed high cost of production, non-maintenance of accounts of raw stock, and their non-verification, non-maintenance of stock registers of final prints and ticket books (which were also not serially numbered), shortage of final prints valued at over a lakh of rupees and various other financial irregularities including failure to account for a receipt of \$1000 from the International centre of Film for children, Brussels and to establish through vouchers of certain payments made.

The Secretary, Ministry of Information and Broadcasting explained that as the Society did not earn revenue according to expectations the pattern of grants as originally agreed upon by Government had not been followed; instead the Ministry had been making up the losses incurred by the Society. In reply to a question, the Secretary admitted that no proper scrutiny of the financial working of the Society was being maintained in the past and that the deficits as worked out by the Society were reimbursed. He added, in extenuation, that the Society being autonomous, Government had no control over its expenditure and that the irregularities referred to in the Audit Report had come to notice only later when a proper scrutiny was made into the accounts of the Society. Asked whether a review was conducted after the end of the first three years regarding the pattern of assistance to the Society, the witness promised to furnish this information later. The Ministry have furnished the following information in this regard:

“Ministry of Finance, while agreeing in October, 1954 to grants being given to the Children's Film Society, on the basis mentioned in para. 1 of the Financial Review suggested that the position might be reviewed at the end of the Third year in the light of the experience gained and results achieved. No such review was undertaken as, in the meantime, the pattern of release of grants to the Society was changed in consultation with the Ministry of Finance in the circumstances explained below:—

At the first meeting of the Executive Council of the Children's Film Society held on 2nd July, 1955, the following two recommendations were made to Government:—

- (a) the number of feature films for which Government should meet the full cost in the first year 1955-56, should be raised from 1 to 2; and
- (b) a provision of Rs. 40 lakhs might be made for the grant-in-aid to the Society in the Second Five Year Plan. Here, too, the intention was that Government should meet full production cost.

It was stated in the minutes of the Executive Council on 2nd July, 1955, that the income from distribution and donations should be left to be utilised by the Society for other purposes such as organisational and establishment expenditure, building up of film library, audience research, etc.

In the Ministry's note to the Ministry of Finance, seeking their concurrence for the acceptance of the first recommendation, it was explained that public donations to the Society so far had not been encouraging and it was unlikely that the Society would be able to collect funds to meet the cost of two full length films and eight adaptations.

The first recommendation was accepted by the Ministry of Finance. As regards the second recommendation, a sum of Rs. 20 lakhs, later increased to Rs. 31 lakhs, was allocated in the Second Plan with the approval of the Planning Commission and the Ministry of Finance. The whole basis of payment of grants to the Society was thus changed in the first year of the working of the Society to cover the full cost of the films."

**The Committee consider it extremely unfortunate that even though the terms and conditions of the grant were subsequently liberalised, the important suggestion made originally by the Ministry of Finance that the position might be reviewed at the end of the Third year in the light of the experience gained and results achieved was not implemented. The Committee consider this a serious lapse on the part of the Ministry. Had this suggestion been implemented many of the irregularities committed by the Society would have come to light much earlier and effective remedial action could have been taken.**

Grants were being released during the long period of seven years without any serious attempt to enforce the normal checks envisaged in the financial rules on the plea that it was for the Members of the Society to see to its proper functioning. The Committee were surprised to be informed in this connection that no replies were received by Audit to the points raised in the Inspection Reports on the accounts of the Society successively for the four years 1955-56 to 1958-59. It was explained by the Ministry that the draft replies sent by the Society to the Ministry were not found satisfactory and, therefore, they could not be forwarded to Audit. If so, the Committee feel that there was case for Government to withhold releasing of further grants till they satisfied themselves about the proper functioning of the Society. The Committee feel concerned at the scant regard shown year after year to the objections raised in the Audit Inspection Reports and the belated discovery by the Ministry that the functioning of the Society was "absolutely topsy turvy". In this connection attention is invited to para 38 of the First Report of PAC (1951-52) regarding expeditious disposal of audit objections.

49. The Committee desired to be furnished with a list of office-bearers of the Society from the inception of the Society. This information has since been furnished by the Ministry.

From this list, the Committee note that a representative of the Ministry of Finance was invariably one of the Members of the Executive Council. The Committee cannot escape the conclusion that the representative of the Ministry of Finance did not make any worthwhile contribution towards ensuring that the funds of the Society were properly used and accounted for.

50. The Committee enquired whether it would not be appropriate to entrust the production of the children's Films to the Films Division of the Ministry so as to retain better control of expenditure. They were informed that such a proposal had been often considered but it was felt that the Films Division, which produced only documentary films, was not competent to produce feature films. When the affairs of the Society came under investigation, the Ministry felt that most of the difficulties were the creation of the then General Secretary who had been exceeding his authority. This person had resigned after he found that there might be many complaints against him. The Secretary of the Ministry also informed the Committee that the Society had been completely re-organised and a new Secretary appointed. The Minister of Information & Broadcasting was himself acting as the Chairman of the Executive Council of the Society which also included Secretary of the Ministry of I. & B. and a representative of the Finance Ministry as Members. Three Committees had also been set up, namely, the Finance, Production and the Distribution Committees. The Production Committee was presided over by a nominee of the Finance Ministry and the other two by the Minister of I. & B. Fresh rules had also been framed. In reply to a question it was stated that the re-organised set up had started functioning only recently.

The Committee hope that the revised set up will ensure achievement of the object of creating the Society and that the expenditure out of the grants given by Government will be properly controlled, and accounted for. They trust that the necessity of keeping the working of the Society under constant review is now fully realised by Government and they would not hesitate to wind it up, if such a step appeared to be in the taxpayers' interest. In the meantime, the Ministry of I. & B. should examine in detail the question of entrusting the work of production of feature films for children to the Films Division with a view to effecting economy in expenditure.

51. The Committee enquired why the erstwhile General Secretary of the Society was allowed to resign his post in spite of serious allegations against him. The Secretary of the Ministry explained that as no proper registers, receipts or other records were maintained it was difficult to prove any default on the part of the official in a Court of Law. An attempt was made to examine the expenditure shown to have been incurred by him on the making of films for which there were no proper receipts. One of the difficulties reportedly encountered was that the alleged payees, though privately admitting that they had not been paid what was shown to have been paid, were not agreeable to say so in a court of law. Further the General Secretary had been obtaining some kind of sanctions from the Chairman of the Society. In reply to a question it was stated that the Law Ministry

had not been consulted on this question as there was no material on which their advice could have been asked for. The Secretary of the Ministry also stated in extenuation that only subsequent to the acceptance of the resignation of the General Secretary it had come to notice that he had not accounted for a sum of \$1000 collected by him in person at Belgium from the International Centre of Film for Children. The amount had been received by him on behalf of a separate Society formed at the instance of the International Centre of Film for Children. At this stage it was examined in consultation with the Law Secretary as to whether the official concerned could be held criminally liable but the advice received was that a civil suit be filed. Accordingly the Children's Film Society had decided to proceed in a Civil Court. In this connection, the Committee desired to have copies of notes exchanged between the Ministries of Information and Broadcasting and Law. This information has since been received. From this, the Committee note, that the Law Ministry has opined that the ex-General Secretary is clearly accountable to the Children's Film Society on whose behalf he received the amount.

It is rather disquieting for the Committee to learn that although the handling of the funds of the Society had been found to be inept, inefficient and irregular and there were also suspicions of extravagance, and misuse of funds, no responsibility therefor could be fixed any one. They are surprised that no criminal action was considered feasible in spite of the fact that in certain cases payments out of public funds were not vouched for and there was no account of some moneys received as also of some final prints valued at over a lakh of rupees. The Committee also do not understand why the persons, who admit not having received certain sums of money shown to have been paid to them are chary of giving evidence to that effect. They hope that it is not due to any complicity on their part in any collective swindle of the Society's funds. They however, have some misgivings in this regard. They also apprehend that enquiries made by the Ministry have not been pursued to the logical and perhaps for fears that they might involve eminent persons associated with the Society whose sanctions might have been obtained to serve irregular ends. The Committee, therefore, recommend that in the light of the Audit Report a thorough and impartial enquiry should be made to fix responsibility for the financial irregularities of the Children's Film Society for a number of years and to ascertain the amount of loss suffered by the Society as a result of inefficient and inept handling.

52. With regard to the incurring of expenditure of \$1000 by the General Secretary of the Society the Committee desired to be furnished with information relating to the following points:

- (i) Composition of the Indian National Centre;
- (ii) Date of its formation and its scope and functions;
- (iii) The date on which the resolution approving the expenditure of \$1000 incurred by the General Secretary on behalf of the Centre was adopted; and
- (iv) A copy of the resolution and the mode of its adoption.

The information furnished by the Ministry of Information and Broadcasting is at Appendix XV.

**In the opinion of the Committee, the facts disclose a very irregular way of functioning of the Indian National Centre. The manner in which the expenditure incurred some time ago, was sought to be authorised *ex post facto* by means of a resolution circulated for signature at a much later date, is also highly objectionable.**

**The Committee would like to be informed of the final outcome of the case.**

53. One of the points mentioned in the Audit Report *re.* Distribution and Sale of films is that a sum of Rs. 33,000 is due from the Punjab State Committee in respect of films supplied to it from time to time by the Children's Film Society. The Committee were informed during evidence that efforts were being made to recover this amount. **The Committee would like to be informed when the amount is recovered.**

## VII

### MINISTRY OF LABOUR & EMPLOYMENT

*Employees' Provident Funds Scheme—page 127, para 111—*

54. The Employees' Provident Funds Scheme was started in 1952 under the Employees' Provident Funds Act, 1952 and was extended to the whole of India except the State of Jammu and Kashmir. The scope of the Act was enlarged further in 1960 and the scheme is applicable at present to all factories in the notified industries as well as other notified establishments if they employ 20 or more persons (other than those which have not completed 3 years from the date of their establishment in the case of those employing 50 or more persons and five years in the case of those employing between 20 and 49 persons).

The Scheme provides that the Employer should pay to the Commissioner appointed under the scheme the contributions payable both by himself and the employees and subsequently recover the employees' share of contribution from the employees.

There is no provision in the Act for the submission of the Annual Accounts and the Audit Report to Parliament.

It was noticed during the local audit that large amounts as shown below were outstanding on account of arrear contributions, administrative and inspection charges recoverable from the employers under the Act:—

Name of the Region	Arrear of current contribution as on 31-3-1962	Outstanding administrative and inspection charges as on 31-3-1962	Penal interest recoverable as on 30-4-1962
West Bengal . . . . .	25·66	1·13	1·40
Gujarat . . . . .	32·52 (as on 31-10-62)	0·85 (as on 31-10-62)	2·61
Andhra Pradesh . . . . .	4·95	0·15	0·03
Rajasthan . . . . .	6·07	0·20	1·73 (as on 31-10-62)



(In lakhs of rupees)

Name of the Region	Arrear of current contribution as on 31-3-1962	Outstanding administrative and inspection charges as on 31-3-1962	Penal interest recoverable as on 30-4-1962
Mysore . . . . .	7.94	0.05	0.78
Kerala . . . . .	7.02	0.26	0.48
Bihar . . . . .	8.46	1.06	0.22
Maharashtra . . . . .	73.43 (as on 31-3-61)	1.97	5.48
Madras . . . . .	7.65	0.23	0.28
Punjab . . . . .	1.06	0.04	1.03
Madhya Pradesh . . . . .	10.37	0.92	1.43

The Secretary of the Ministry of Labour and Employment stated in evidence that if the Public Accounts Committee so desired, the audited annual Accounts of the Employees' Provident Funds Scheme along with the Audit Report would be placed before Parliament. The Secretary apprehended delay in placing the Annual Report before Parliament in case it was desired that Audit Report also should be laid along with it.

**The Committee trust that the audited Annual Accounts of the Employees' Provident Funds Scheme along with the Audit Report thereon will be placed before Parliament. They further desire that the Annual Report of the Board of Trustees on the working of the Scheme may also be placed before Parliament. In case any delay is apprehended, the Annual Report and the Audit Report may be laid before Parliament separately.**

55. The Committee were informed that a sum of Rs. 466.78 lakhs was outstanding on 31st October, 1962 from the employers under the Employees' Provident Funds Scheme which represented 3.38 per cent of the total collections made upto that date. At the instance of the Committee, the Ministry of Labour and Employment have furnished the following information giving the year-wise break-up of the total amount of outstanding dues as on the 31st August, 1963 from the employers under the Employees' Provident Funds Scheme including the amount in respect of which certificate proceedings or prosecutions have been initiated..

(In lakhs of Rupees)

Year	Amount
1952-53 . . . . .	0.78
1953-54 . . . . .	6.47
1954-55 . . . . .	6.41
1955-56 . . . . .	2.38
1956-57 . . . . .	14.23
1957-58 . . . . .	23.31
1958-59 . . . . .	21.91
1959-60 . . . . .	26.21
1960-61 . . . . .	26.55
1961-62 . . . . .	31.05
1962-63 . . . . .	108.63
1963-64 (upto 31-8-1963) . . . . .	146.29
TOTAL . . . . .	414.22

Elucidating the steps taken to enforce recovery, the Secretary stated that recovery proceedings under the Land Revenue Recovery Act had been instituted in 14,844 cases till 31st May, 1963. The Provident Fund trustees took care to initiate such action before recovery became time-barred. In reply to a question, the witness admitted that practically in every case of default, the employers had collected the contributions of employees but had failed to send their own contribution as well as the contributions they had collected from the employees. The witness further stated that in bad cases prosecutions were also launched. Till the end of August, 1963 suits were filed in 7,858 cases against employers for failure to pay the contributions and the number of convictions was 3,469. The Committee enquired about the number of employers out of 3,469 who had paid their contribution and the amount realised from them. In a note furnished, the Ministry of Labour and Employment have stated that out of 3,469 cases of convictions secured against employers for failure to pay their contributions, 816 employers, involved in 2,657 cases of convictions, have paid dues amounting to Rs. 50.12 lakhs. 325 employers involved in 487 cases were convicted for offences other than default in payment, such as non-submission of statutory returns.

The representative of the Ministry also stated in explaining the progress made in realising the outstandings that considering the total amount collected the percentage of arrears was not alarming and the current arrears had been reduced to 1.9 per cent.

The Committee note with concern that a large sum of Rs. 466.78 lakhs was outstanding on 31st October, 1962 from the employers and that recovery proceedings had to be instituted in as many as 14,844 cases till 31st May, 1962. They are sorry to learn that in most of these cases of arrears, the employers had not only failed to send their own contributions, but had also failed to send the contributions already collected by them from the employees. The Committee, however, note that the percentage of outstandings to the total collections has since come down from 3.38 per cent. (in October, 1962) to 1.9 per cent. (in November, 1963). They desire that further efforts should be made for the expeditious recovery of the outstanding amount and a report made to them. Steps taken to avoid accumulation of such arrears in future may also be intimated to them.

*Unauthorised expenditure incurred on hire of Desert Coolers—Page 136, Appendix I—*

56. The Ministry proposed in May, 1959 to hire 6 coolers for the summer season of the year 1959 at an estimated cost of Rs. 2,070 in relaxation of the rule prohibiting the installation of desert coolers in the rooms occupied by staff and officers drawing less than Rs. 1,100 per month or served with the Central Cooling system. Although the Ministry of Finance did not accept the proposal, the Ministry hired 7 coolers at a cost of Rs. 2,415 and again approached them in November, 1959 for *ex-post-facto* approval. The Ministry of Finance did not agree.

Similar irregular expenditure amounting to Rs. 2,477 on this account was incurred during 1960-61. In October, 1961, the Ministry of Finance had to regularise the unauthorised expenditure incurred during 1959-60 and 1960-61 as a *fait accompli* but they observed that such irregularities should not be repeated in future. Despite this, the Ministry incurred a total expenditure of Rs. 4,689 on hire of coolers during 1961-62 and 1962-63 which was yet to be regularised (December, 1962).

The Secretary of the Ministry of Labour and Employment admitted that technically they were in the wrong in not obtaining financial concurrence in advance for the desert coolers but pleaded in extenuation that there was complete justification in providing desert coolers in the rooms, most of them being corners of the verandah which had been enclosed. During the hot summer months, it was impossible for human beings to do any work there. They had been asking the Ministry of Finance since 1958 for their concurrence for

installation of desert coolers and they were told that the general question was under consideration. In May, 1963, however, the Ministry of Works, Housing and Rehabilitation empowered administrative Ministries to provide cooling arrangements in such conditions. The representative of the Ministry further stated that the expenditure incurred on hire of desert coolers had been sanctioned *ex post facto* and hereafter such a situation would not arise as the administrative Ministries concerned could use their discretion.

While the Committee note the Ministry's explanation for the need of desert coolers in the present case, they feel that it was wrong in principle to incur expenditure on an item, sanction to which had been refused by the Ministry of Finance. In the opinion of the Committee, in cases where a Ministry consider expenditure on an item to be absolutely necessary, and where the Ministry of Finance refuse to give sanction, the proper course for the Ministry should be to request the Minister concerned to place the matter before the Cabinet for a decision. The Committee trust that the Ministries and Departments of the Government would bear this in mind in future.

*Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1961-62—Expenditure on Superintendence—*

57. A comparative statement of expenditure showing the increased activities of the Corporation from 1960-61 is given below:—

	1960-61	1961-62	1962-63
	(Figures in lakhs of Rupees)		
1. Payments to State Governments etc. as Corporation's share of their expenses on providing medical treatment, maternity facilities etc. . . . .	248·67	313·17	449·32
2. Cash and other benefits to insured persons and their families. . . . .	348·73	418·33	553·88
3. Administration Expenses—			
(A) Superintendence . . . . .	57·54	64·11	63·32
(B) Field Work . . . . .	40·20	45·51	51·68
(C) Other Charges . . . . .	1·75	2·58	14·20
4. Interest on Loans . . . . .	0·94	1·27	1·74
TOTAL . . . . .	697·83	844·97	1134·14

The representative of the Employees' State Insurance Corporation admitted during evidence that the expenditure incurred on Superintendence was apparently high but urged in extenuation that their constant endeavour was to see that people were paid their claims with the utmost expedition. He, however, added that the percentage of administrative expenditure to total cash benefits, excluding medical benefits, had come down to 23.33 during 1962-63 from 28.50 in 1960-61. The Committee referred to the fact that against the expenditure of Rs. 51.63 lakhs on the field staff, the expenditure on Superintendence was Rs. 63.32 lakhs in 1962-63 and enquired why the latter was so disproportionately high. The witness stated that as the scheme was compulsory, no expenditure was involved in canvassing for business. The field staff mainly concerned itself with checking evasion of the liabilities under the Act and also settled certain claims locally. Payments involving recurring liability were, however, settled at higher levels.

**The Committee appreciate the need for utmost expedition in the payment of claims to the employees. They nevertheless feel that the expenditure on Superintendence (Rs. 63.32 lakhs in 1962-63) is on the high side. The Committee desire that the matter should be reviewed with a view to effecting maximum possible economy in establishment charges without any detriment to the amenities provided to the employees.**

58. The Committee enquired whether the Corporation's Inspectorate and other staff could not also handle work at present entrusted to other organisations under the Ministry of Labour pertaining to factory establishments. The representative of the Corporation had some doubt whether this would be permissible under the Act whereby the Corporation was placed with its funds. He agreed, however, that duplication of inspection agencies was redundant and perhaps unnecessary. He added that a suggestion to integrate certain social security schemes was understood to be under consideration of Government.

**The Committee may be informed about the decision taken in the matter.**

*Outstanding income, Para 1 (B)—*

59. According to the Audit Report, the outstanding income as on 31st March, 1962 due for recovery from Employers and Employees stood at Rs. 85 lakhs.

The representative of the Corporation stated that the total outstanding income of Rs. 85 lakhs represented Rs. 48 lakhs of employers' contribution and Rs. 37 lakhs of employees' contribution. The outstanding of employers' contribution had since been brought down to Rs. 29.49 lakhs and employees' contribution to Rs. 22.74 lakhs. The Committee desired to know the steps that had been taken to realise the arrears. The witness stated that where an employer defaulted in his own contribution, the amount was realised like arrears of land revenue by filing certificate proceedings before Revenue Officers. Where the employees' contribution was not paid, action was initiated at Employees Insurance Court. In very serious default cases, prosecutions were launched. The Committee desired to know the outstanding income of the Employees' State Insurance Corporation due for recovery from employers and employees for more than 1 year/2 years. The Ministry of Labour and Employment have furnished the following information in this regard:

	Employers' Special Contribution	Employees' Contribution
1. Arrears which were one year old, i.e., 1960 and prior to that year.	Rs. 26.22 lakhs	Rs. 21.23 lakhs
2. Arrears which were two years old, i.e., 1959 and prior to that year.	Rs. 21.12 lakhs	Rs. 16.06 lakhs

The Committee are glad to be informed that the amount of outstandings has since been brought down. The amount still due to be recovered is, however, very large (over Rs. 52 lakhs). A substantial portion out of this was due for more than two years (Rs. 37.18 lakhs). They desire that further efforts should be made by the Corporation to ensure expeditious recovery of this amount.

## VIII

### MINISTRY OF LAW

*Grant of loans to an Institute—pages 105-06, para 98—*

60. In August, 1962, Government entered into an Agreement with the Indian Law Institute in which it was stipulated that the Government of India would give a loan of Rs. 9.15 lakhs to the Institute for the construction of three storeys over the ground floor on their existing building at New Delhi. It was also provided that the additional carpet area of 24,000 sq. feet made available by the new construction would be leased to Government for a period of 10 years at a monthly rental of Rs. 45 per 100 sq. feet, the rent payable being set off against the loan and interest (4½ per cent.) thereon. The grant of loan contained the following features:

- (i) The Institute was not obviously in immediate need of additional space in the near future. The terms allowed to the Institute, enabled it to own the additional accommodation (24,000 sq. feet) after a period of 9 years free from all liabilities and without having to incur any capital expenditure from its own sources.
- (ii) Under the Delhi Rent Control Act, the reasonable rent, chargeable for such accommodation, after the initial period of exemption for 5 years, is 8-5/8 per cent. per annum of the cost of construction and the market price of land. The Ministry of Works, Housing and Supply had however, worked out the reasonable rent at Rs. 27 per 100 sq. feet per mensem which gave a return of 4½ per cent. after allowing for depreciation, maintenance, repairs, municipal taxes, etc. The payment by Government at Rs. 45 per 100 sq. feet per mensem to the Institute thus involved an additional annual expenditure of Rs. 51,840.
- (iii) The land for the building of the Institute was given at a concessional rate as the building was to be used by the Institute for its own use. The Ministry of Works, Housing and Supply, who were consulted observed that if the Institute demanded recovery of rent at the market rate of Rs. 45 per 100 sq. feet, Government would be justified in

demanding nearly Rs. 57,000 per annum as additional rent for the land. This additional rent was, however, not levied by Government.

The Ministry of Law had stated (December, 1962) that the rent payable to the Institute was very much less than the market rent.

It was explained during evidence that accommodation of about 32,000 sq. feet was required to accommodate the office of the Official Language (Legislative) Commission which according to Cabinet decision was to be located in the Capital. Government had no accommodation available, nor was compact accommodation to the extent required available on rent. Besides, the rent charges were also very high—Rs. 100 to 125 per 100 sq. feet. Building sites of the requisite area were not available in the proximity of the Parliament House, Law Ministry and the Supreme Court where the Commission desired to be provided with accommodation. The location of the building of the Law Institute was suitable and putting up additional storeys on the existing building was economical and resulted in better utilisation of the existing site. Giving of the self-liquidating loan was justified on the ground that the income eventually derived from the additional storeys would go to reduce the recurring expenditure of Government by way of subsidy to the Law Institute which was said to be mainly financed by Government and the Ford Foundation.

**The Committee are of the view that making an income-yielding gift of the additional three storeys to the Law Institute in the manner arranged was not a proper way of subsidising it and that any subsidy to such a body is better given in a direct manner so that the extent of it is clearly exhibited. The Committee take strong exception to the circuitous way in which indirect subsidies are sought to be given to private bodies howsoever important their field of activity might be. Granting that there were good reasons to see that the land site already in possession of the Law Institute yielded more accommodation for the use of Government, the Committee feel that this should have been achieved under some arrangement with the Institute by a direct investment on the part of Government rather than through the Institute by means of a self-liquidating loan. The Committee desire that circuitous procedure as adopted in the present case should be completely avoided in future.**

MAHAVIR TYAGI

*Chairman,*

NEW DELHI;

February 18, 1964.

Magha 29, 1885 (Saka).

*Public Accounts Committee.*



---

---

## **APPENDICES**

---

---

## APPENDIX I

(Para 1 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

#### *The Staff Position in Indian Missions Abroad*

	Officers and Staff				Total
	India-based	Per-centage of total	Local	Per-centage of total	
(1)	(2)	(3)	(4)	(5)	(6)
Embassies . . . . .	639	45	773	55	1412
Permanent Mission of India, New York . . . . .	25	57	19	43	44
Other Legations Consulates etc.	148	35	276	65	424
High Commissions and Com- missions . . . . .	550	57	410	43	960
High Commission of India, London . . . . .	53	12	381	88	434
TOTAL . . . . .	1415	41	1859	59	3274

NOTE—(i) Out of 1859 local posts, 1601 are held by foreign nationals.

(ii) The figures shown above were in respect of posts for which provision was made in BE for 1961-62.

#### STAFF POSITION IN INDIAN MISSIONS ABROAD

	Officers and Staff		Total
	India-based	Local	
1. E.I. Addis Ababa . . . . .	9	10	19
2. E.I. Ankara . . . . .	15	6	21
ISI, Ankara . . . . .	3	7	10
3. E.I. Baghdad . . . . .	20	19	39
ISI, Baghdad . . . . .	5	6	11
4. E.I. Bangkok . . . . .	25	7	32
ISI, Bangkok . . . . .	5	6	11
5. E.I. Belgrade . . . . .	9	9	18
ISI, Belgrade . . . . .	2	4	6

## STAFF POSITION IN INDIAN MISSIONS ABROAD

		Officers and Staff		
		India-based	Local	Total
6.	EI. Berne . . . . .	9	13	22
	ISI. Berne . . . . .	1	4	5
7.	EI. Bonn . . . . .	13	24	37
	ISI. Bonn . . . . .	4	7	11
8.	EI. Brussels . . . . .	8	12	20
	ISI. Brussels . . . . .	1	6	7
9.	EI. Aires . . . . .	9	7	16
	ISI. B. Aires . . . . .	3	4	7
10.	EI. Bucharest . . . . .	4	5	9
11.	EI. Budapest . . . . .	3	6	9
12.	EI. Cairo . . . . .	23	20	43
	ISI. Cairo . . . . .	9	25	34
13.	EI. D'Jakarta . . . . .	21	15	36
	ISI. D'Jakarta . . . . .	6	10	16
14.	EI. Hague . . . . .	10	11	21
	ISI. Hague . . . . .	2	3	5
15.	EI. Helsinki . . . . .	2	5	7
16.	EI. Jaddah . . . . .	23	27	50
17.	EI. Kabul . . . . .	26	6	32
	ISI. Kabul . . . . .	5	3	8
18.	EI. Kathmandu . . . . .	71	44	115
	ISI. Kathmandu . . . . .	4	28	32
19.	EI. Khartoum . . . . .	4	10	14
	ISI. Khartoum . . . . .	1	4	5
20.	EI. Leopoldville . . . . .	3	2	5
21.	EI. Madrid . . . . .	5	4	9
22.	EI. Manila . . . . .	3	5	8
23.	EI. Mexico . . . . .	5	8	13
24.	EI. Moscow . . . . .	17	13	30
25.	EI. Rabat . . . . .	5	8	13
26.	EI. Oslo . . . . .	6	9	15
27.	EI. Paris . . . . .	21	22	43
	ISI. Paris . . . . .	4	8	12
28.	EI. Peking . . . . .	22	23	45
	ISI. Peking . . . . .	3	6	9
29.	EI. Phnom Penh . . . . .	8	7	15
	ISI. Phnom Penh . . . . .	3	4	7
30.	EI. Prague . . . . .	12	9	21
	ISI. Prague . . . . .	1	1	2
31.	EI. Rangoon . . . . .	28	67	95
	ISI. Rangoon . . . . .	3	16	19
32.	EI. Rio-de-Jeneiro . . . . .	8	8	16
	ISI. Rio-de-Jeneiro . . . . .	2	4	6

## STAFF POSITION IN INDIAN MISSIONS ABROAD.

	Officers and Staff		
	India-based	Local	Total
33. EI. Rome . . . . .	10	15	25
ISI. Rome . . . . .	2	5	7
34. EI. Stockholm . . . . .	7	10	17
ISI. Stockholm . . . . .	2	7	9
35. EI. Santiago . . . . .	5	6	11
36. EI. Tehran . . . . .	21	14	35
ISI. Tehran . . . . .	4	9	13
37. EI. Tokyo . . . . .	14	22	36
ISI. Tokyo . . . . .	3	5	8
38. EI. Vientiane . . . . .	9	4	13
39. EI. Vienna . . . . .	8	10	18
40. EI. Warsaw . . . . .	7	6	13
41. EI. Washington . . . . .	25	43	68
ISI. Washington . . . . .	8	20	28
TOTAL . . . . .	639	773	1412
Permanent Mission, New York . . . . .	20	18	38
ISI, New York . . . . .	5	1	6
	25	19	44

## STAFF POSITION IN INDIAN MISSIONS ABROAD

## OTHER LEGATIONS, CONSULATES, ETC.

	India-based Officers & Staff	Local staff	Total
1. C.G. BERLIN . . . . .	3	5	8
2. ISI, BEIRUT . . . . .	5	9	14
3. C. G. DAMASCUS . . . . .	10	6	16
4. ISI, DAMASCUS . . . . .	3	6	9
5. PO. GANGTOK . . . . .	14	51	65
6. ISI, GANGTOK . . . . .	4	12	16
7. TRADE AGENCY GARTOK . . . . .	3	13	16
8. CG. GENEVA . . . . .	7	12	19
9. PENSION OFFICE GOA . . . . .	3	..	3
10. TRADE AGENCY GYANTSE . . . . .	3	19	22
11. C.G. HANOI . . . . .	8	8	16
12. VC. JALALABAD . . . . .	6	1	7
13. VC. KANDAHAR . . . . .	4	2	6
14. CG. KHORRAMSHAR . . . . .	6	4	10

STAFF POSITION IN INDIAN MISSIONS ABROAD  
OTHER LEGATIONS, CONSULATES ETC.

	India-based Officers & staff	Local staff	Total
15. PRO. KALIMPONG . . . . .	2	5	7
16. CONS. KOBE . . . . .	2	5	7
17. CG. LHASA . . . . .	3	22	25
18. CG. MADAGASCAR . . . . .	4	6	10
19. VC. MANDALAY . . . . .	4	3	7
20. CONS. MEDAN . . . . .	11	..	11
21. CONS. MUSCAT . . . . .	4	6	10
22. CG. NEW YORK . . . . .	8	18	26
23. ISI, NEW YORK . . . . .	2	7	9
24. C.G. SAIGON . . . . .	8	9	17
25. CG. SAN FRANCISCO . . . . .	5	10	15
26. CG. SHANGHAI . . . . .	5	13	18
27. CONS. SOURBAYA . . . . .	4	6	10
28. TRADE AGENCY YATUNG . . . . .	3	15	18
29. VC. ZAHIDAN . . . . .	4	3	7
TOTAL . . . . .	148	276	424

STAFF POSITION IN INDIAN MISSIONS ABROAD  
HIGH COMMISSIONS, COMMISSIONS OF INDIA ETC.

	India-based Officers and staff	Local Staff	Total
1. H. C. ACCRA . . . . .	9	14	23
2. I. S. ACCRA . . . . .	2	11	13
3. H. C. CANBERRA . . . . .	10	4	14
4. ISI. SYDNEY . . . . .	4	5	9
5. H. C. COLOMBO . . . . .	31	61	92
6. ISI COLOMBO . . . . .	3	7	10
7. DHC DACCA . . . . .	147	100	247
8. ISI. DACCA . . . . .	15	3	18
9. C. HONGKONG . . . . .	10	11	21
10. V. O. KANDY . . . . .	4	9	13
11. H. C. KARACHI . . . . .	160	12	172
12. ISI. KARACHI . . . . .	18	5	23
13. H. C. KUALA LUMPUR . . . . .	19	16	35
14. ISI. KUALA LUMPUR . . . . .	3	17	20
15. CON. KAMPALA . . . . .	3	5	8
16. H. C. LAGOS . . . . .	11	8	19
17. COM. NAIROBI . . . . .	14	22	36

**STAFF POSITION IN INDIAN MISSIONS ABROAD**  
**HIGH COMMISSIONS, COMMISSIONS, OF INDIA ETC.**

	India-based Officers and staff	Local staff	Total
18. ISI. NAIROBI . . . . .	6	6	12
19. H. C. OTTAWA . . . . .	9	6	15
20. ISI. OTTAWA . . . . .	2	5	7
21. COM. PORT LOUIS . . . . .	7	12	19
22. D. H. C. RAJSHAHI . . . . .	28	23	51
23. COM. SUVA . . . . .	7	8	15
24. COM. SINGAPORE . . . . .	11	20	31
25. ISI. SALISBURY . . . . .	7	9	16
26. COM. TRINIDAD . . . . .	10	11	21
TOTAL . . . . .	550	410	960

**STAFF POSITION IN INDIAN MISSIONS ABROAD**  
**HIGH COMMISSION OF INDIA**  
**LONDON**

Central Deptt.	India Based	Local	Total
Secretariat Deptt. . . . .	14	22	36
Finance Deptt. . . . .	1	2	3
Establishment Deptt. . . . .	10	194	204
Accounts Deptt. . . . .	1	105	106
Political Deptt. . . . .	11	6	17
Consular Deptt. . . . .	5	28	33
Legal Adviser's Office . . . . .	1	3	4
Publicity Organisation . . . . .	7	15	22
Indian Embassy, Dublin . . . . .	2	4	6
Consular Office, Burmingham . . . . .	1	2	3
	53	381	434

## APPENDIX II

(Para 1 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

*Details of Budget Estimates 1961-62 for Central Departments of the High Commission of India, London*

Name of Department	Pay of Officers	Pay of Estab.	Allow. Hon. etc.	Other Charges	Total
(1)	(2)	(3)	(4)	(5)	(6)
1. Secretariat . . . . .	1,03,000	2,22,000	3,34,000	} 15,14,000(1)	
2. Finance . . . . .	20,000	19,000	23,000		
3. Establishment (2) . . . . .	37,000	16,00,000	1,52,000		
4. Accounts (2) . . . . .	24,000	12,00,000	56,000		
5. Political . . . . .	42,000	84,000	1,68,000		
6. Consular . . . . .	21,000	3,39,000	94,000		
(1) Total : Central Deptts. . . . .	2,47,000	34,64,000	8,27,000	15,14,000	60,52,000
(2) I. S. I. London . . . . .	42,000	1,48,000	1,18,000	2,43,000	5,51,000
(3) Legal Adviser's Department . . . . .	18,000	29,000	25,000	2,000	74,000
(4) Consular Office, Birmingham . . . . .	9,000	16,000	16,000	7,000	48,000
(5) Embassy of India, Dublin . . . . .	15,000	26,000	50,000	24,000	1,15,000
(6) Other Misc. Expenditure of the High Commission including on behalf of the Ministry of External Affairs . . . . .				11,000	11,000
<b>Total : Budget Grant of High Commission of India, London (excluding "Contributions to U.N.O.") . . . . .</b>	<b>3,31,000</b>	<b>36,83,000</b>	<b>10,36,000</b>	<b>18,01,000</b>	<b>68,51,000(2)</b>

**NOTE:** (1) In respect of the "Main Departments" of the High Commission details of "Other Charges" are not maintained separately for each department.

(2) The Establishment Department of the High Commission of India, London does all the routine establishment work (Appointments, Transfers, Pay, Leave, etc.) in respect of all the staff (India-based and Local both) working in the High Commission whether borne on the Budget Grant of the Ministry of External Affairs or on behalf the Budget Grant of other Ministries of the Government of India (including the Defence Wings and the India Store Department).

Similarly, the Accounts Department of the High Commission is doing Accounts work (making payments, arranging remittances

maintaining accounts, submission of various Accounts and Budget returns, etc.) not only that pertaining to the Ministry of External Affairs but also that of all other Ministries/Departments of the Union Government and the State Governments.

However, the total expenditure on these two Departments is borne by the Ministry of External Affairs.

(3) *Comparison with the Actual Expenditure 1961-62.*

	Rs.	
Total : Budget Grant 1961-62 (excluding Contributions to U.N.O.)	68,51,000	
Total : Actual Expenditure 1961-62 (excluding contributions to U.N.O.)	<u>70,76,000</u>	
Excess over the Budget Grant	(+ )2,25,000	The Excess was due to payment of arrears of Pay to the local staff of the High Commission as a result of the U.K. Treasury Pay Awards having been more than anticipated.



## APPENDIX III

(Para 4 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

*Para 34(i) (b) of Audit Report (Civil) 1963*

A note giving the reasons as to why a 66% increase in the rent of the residence of the Head of the Mission, Tananarive, was finally agreed to when the Mission had stated that an increase of 11% only was justified.

---

*Increase in rent of the residence of the Head of the Mission,  
Tananarive*

The house presently occupied by the Head of the Mission in Tananarive was rented in 1958 on a monthly rental of CFA 60,000 or Rs. 1,632. The owner of the house informed the Ambassador on 6th April, 1961 that he had an offer of CFA 1,25,000 for rent of the house and unless the Mission was prepared to pay the same rent, he would be obliged to take over the building. The Ambassador examined the matter and reported on 10th April, 1961 that (i) ever since the occupation of the house in 1958, rents had gone up considerably for longer buildings, especially after the setting up of various Embassies, (ii) the cost of living index had increased from 190.5 points in January, 1958 to 213.4 in February, 1961 i.e., approximately 11%. (iii) the cost of living index did not take the rent into consideration as it was compiled for overseas officers whose rents were paid by Government, and (iv) although, legally and technically it might be possible to contest the landlord's claims, on the ground that as long as the tenant paid the agreed rent and such increase as might be warranted by the rise in the cost of living, he should not be subject to eviction, there were still many conditions and restrictions to the application of the law. The Ambassador felt that an increase in rent was justified but not to the extent demanded by the land-lord. Taking into account the prevailing market rates and the scarcity of suitable houses, he proposed that he should be authorised to bargain with the land-lord to fix the amount at a maximum rent of CFA 80,000 p.m. On 21st April, 1961 acceptance of the proposal was communicated by the Ministry.

2. However, on 26th April, 1961, the Ambassador informed the Ministry that the land-lord had refused to accept anything less than CFA 1,00,000 per month and that too, only after a great deal of persuasion. He added that the legal advice was that as the house was built before the war, it was not legally possible for the land-lord either to increase the rent or to evict the tenant but in the event

of a lack of agreement over the rent, the Embassy was morally bound to vacate the house. In the context of rising rents and shortage of suitable buildings for Embassy residences, he recommended that a 3 year lease at monthly rent of CFA 1,00,000 be signed. Government accepted this and sanction was conveyed on 11th May, 1961.

3. The rent of the residence upto 1st May, 1961 was CFA 60,000 p.m. or Rs. 1,632 at the then exchange rate of CFA 36.57 to a rupee. The local currency was devalued in April, 1961. The rent of CFA 1,00,000 at the exchange rate of CFA 51.82 to a rupee worked out to Rs. 1,930 p.m. The actual increase in rent in terms of rupees from Rs. 1,632 to Rs. 1,930 was, therefore, 18.26%.

## APPENDIX IV

(Para 7 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

*Para 35 of Audit Report (Civil)—1963*

A note indicating whether the Ministry/Mission requested the Government of Ghana in time for extension of time limit for construction of the second set of buildings for residential accommodation, so that this plot of land might not be resumed by the Government of Ghana.

---

Eight plots of land on Independence Avenue were offered by the Commissioner of Lands, Accra, in June, 1955 for construction of residences for officers and staff of the Indian Mission in Accra on a lease for 75 years, subject to the condition that the construction work should commence within one year and completed within 2 years from the date of commencement of the lease. Sanction for leasing of 6 plots measuring 10.48 acres approximately at £G575 per annum was conveyed in June, 1956.

2. The sequence of events in this case is given below to illustrate the action by the Mission and the Ministry:—

- (a) Due to foreign exchange difficulties, it was decided in June, 1957, that no fresh construction work should be undertaken, and the Mission was accordingly asked to intimate whether it would be incumbent to start construction of quarters on the plots in the event of signing the lease deed. The Mission informed us that normally construction work had to start two years after the lease was signed and as it was likely that the lease would be signed before the end of 1957, construction work should start towards the end of 1959, although it might be possible to obtain an extension for a further period of 2 years. In October, 1957, the Mission was asked to sign the lease deed.
- (b) A draft lease deed was submitted by the Mission in December, 1957. It was scrutinized and the Mission was asked to confirm whether it would be permissible to commence construction work in 1961. In January, 1958, the Mission intimated that the Government of Ghana had agreed to change the date of construction in the lease deed to 1st April, 1959 and issue a formal letter stating that two years extension would be given. In February, 1958 the draft lease deed was returned to the Mission for incorporation of some modifications.

- (c) In March, 1958, the Mission informed this Ministry that the formal letter regarding grant of extension for 2 years was not forthcoming. In May, 1958, approval was conveyed to the signing of the lease deed. In August, 1958, the Mission forwarded the comments of the local Government on the amendments proposed stating *inter-alia* that the local Government had not agreed to the inclusion of the clause regarding grant of extension of the period for purposes of construction of quarters on the plots.
- (d) In December, 1958, the Mission was asked to approach the Government of Ghana for granting permission to the postponement of the construction work till 1963. The Mission informed us that the Government of Ghana were agreeable to the construction work being completed within four years from 1st January, 1959. In February, 1959, the Mission was advised to sign the lease deed.
- (e) In March, 1959, the High Commissioner informed this Ministry that the lease deed had been modified so that it would run upto April, 1963. In August, 1959 the High Commissioner reported that the Commissioner of Lands, had been stalling on the matter of signing the lease deed on one pretext or another, and as a result of his persuading the Ministry of Foreign Affairs whose specific attention was drawn to the requirements to be complied with as per the lease deed, the Commissioner of Lands, was directed to sign the lease deed.
- (f) In August, 1959, the High Commissioner was requested to furnish the revised plans relating to the construction work for processing the matter further. The High Commissioner replied that some preliminary estimates were being prepared locally and stressed the need for taking up construction of High Commissioner's residence in view of the local Government's insistence on his vacating the residence in his occupation. The preliminary estimates furnished by the Mission in November, 1959, were scrutinized by the C.P.W.D. who desired in March, 1960 to be furnished with some additional information from the Mission.

The position was carefully examined with the assistance of the Senior Architect, C.P.W.D., and the Ministry's comments were communicated to the Mission in July, 1960.

- (g) In August, 1960, the High Commissioner informed the Ministry that there was a possibility of Government of Ghana resuming the plots in the area to meet their own ever increasing requirements and allotting plots to Diplomatic Missions in distant localities and that although according to the terms of the lease construction work should have commenced latest by 1st April, 1960, he would approach the Ghana Government for extension of the period provided he was assured that all the administrative

formalities would be completed and construction work commenced during the year 1961-62 to ensure that it could be completed by 1st April, 1963. He was informed that as a large sum of money was involved, it was necessary to follow the prescribed procedure to avoid infructuous expenditure.

- (h) On the basis of a communication sent to the Ghana Government, the High Commission intimated in September, 1960 that it would be possible to get a final reply from them regarding the plots during October, 1960, and arrangements with the architects or quantity surveyor would not be made till receipt of clear decision from the Government of Ghana that the position of the plots would not be disturbed. In November, 1960, the Mission came to know on the basis of discussions with the local authorities that the intention of the Government of Ghana was to allow retention of a plot of 4 acres as against the plots of 10 acres. It was deduced by the Mission from the discussion with the local authorities that the area of the plot would be restricted to a size required for the construction of the Chancery building.
- (i) In January, 1961, on the advice of the High Commissioner who was in India, the Mission was advised to explore the possibility of constructing the Chancery building on the restricted area. In March, 1961 the High Commissioner conveyed the decision of the Government of Ghana that the Chancery building should be on the 3 acre plot. In April, 1961, approval was conveyed to the proposal for constructing Chancery building on this plot.
- (j) In July, 1961 the Mission reported that the plot for the Chancery building on Independence Avenue was finally allotted to the Mission and was being surveyed with a view to prepare new site plans and conducting fresh soil test, etc.

In October, 1961, the Mission reported that the Government of Ghana were apprised of the fact that some additional structures might be constructed in the compound of the Chancery building.

- (k) Following political developments in Ghana, the position regarding allotment of the plot again became fluid and the Government of Ghana appeared to be resiling from their previous stand. In his discussion with the officers of the Government of Ghana on 22nd November, 1961 the High Commissioner emphatically pointed out that restoration of part of the land originally leased in April, 1959 was not a favour but an act of justice and it was as a result of the request made to the Presidential Commission.

In January, 1962, the Mission was advised by the Ministry to seek Presidential intervention.

- (l) The High Commissioner intimated in January, 1962 that the Government of Ghana had finally and irrevocably restricted the Mission's allotment to one-third of the area originally leased.
- (m) While further consideration to the proposal regarding construction of Chancery Building was being given, the Government of Ghana informed the High Commissioner in January, 1963 that they discovered with regret that the plot allotted to the High Commission was ear-marked for a Government project.

3. It will be seen from the above sequence of events that both Ministry and our Mission at Accra had pursued the matter relating to retention of the residential plots with the Government of Ghana vigorously and persistently and that the resumption of the plots was solely due to the decision of the Ghana Government.

It may be stated in this connection, that, in spite of best efforts, the claim for compensation for the expenditure already incurred on the project by way of ground rent, Survey, designs, etc., has been rejected by the Government of Ghana, the ground taken for this rejection having been that alternative plot was being offered in lieu of the plots resumed.

Sd/- R. G. RAJWADE,  
*Joint Secretary to the Government of India.*

## APPENDIX V

(Para 10 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

*Para 37 of Audit Report (Civil) 1963.*

- (i) *A note showing the figures of shortages and excesses found as a result of physical verification of the furniture conducted recently in the Indian High Commission, Karachi.*
- 

Consequent upon the closure of the sub-Missions in Lahore and Hyderabad in 1958 and also on account of the winding up of the Property Field Organisation in October, 1959, certain items of available furniture were transferred to Indian High Commission, Karachi. In order to prevent the furniture from deteriorating in godown, they were issued to the officers and staff of the High Commission. A part of the furniture was also transferred to Murree at the time of establishing the camp office there in 1960.

2. The Mission have since completed the stupendous task of physical verification of furniture and have taken up preparation of individual inventories of the residences in January, 1963. While these inventories will help to determine the items supplied in excess/short of scales of furniture prescribed, they will not facilitate finding out the excess/shortages in stock as compared to the items of furniture originally purchased, as the original stock registers maintained by these Missions were incomplete in many respects. In view of this position, the Mission has not been able to arrive at the excesses/shortages in stock. This work is time-consuming as it requires a reference to all old records of the past 16 years. Considering the magnitude of the task and the staff resources available with them the Mission has not been able to make any progress in this matter.

3. The Mission has, however, reported on 15th October 1963, that they are taking suitable and adequate steps for the proper maintenance of the stock registers now compiled on the basis of actual physical verification, and will be in a position to find out the actual excesses or shortages when physical verifications are carried out in future.

Sd/- K. V. PADMANABHAN,  
Joint Secretary to the Govt. of India.

**Para 37 of Audit Report (Civil) 1963.**

(ii) A note indicating the discrepancies revealed as a result of physical verification of stores/furniture in various Indian Missions.

A statement showing deficiencies/surpluses detected by the Indian Missions Abroad as a result of physical verification of stock at the time of compilation of new stock registers is enclosed. The information given in the statement is in respect of 54 Missions which had reconciled the entries in the old stock registers with those in the new registers compiled in accordance with the instructions issued in December, 1961. Information from the remaining 36 Missions is awaited.

Sd/- R. G. RAJWADE,  
Joint Secretary to the Govt. of India.

*Statement of Losses/Surpluses detected by the Indian Missions abroad as a result of their physical verification of stock at the time of compilation of new stock registers.*

S. No.	Name of the Mission	Shortages	Excess.
1.	Embassy of India, Vienna.	Rs. 2,480/-	Nil
2.	Embassy of India, Mexico.	336	Nil
3.	Embassy of India, Dakar .	Nil	Nil
4.	Embassy of India, Bangkok.	Nil	Nil
5.	Consulate General of India, Berlin.	Nil	Nil
6.	Embassy of India, Helsinki.	Nil	Nil
7.	Consulate of India, Kobe .	Nil	Nil
8.	Embassy of India, Buenos Aires*	Nil	Nil
9.	Consulate General of India, Geneva.	Nil	Nil
10.	Embassy of India, The Hague .	Nil	1 carpet.
11.	Embassy of India, Tokyo .	Nil	Nil
12.	Asstt. High Commission of India, Rajshahi.	Nil	Nil
13.	Embassy of India, Bonn .	Nil	Nil
14 (a)	Dy. High Commission of India, † Dacca (Chancery & Visa Office Wings).	Rs. 5636	Nil

\*A discrepancy regarding entries pertaining to refrigerator has, however, been noticed.

†Includes the shortage detected in 1957. As a result of further physical verification some art.c.es have been traced and the loss now stands reduced to Rs. 5636.00.



S. No.	Name of the Mission	Shortage	Excess
14(b)	The High Commission of India, Dacca (Commercial Wing)	1 Table fan.	Nil.
14(c)	The High Commission of India, Dacca (Information Wing)	Rs. 361.00	1. One occasional Chair. 2. Four ceiling fans. 3. One glass top.
15.	Embassy of India, Oslo	Nil	Nil.
16.	Vice Consulate of India, Kanda- har	Nil	Nil
17.	Embassy of India, Budapest	Nil	Nil
18.	Consulate General of India, San Francisco	Nil	Nil
19.	Vice Consulate of India, Zahi- dan	Nil	Nil
20.	High Commission of India, Kuala Lumpur	Nil	Nil
21.	Embassy of India Washington, (Embassy residence)	Nil	Nil
22.	I.S.I. Sydney	Nil	Nil
23.	Embassy of India, Moscow	Nil	Nil
24.	High Commission of India, Otta.	Rs. 14,467.	Nil
25.	Embassy of India, Santiago.	Nil	Nil
26.	Embassy of India, Warsaw	Nil	Nil
27.	Embassy of India, Belgrade	Rs. 161.00	Rs. 2,255/-
28.	Vice Consulate of India, Man- dalay.	Rs. 3.00	1 dining table and 6 chairs.
29.	Commission of India, Suva.	Nil	Nil
30.	High Commission of India, Can- berra	Rs. 180/-	134 glass tumbler & 42 other arti- cles, mainly kit- chen utensils.
31.	Embassy of India, Phnom Penh	Nil	Nil
32.	High Commission of India, Trinidad	Nil	Nil
33.	Embassy of India, Jeddah	Rs. 210.00 plus one daily use crockery set.	Nil.
34.	Embassy of India, Vientiane	Rs. 9.00	Nil
35.	Vice Consulate of India, Jala- labad	Rs. 251.00	Nil
36.	High Commission of India, Colombo	Nil.	Nil

S. No.	Name of the Mission	Shortage:	Excess
37.	Embassy of India, Saigon	Rs. 87.00 plus 4 spoons & one knife.	Nil.
38.	Consulate of India, Khorramshahr	Nil.	Nil.
39.	Consulate General of India, Muscat.	Nil.	Nil.
40.	High Commission of India,* London	..	..
41.	Commission of India, Mauritius.	Nil.	Nil.
42.	Consulate of India, Medan	Nil.	40 yards of cur- tain cloth.
43.	Embassy of India, Rio-de-Janeiro	Rs. 1,790/-	Nil.
44.	Embassy of India, Paris. (Chan- cery only)	Nil.	Nil.
45.	Embassy of India, Rome	Nil.	Nil.
46.	Embassy of India, Madrid	Nil.	Nil.
47.	Commission of India, Salisbury	Nil.	Nil.
48.	The Consulate General of India, Hanoi.	Nil.	Nil.
49.	(High Commission of India, Visa Office, Kandy, Colombo)	Nil.	Nil.
50.	The Embassy of India, Peking.	Nil.	Nil.
51.	The High Commission of India, Kampala.	Nil.	Nil.
52.	The Embassy of India, Kuwait	Nil.	Nil.
53.	The Embassy of India, Tehran	Nil.	Nil.
54.	†The High Commission of India, Camp Office, Murree.	Nil.	Nil.

\*New Stock Register was compiled in April, 1962. As there was no complete stock account of the Mission previous to this, it was not possible to make any reconciliation.

†The new Stock Register was compiled in September, 1963. As there was no complete stock account of the Mission previous to this, it was not possible to make any reconciliation.

## APPENDIX VI

(Para 12 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

Para 37(iv) of Audit Report (Civil), 1963

*A note giving reasons for issue of furniture in excess of the prescribed scales for the residences of officers and staff in the Missions in Karachi, Khorramshahr, Beirut, Jeddih, Gangtok, Khartoum, Colombo and Rangoon, without charging rent therefor.*

---

The position of each case is briefly explained below:—

(1) *Karachi*—Consequent upon the closure of the sub-missions at Lahore and Hyderabad in 1958 and the winding up of the property Field Organisation, the furniture held by them were transferred to the High Commission, Karachi. With a view to preventing deterioration in the condition of various items of furniture received from the sub-missions, they were distributed in some of the residences of the India-based members. Consequently the furniture held by them was found to be in excess of the prescribed scales. Action is being taken by the High Commission to withdraw the excess items as soon as possible.

(2) *Khorramshahr*—Sofa sets received from the Consulate General, Meshed, on its closure in 1955 were issued to India-based officials as it was considered uneconomical to dispose of the sofa sets in the local market at a nominal price and to purchase new settees for the entitled officials. These articles were shown only as settees and chairs and not as 'sofa sets' in the Stock Register of the defunct Mission at Meshed. These settees and chairs, which were of ordinary quality, were received in a damaged condition and even after repairs, the general quality of the furniture did not improve and as such these were not found to be suitable for use at the residence of the Consul. These were, therefore, issued to other India-based officials.

According to the existing orders, at places where caned chairs and settees are available and are comparatively cheaper than cushioned or upholstered settees, the former should be supplied in preference to the latter, but in this case caned settees and chairs were not available locally.

(3) *Khortoum*—The items of furniture became surplus to entitlement because of the difference in the sizes of the families of the successive incumbents. The excess supply could not be withdrawn and stored in the Chancery for lack of space. On the other hand renting of accommodation for storage purposes would have resulted in extra and avoidable expenditure.

(4) *Colombo*—Some electric fans were supplied to some staff members during the period from 4/60 to 6/62. These fans were rendered surplus in some cases because of differences in the entitlements of the successive incumbents and could not be withdrawn and stored in the Chancery for lack of space. Action has now been taken to regularise the excess supply by charging rent or withdrawing the excess over entitlement.

(5) *Rangoon*—Only a centre table and a bed side table were issued in excess of the entitlement to the Counsellor in 1960. On the other hand, however, the officer was not supplied with some items of furniture to which he was entitled.

(6) *Jeddah*—Out of the 8 carpets only 6 have been reported to be serviceable and in the use in the Embassy residence. Five of these carpets which were sanctioned by Government in 1960, when the officer was a Grade-IV Head of Mission, were meant for use in the adjacent drawing room, dining room, guest room, study room and bed room of his residence. In addition to these five carpets, one existing carpet was considered suitable by Mission for use in the drawing room. The other two carpets were not considered suitable for further use in the Embassy residence and were proposed to be diverted to the Chancery. The number of usable carpets in the Embassy residence was, therefore, six and within the entitlement of the then Head of Mission. His successor, however, happens to be an officer of Grade-V and consequently in terms of his entitlement two carpets in the Embassy residence became surplus. Withdrawal of the excess carpets from the Embassy residence had been considered to be attendant with the risk of their deterioration on account of disuse.

(7) *Gangtok*—The excess supply of door mats and jute mattings has been considered necessary in view of the climatic conditions of Gangtok where there is heavy rainfall which results in the premature deterioration of floor coverings unless sufficient door mats are supplied and the carpets given an under-padding of the jute mattings. As regards supply of carpets to non-representational staff the position is that, the difference in the price between the cheap carpets and woollen durries being comparatively insignificant, cheap carpets were supplied to them.

(8) Beirut—Purchase of furniture with the exception of unimportant items such as broom, mop, pan and brush, costing Rs. 32·58 for residence of the former Charge d' Affaires has since been regularised. The refrigerator and the two parts of the book-case were transferred to the Ambassador's residence, while the basic bedding consisting of four blankets, electric lights globes and five old chairs were transferred to office as reserve. The radiogram was transferred to office for use by the Press Attache. Sanction had also been conveyed to the purchase of new items of furniture for the First Secretary's flat.

As regards the reasons for the supply of the items of furniture, in question, it may be clarified that the Charge d' Affaires being the Head of the Post, was entitled to a higher scale of furniture furnishings than prescribed for an officer of his grade, and accordingly a refrigerator was provided for his use. Only one book-case consisting of three parts which could either be put on the top of each other or put straight lengthwise was supplied to the First Secretary. In view of its design it could be utilised in any flat. However, two parts thereof were later transferred to the Ambassador's residence for his use. Electric lights and globes are considered as essential items in all flats in Beirut but as they are not provided by the landlord, the lessee is required to provide them. The radiogram supplied to the First Secretary was originally purchased for the official use of the Press Attache when he was in charge of the post. On the upgradation of the post and transfer of the Press Attache it became surplus, but its storage was considered to be attendant with the risk of its becoming unserviceable due to disuse. The First Secretary, who was also looking after some of the Press work, was permitted to use it.

*Joint Secretary to the Govt. of India.*

## APPENDIX VII

(Para 18 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

Para 39 of Audit Report (Civil), 1963

- (i) *A statement showing the break up of the expenditure of Rs. 83.48 lakhs incurred by 50 information units in the Missions during 1961-62 on items like pay and allowances of the staff, furniture, rent, maintenance of cars, and on brochures, bulletins, libraries and film shows etc.*

Statement showing the break up of expenditure of Rs. 83.48 lakhs reported to have been incurred on the Information Units abroad is enclosed. It is clarified in this connection that expenditure of Rs. 81.77 lakhs relate to 41 Information Units including that of the Information Units at Beirut and Kalimpong shown in the Appropriation Accounts for 1961-62 but not mentioned in the Administrative Report for 1961-62.

The balance of expenditure of Rs. 1.71 lakhs shown as a lump-sum amount in the absence of precise details relates to 11 Missions which incurred expenditure on Publicity Activities, but have no separate Information Units.

The following Particulars are given for purposes of reconciliation of the number of Units.

(i) Number of Information Services shown in the Appropriation Accounts 1961-62.	41
(ii) Number of Information Services given in the Annual Report 1961-62.	50
Add. I.S.I. at Beirut and Kalimpong required to be included.	52

---

11

- (iii) Missions which have no separate Information Services but which incurred expenditure on Publicity activities viz. Addis Ababa, Jeddah, Hongkong, Moscow, San Francisco, Manila, Suva, Trinidad, Salisbury, Kampala, and Port Louis.

Statement showing the actual expenditure incurred during 1961-62 in respect of information service abroad

(In thousands)

Name of Mission	Pay of Officers	Pay of Estt.	Allowances and Hon.	Other Charges						Books Sty. & Publications		Publicity Contingencies Expenditure			Total Grand Other Charges	
				P&T Charges	R&M of Bldgs.	P&R of cars	P&R of Furni- ture	Tele- Char- ges	Misc. Liv- eries	Expd. Balan- ce	ance	Bulle- tins.	Film Shows	Other Pub- licity		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1. Accra	6	35	56	11	27	..	1	..	20	..	..	18	..	..	77	174
2. Buenos Aires	11	22	55	9	47	..	3	..	1	3	..	6	..	4	73	161
3. Bangkok	9	38	32	8	22	1	..	2	1	3	..	..	1	11	49	128
4. Belgrade	11	14	21	11	8	..	8	1	2	3	3	..	1	4	41	87
5. Beirut	38	65	95	31	60	24	16	..	11	9	7	10	..	9	177	375
6. Brussels	11	41	14	9	4	..	1	..	11	3	..	23	..	2	53	119
7. Bonn	16	74	68	23	29	..	1	..	11	5	7	21	..	5	102	260
8. Berne	7	31	27	5	4	..	..	..	..	..	3	16	1	..	29	94
9. Baghdad	..	60	39	3	12	..	5	..	4	3	1	..	..	13	41	140
10. Colombo	7	17	28	2	29	..	4	1	3	..	3	9	1	18	70	122

11.	Cairo	.	.	.	.	30	114	84	24	51	..	9	..	33	26	..	21	..	15	173	401
12.	Dacca	.	.	.	.	14	30	53	3	63	1	2	1	3	5	4	..	1	2	85	122
13.	Damascus	.	.	.	.	1	38	17	2	9	1	..	..	2	2	4	..	..	1	21	77
14.	Djakarta	.	.	.	.	24	21	60	10	3	..	..	..	15	2	2	..	1	14	47	152
15.	Gang'ok	.	.	.	.	10	30	42	7	2	..	..	1	3	4	5	..	2	14	38	120
16.	The Hague	.	.	.	.	6	21	23	2	12	..	1	..	19	..	..	8	2	11	56	105
17.	Istanbul	.	.	.	.	10	51	34	6	29	..	..	..	6	5	..	..	..	8	54	149
18.	Ka hmandu	.	.	.	.	16	26	68	14	25	1	12	..	22	3	9	20	4	6	116	226
19.	Karachi	.	.	.	.	29	28	95	5	..	2	6	3	7	..	2	..	5	15	45	197
20.	Kalumpang	.	.	.	.	19	7	15	8	4	5	..	..	3	..	1	..	3	..	24	65
21.	Kat ul	.	.	.	.	6	19	52	..	35	..	1	..	8	10	..	3	3	..	60	137
22.	Kl : rioum	.	.	.	.	5	7	20	1	7	..	2	..	2	4	..	..	..	..	16	48
23.	London	.	.	.	.	51	185	122	7	..	..	..	..	52	..	14	133	2	33	241	599
24.	New York (C.G)	.	.	.	.	10	109	39	6	23	..	6	2	6	5	3	6	..	..	57	215
25.	New York INDEL)	.	.	.	.	29	47	75	..	51	..	5	..	4	..	..	..	..	8	68	219
26.	Rio-de-Janeiro	.	.	.	.	12	16	18	9	19	..	2	..	2	3	2	15	..	4	57	103
27.	Nairobi	.	.	.	.	9	31	55	19	35	..	109	2	5	10	10	..	1	6	98	193
28.	Ottawa	.	.	.	.	12	68	41	39	33	..	2	..	13	7	2	10	..	11	117	338
29.	Peking	.	.	.	.	9	26	43	7	11	..	3	..	5	3	..	12	4	..	45	123
30.	Phnom Penh	.	.	.	.	10	30	46	2	51	..	4	..	..	5	..	..	..	3	65	151
31.	Prague	.	.	.	.	9	12	22	10	10	1	..	1	3	2	..	..	..	8	30	73
32.	Paris	.	.	.	.	14	60	70	22	41	..	12	..	4	7	7	5	2	..	100	244



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
33. Rome . . . . .	12	29	35	6	21	..	2	1	7	4	2	8	..	5	56	132
34. Rangoon . . . . .	10	37	36	3	11	..	2	..	6	1	..	5	3	2	33	116
35. Tehran . . . . .	12	59	49	4	27	..	3	2	6	21	6	15	..	3	87	207
36. Sydney . . . . .	8	41	41	31	25	..	..	..	25	8	3	33	4	4	133	223
37. Kuala Lumpur . . . . .	10	65	59	22	14	..	2	..	18	1	..	12	..	18	87	221
38. Stockholm . . . . .	12	72	28	11	9	..	..	..	..	2	1	11	..	5	39	151
39. Tokyo . . . . .	7	25	34	11	28	..	3	..	11	2	3	12	3	9	82	148
40. Washington . . . . .	58	281	250	55	..	..	..	..	12	40	10	506	19	27	669	1,298
41. Lagos . . . . .	..	..	2	..	1	..	..	..	..	..	..	..	..	1	1	4

580	1982	2103	458	892	36	122	17	366	211	115	938	63	294	3312	8,177	
<p>Expenditure on Publicity of Missions at Addis Ababa, Jeddah, Hongkong, Moscow, San Francisco, Manila, Suva, Trinidad, Salisbury, Kampala, and Port Louis where no separate Information Unit existed in 1961-62</p>																
87																
47																
37	84	171														
580	1982	2190	458	892	36	122	17	413	211	115	938	63	331	3596	8,348	
<b>GRAND TOTAL</b>																

**MINISTRY OF EXTERNAL AFFAIRS**

*(ii) Statement showing number of brochures, bulletins etc. of  
Information Units in Missions abroad*

The required information is given below:—

- (a) The number of brochures published by the various Information Units. . . . . 203
- (b) The number of Units which published bulletins and at what intervals.
- (i) Missions—56 (as at present).
- (ii) Periodicity of the bulletins:
- |                             |    |
|-----------------------------|----|
| 1. Dailies . . . . .        | 14 |
| 2. Bi-weeklies . . . . .    | 3  |
| 3. Weeklies . . . . .       | 18 |
| 4. Fortnightlies . . . . .  | 10 |
| 5. Monthlies . . . . .      | 13 |
| 6. Quarterly . . . . .      | 4  |
| 7. Four-monthlies . . . . . | 1  |
| 8. Tri-weekly . . . . .     | 1  |
| 9. Irregular . . . . .      | 7  |
- (c) The number of units which have library facilities. . . . . 73 (as at present).
- (d) The number of Units equipped for film shows. . . . . 75

**K. V. PADMANABHAN**

*Joint Secretary to the Government of India,  
Ministry of External Affairs.*

## **APPENDIX VIII**

*(Para 19 of Report)*

### **MINISTRY OF EXTERNAL AFFAIRS**

**Para 39 (i)**

The break-up of the expenditure during the years 1957-58 to 1961-62 on the Information Wing of the Indian Missions in Accra.

Statement showing the break-up of expenditure of the Information Service of India, Accra for the years 1957-58 to 1961-62 is enclosed.

Statement showing details of Expenditure incurred by I.S.I., Accra during 1957-58 to 1961-62

Year	Pay of Officers	Pay of Estt.	Alles. & Hour.	OTHER CHARGES						Publicity Bulle. ins	Total Other Charges	Grand Total
				P&T	R&M of Buildings	Cars	Furni- ture	Misc.	Books & Sta- tionery			
1957-58	8,825	33,864	46,097	6,062	29,459	749	4,749	8,169	5,806	37,004	92,448	1,81,234
1958-59	9,265	34,334	30,751	7,588	25,715	..	1,625	5,890	2,193	30,330	73,303	1,47,691
1959-60	10,765	27,736	37,154	8,794	21,693	..	1,800	7,175	2,256	35,685	77,403	1,53,058
1960-61	9,568	30,273	38,129	11,044	16,092	6,227	673	14,600	160	40,879	89,675	1,67,645
1961-62	6,056	35,656	56,849	10,763	26,871	163	685	7,679	623	28,705	75,489	1,74,050

**APPENDIX IX**  
**(Para 20 of Report)**

**MINISTRY OF EXTERNAL AFFAIRS**  
**Para 39 (iii) of Audit Report (Civil)—1963.**

**Books, Indian Newspapers and Journals etc. supplied to the Libraries  
in Indian Missions abroad**

A basic list of books supplied to every newly established library is appended. New books are added, with the approval of the Ministry, from time to time subject to availability of funds in the budget. The approximate number of such additions is 170 per year.

Newspapers and magazines to be supplied to each Indian Mission are approved on the merits of each case, keeping in view the special needs of the Mission in the country in which it is functioning. A current list showing the distribution of newspapers and magazines is appended.

**K. V. PADMANABHAN,**  
*Joint Secretary to the Govt. of India.*

---

**BASIC LIST OF BOOKS IN INDIA**

**A Selection of 100 Titles**

1. Jawaharlal Nehru—Discovery of India.
2. Jawaharlal Nehru's Speeches (Three Volumes) (Publications Division).
3. Jawaharlal Nehru: Glimpses of World History.
4. Jawaharlal Nehru: An Autobiography.
5. Michael Brecher—Nehru; A Political Biography.
6. M. K. Gandhi: An Autobiography; or the Story of My Experiment with Truth.
7. M. K. Gandhi—Non-Violence in Peace And War (Two Volumes).
8. M. K. Gandhi—Sarvodaya.
9. M. K. Gandhi—All Men Are Brothers.
10. Rajendra Prasad—Autobiography.
11. Rajendra Prasad—At the Feet of Mahatma Gandhi.
12. Speeches of Maulana Azad (Publications Division).

13. S. Radhakrishnan—Indian Philosophy (Two Volumes).
14. S. Radhakrishnan—Contemporary Indian Philosophy.
15. S. Radhakrishnan—The Hindu View of Life.
16. S. Radhakrishnan—Bhagavad Gita.
17. S. Radhakrishnan—The Principal Upanishads.
18. S. Radhakrishnan—The Concept of Man.
19. R. P. Masani—Five Gifts.
20. C. Rajagopalachari—Upanishads.
21. C. Rajagopalachari—Ramayana.
22. C. Rajagopalachari—Mahabharata.
23. 2500 Years of Buddhism (Publications Division).
24. Verrier Elwin—A Philosophy For NEFA.
25. R. C. Majumdar—Advanced History of India.
26. K. M. Panikkar—India And the Indian Ocean.
27. Shri K. M. Panikkar—Asia And Western Dominance.
28. K. M. Panikkar—A Survey of Indian History.
29. S. N. Sen—Eighteen Fifty-Seven (Publications Division).
30. Children's History of India (Publications Division).
31. Bhartiya Vidya Bhavan—History and Culture of the Indian People (Ten Volumes).
32. Sri Aurobindo—Foundations of Indian Culture.
33. Sri Aurobindo—Ideal of Human Unity.
34. A. L. Basham—Wonder That Was India.
35. Humayun Kabir—The Indian Heritage.
36. R. C. Majumdar—Ancient India.
37. Ramakrishna Institute of Culture—Cultural Heritage of India (Five Volumes).
38. B. G. Gokhale—Ancient India; History and Culture.
39. Radha Kamal Mukerjee—A History of Indian Civilisation.
40. D. P. Mookerji—Modern Indian Culture.
41. Radha Kumud Mookerji—Fundamental Unity of India.
42. Munshi And Iyer—Indian Inheritance (Three Volumes).
43. Sri Aurobindo—National Value of Art.
44. Nandlal Bose—On Art.
45. Percy Brown—Indian Painting.
46. A. Coomaraswamy—Dance of Shiva.
47. A. Coomaraswamy—Transformation of Nature in Art.
48. Verrier Elwin—Nagaland.
49. Verrier Elwin—The Tribal Art of Middle India.
50. Stella Kramrisch—Art of India.
51. P. Banerji—Dance of India.
52. Popley—The Music of India.

53. Lalit Kala Akademi—Portfolio of Modern Painters.
54. R. N. Chakravarti—Abanindranath Tagore; His Early Works.
55. Gagonendranath Tagore—Souvenir Volume.
56. Handicrafts Board of India—Handicrafts And Industrial Art of India.
57. Lalit Kala Akademi—Ajanta Paintings.
58. Lalit Kala Akademi—Portfolio of Contemporary Paintings.
59. Lalit Kala Akademi—Ravi Verma.
60. National Museum of India—Kangra Paintings from Bhagwata-purana.
61. Nandlal Bose—Album.
62. M. S. Randhawa—Basholi Paintings.
63. UNESCO—Indian Paintings from Ajanta Caves.
64. Marg—Homage To Konarak.
65. C. S. Gupta—Indian Theatre.
66. Ministry of I. & B.—Classical Dances of India.
67. Ministry of I. & B.—Folk Dances of India.
68. Ministry of I. & B.—The Dancing Foot.
69. Ministry of I. & B.—Introduction to Indian Music.
70. Krishna Ayyar—Bharatanatyam.
71. Prem Kumar—Art of Kathakali.
72. Face of New India (Pictorial Record of Plan Progress).
73. India: A Reference Annual (Publications Division).
74. India: A Pictorial Survey (Publications Division).
75. India (A Souvenir Volume) (Publications Division).
76. About India (Publications Division).
77. Third Five Year Plan: A Draft Outline.
78. H. Venkatasubbiah—Indian Economy Since Independence.
79. C. D. Deshmukh—Economic Developments in India—1946-1956.
80. S. C. Dube—India's Changing Villages.
81. Barbara Ward—India and The West.
82. Alak Ghosh—New Horizons in Planning.
83. T. K. N. Unnithan—Gandhi and Free India: A Socio-Economic Study.
84. B. Rambhai—The Silent Revolution.
85. S. K. Dey—Community Development (Two Volumes).
86. M. G. Gupta—Aspects of Indian Constitution.
87. V. P. Menon—The Transfer of Power in India.
88. V. P. Menon—The Story of The Integration of Indian States.
89. Morris-Jones—Parliament in India.
90. V. V. Giri—Modern Trends In Indian Democracy.
91. U. N. Ghoshal—A History of Indian Political Ideas.

92. Sahitya Akademi—Contemporary Indian Literature.  
 93. Sahitya Akademi—Contemporary Short Stories.  
 94. Rabindranath Tagore—Collected Poems and Plays.  
 95. Indian Drama (Publications Division).  
 96. Prem Chand—Short Stories.  
 97. R. K. Narayan—The Guide.  
 98. Sarojini Naidu—Sceptred Flute.  
 99. Kamala Markandaya—Nectar In a Sieve.  
 100. Khushwant Singh—Voice of Vishnu.

*List of Newspapers/Periodicals subscribed to by the Ministry of External Affairs (X.P. Division) for Headquarters and Indian Missions Abroad (As on 1-9-1963).*

Title	Periodicity	Language	Missions	Hqr.	Total
1. Hindustan Times	Daily	English	132	18	150
2. Times of India, Delhi	Do.	Do.	128	20	148
3. Times of India, Bombay	Do.	Do.	30	1	31
4. Statesman, New Delhi	Do.	Do.	101	20	121
5. Statesman, Calcutta	Do.	Do.	6	0	6
6. Indian Express, New Delhi	Do.	Do.	37	14	51
7. Indian Express, Bombay	Do.	Do.	4	0	4
8. Indian Express, Chittoor	Do.	Do.	1	0	1
9. Patriot	Do.	Do.	66	14	80
10. National Herald, Lucknow	Do.	Do.	49	2	51
11. Free Press Journal, Bombay	Do.	Do.	44	5	49
12. Amrit Bazar Patrika, Calcutta	Do.	Do.	24	3	27
13. Hindusthan Standard, Calcutta	Do.	Do.	3	3	6
14. The Hindu	Do.	Do.	72	9	81
15. Tribune, Ambala	Do.	Do.	13	3	16
16. Indian Nation, Patna	Do.	Do.	11	1	12
17. Hitavada	Do.	Do.	1	1	2
18. Pioneer	Do.	Do.	1	1	2



Title	Periodicity	Language	Missions	Hqr.	Total
19. Search-light . . .	Daily	English	1	1	2
20. Assam Tribune . . .	Do.	Do.	2	1	3
21. Nav Hind Times, Panjim . . .	Do.	Do.	2	0	2
22. Economic Times . . .	Do.	Do.	7	2	9
23. Financial Express . . .	Do.	Do.	5	2	7
24. Nav Bharat Times	Do.	Hindi.	11	0	11
25. Hindusthan . . .	Do.	Do.	30	0	30
26. Vishvamisra . . .	Do.	Do.	3	0	3
27. Aaj . . .	Do.	Do.	6	0	6
28. Aljamiat . . .	Do.	Urdu	3	1	4
29. Madina . . .	Do.	Do.	2	0	2
30. Milap . . .	Do.	Do.	8	0	8
31. Pratap . . .	Do.	Do.	3	0	3
32. Tej . . .	Do.	Do.	1	0	1
33. Quami Awaz . . .	Do.	Do.	25	0	25
34. Hind Samachar . . .	Do.	Do.	1	0	1
35. Khidmat . . .	Do.	Do.	2	0	2
36. Siyasat . . .	Do.	Do.	1	0	1
37. Hindustan . . .	Do.	Sindhi	2	0	2
38. Anand Bazar Patrika	Do.	Bengali.	5	0	5
39. Akali Patrika . . .	Do.	Panjabi	1	0	1
40. Andhra Patrika . . .	Do.	Telugu.	2	0	2
41. Andhra Prabha . . .	Do.	Do.	1	0	1
42. Samaj . . .	Do.	Oriya.	1	0	1
43. Gujarat Samachar	Do.	Gujarati.	2	0	2
44. Jai Hind . . .	Do.	Do.	1	0	1
45. Janambhoomi . . .	Do.	Do.	10	0	10
46. Phool Chap . . .	Do.	Do.	1	0	1
47. Dinamani . . .	Do.	Kannara	2	0	2
48. Sakal . . .	Do.	Marathi.	1	0	1
49. Kesari . . .	Do.	Do.	1	0	1
50. Bombay Samachar	Do.	Gujarati.	10	0	10
51. Nav Shakti . . .	Do.	Marathi.	1	0	1
52. Matrabhoomi . . .	Do.	Malyalam.	3	0	3
53. Malayala Manorama	Do.	Do.	1	0	1
54. Swadeshmitram . . .	Do.	Tamil.	13	0	13

Title	Periodicity	Language	Missions	Hqr.	Total
55. Statesman (Sunday edition only)	Weekly	English.	1	0	1
56. Times of India (Sunday edition only)	Do.	Do.	2	0	2
57. Hindustan (Sunday edition only)	Do.	Hindi.	2	0	2
58. Sunday Standard	Do.	English.	3	0	3
59. Bharat Jyoti	Do.	Do.	2	1	3
60. Hindu Weekly Review	Do.	Do.	714	2	716
61. Overseas Hindustan Times	Do.	Do.	641	2	643
62. Statesman Overseas edition	Do.	Do.	39	0	39
63. Khalsa Samachar	Do.	Punjabi	7	0	7
64. Fateh	Do.	Do.	1	0	1
65. Shankar's Weekly	Do.	English	102	1	103
66. Indian Worker	Do.	Do.	17	0	17
67. Eastern Economist	Do.	Do.	100	1	101
68. Screen	Do.	Do.	18	2	20
69. Sports and Pastime	Do.	Do.	46	0	46
70. Eve's Weekly	Do.	Do.	29	0	29
71. Thought	Do.	Do.	8	1	9
72. Blitz	Do.	Do.	21	2	23
73. Capital	Do.	Do.	16	1	17
74. Indian Finance	Do.	Do.	8	1	9
75. Commerce	Do.	Do.	14	1	15
76. New Age	Do.	Do.	13	1	14
77. Current	Do.	Do.	4	2	6
78. Janata	Do.	Do.	5	1	6
79. Economic Weekly	Do.	Do.	11	0	11
80. Bhoodan	Do.	Do.	10	0	10
81. Organiser	Do.	Do.	1	0	1
82. Asian Recorder	Do.	Do.	346	1	347
83. Link	Do.	Do.	88	3	91
84. Illustrated Weekly of India	Do.	Do.	495	3	498
85. African Diary	Do.	Do.	38	1	39
86. Mainstream	Do.	Do.	11	1	12
87. New India	Do.	Do.	19	1	20

Title	Periodicity	Language	Missions	Hqr.	Total
88. Sevagram . . .	Weekly	Hindi.	21	1	22
89. Dharmayug . . .	Do.	Do.	181	1	182
90. Saptahik Hindustan	Do.	Do.	144	1	145
91. Malayam Manorama	Do.	Malyalam.	1	0	1
92. Andhra Patrika . . .	Do.	Telugu	3	0	3
93. Andhra Prabha . . .	Do.	Do.	1	0	1
94. Janambhoomi Prabasi	Do.	Gujarati.	5	0	5
95. Kumudam . . .	Do.	Tamil.	2	0	2
96. Anand Viketan . . .	Do.	Do.	5	0	5
97. Swadeshmitram . . .	Do.	Do.	3	0	3
98. Kalki . . . . .	Do.	Do.	9	0	9
99. Matrabhoomi . . .	Do.	Malyalam	5	0	5
100. Pyam-e-Mashriq . . .	Do.	Urdu.	1	0	1
101. Chitra . . . . .	Do.	Do.	5	0	5
102. Desh . . . . .	Do.	Bengali.	61	0	61
103. Onlooker . . . . .	Fortnightly	English.	23	0	23
104. Femina . . . . .	Do.	Do.	24	0	24
105. Bhavan's Journal . . .	Do.	Do.	10	0	10
106. My Magazine of India	Do.	Do.	1	0	1
107. Industrial Times . . .	Do.	Do.	1	0	1
108. Fortnightly Review	Do.	Do.	1	0	1
109. Economic Review . . .	Do.	Do.	73	1	74
110. Film-Fare . . . . .	Do.	Do.	133	2	135
111. Socialist Congress- man . . . . .	Do.	Do.	9	1	10
112. Modern Review . . .	Monthly	Do.	69	2	71
113. Caravan . . . . .	Do.	Do.	15	0	15
114. Trend . . . . .	Do.	Do.	31	0	31
115. Indian Bradshaw . . .	Do.	Do.	13	1	14
116. Indian Review . . .	Do.	Do.	7	0	7
117. Science and Culture	Do.	Do.	10	0	10
118. Planned Parenthood	Do.	Do.	3	0	3
119. Sainik Samachar . . .	Do.	Do.	16	0	16
120. Working Journalist.	Do.	Do.	1	0	1
121. Design . . . . .	Do.	Do.	1	1	2
122. Indian Aviation . . .	Do.	Do.	1	0	1
123. Mother India . . . . .	Do.	Do.	1	0	1
124. Dipika . . . . .	Do.	Do.	2	0	2
125. Current Events . . .	Do.	Do.	1	0	1

Title	Periodicity	Language	Missions	Hqr.	Total
126. Journal of film Industry . . . .	Monthly	English	1	0	1
127. Industrial India . . . .	Do.	Do.	3	1	4
128. Vedant Kesari . . . .	Do.	Do.	2	0	2
129. Finance & Commerce . . . .	Do.	Do.	1	0	1
130. Calcutta Review . . . .	Do.	Do.	1	0	1
131. Indian Taxation Journal . . . .	Do.	Do.	1	0	1
132. Indian Construction News . . . .	Do.	Do.	1	0	1
133. Asian & Indian Skyways . . . .	Do.	Do.	3	0	3
134. Indian Journal of Pharmacy . . . .	Do.	Do.	1	0	1
135. Indian Engineering Exporters . . . .	Do.	Do.	1	0	1
136. Sports Writers . . . .	Do.	Do.	1	0	1
137. Business World . . . .	Do.	Do.	1	0	1
138. Prabodha Bharat . . . .	Do.	Do.	1	0	1
139. Seminar . . . .	Do.	Do.	75	1	76
140. Indian Affairs, Reports . . . .	Do.	Do.	30	1	31
141. Indian P.E.N. . . .	Do.	Do.	12	1	13
142. Sunshine . . . .	Do.	Do.	98	1	99
143. Foreign Affairs Reports . . . .	Do.	Do.	114	1	115
144. United Asia . . . .	Do.	Do.	188	1	189
145. Forum . . . .	Do.	Do.	34	2	36
146. Folklore . . . .	Do.	Do.	43	1	44
147. Indian Architect . . . .	Do.	Do.	31	0	31
148. Indian Foreign Affairs . . . .	Do.	Do.	49	1	50
149. Public Opinion Surveys . . . .	Do.	Do.	5	1	6
150. New Administrators . . . .	Do.	Do.	5	0	5
151. Statistical Commentary on Indian Economic conditions . . . .	Do.	Do.	6	0	6
152. Kalpana . . . .	Do.	Hindi	56	0	56
153. Nayi Dhara . . . .	Do.	Do.	56	0	56
154. Jagriti . . . .	Do.	Do.	1	0	1

Title	Periodicity	Language	Missions	Hqr.	Total
155. Maya . . . . .	Monthly	Hindi	1	0	1
156. Sushma . . . . .	Do.	Do.	1	0	1
157. Mukta . . . . .	Do.	Do.	1	0	1
158. Balak . . . . .	Do.	Do.	1	0	1
159. Parag . . . . .	Do.	Do.	1	0	1
160. Chandamama . . . . .	Do.	Do.	14	0	14
161. Bal Sakha . . . . .	Do.	Do.	2	0	2
162. Gyanodaya . . . . .	Do.	Do.	2	0	2
163. Manohar Kahaniyan . . . . .	Do.	Do.	3	0	3
164. Kadambini . . . . .	Do.	Do.	3	0	3
165. Nayi Kahaniyan . . . . .	Do.	Do.	2	0	2
166. Navneet . . . . .	Do.	Do.	6	0	6
167. Sarika . . . . .	Do.	Do.	5	0	5
168. Kahani . . . . .	Do.	Do.	2	0	2
169. Sangeet . . . . .	Do.	Do.	5	0	5
170. Sarita . . . . .	Do.	Do.	34	0	34
171. Sarita . . . . .	Do.	Urdu.	2	0	2
172. Shamma . . . . .	Do.	Do.	10	1	11
173. Biswin Saadi . . . . .	Do.	Do.	10	0	10
174. Khilauna . . . . .	Do.	Do.	3	0	3
175. Kahani . . . . .	Do.	Sindhi	1	0	1
176. Kahani . . . . .	Do.	Punjabi	8	0	8
177. Preet Lari . . . . .	Do.	Do.	1	0	1
178. Saba . . . . .	Do.	Urdu.	1	0	1
179. Prabasi . . . . .	Do.	Bengali.	27	0	27
180. Basumati . . . . .	Do.	Do.	26	0	26
181. Mauchak . . . . .	Do.	Do.	20	0	20
182. Sanibarar-Chithi . . . . .	Do.	Do.	11	0	11
183. Sainik Samachar . . . . .	Do.	Gurkhali.	200	0	200
184. Kalai Maghal . . . . .	Do.	Tamil	7	0	7
185. Bharati . . . . .	Do.	Telugu	1	0	1
186. Akhand Anand . . . . .	Do.	Gujarati.	1	0	1
187. Educational India . . . . .	Bi-monthly	English.	1	0	1
188. Vishal Bharat . . . . .	Monthly	Hindi	2	0	2
189. Bharat Varsha . . . . .	Do.	Bengali.	1	0	1
190. Art in Industry . . . . .	Quarterly.	English.	4	0	4
191. Record & Statistics . . . . .	Do.	Do.	7	0	7

Title	Periodicity	Language	Missions	Hqr.	Total
192. Quest	Quarterly.	English.	32	0	32
193. Triveni	Do.	Do.	3	0	3
194. Indian Journal of Political Science	Do.	Do.	3	0	3
195. Indian Journal of Agriculture Economics	Do.	Do.	1	0	1
196. Indian Journal of Economics	Do.	Do.	2	0	2
197. Annals of Library Science	Do.	Do.	1	0	1
198. Nursing Journal of India	Do.	Do.	1	0	1
199. Indian Librarian	Do.	Do.	1	0	1
200. Indian Journal of Public Administration	Do.	Do.	1	0	1
201. Eastern Anthropologist	Do.	Do.	1	0	1
202. Indian Print & Paper	Do.	Do.	1	0	1
203. Indian Journal of Social Work	Do.	Do.	1	0	1
204. Journal of Gujarat Research Society	Do.	Do.	1	0	1
205. Journal of Indian Institute of Architects	Do.	Do.	1	0	1
206. Indian Economics Journal	Do.	Do.	2	0	2
207. Islamic Culture	Do.	Do.	125	1	126
208. Visva Bharati Quarterly	Do.	Do.	91	1	92
209. Gandhi Marg	Do.	Do.	39	1	40
210. India quarterly	Do.	Do.	177	1	178
211. Indian Journal of International Law	Do.	Do.	42	1	43
212. International Studies	Do.	Do.	71	1	72
213. Marg	Do.	Do.	256	1	257
214. Africa Quarterly	Do.	Do.	98	2	100
215. Darshana	Do.	Do.	9	1	10
216. Economic Report	Do.	Do.	4	0	4
217. Indian Press	Do.	Do.	23	1	24
218. National Integration	Do.	Do.	5	1	6

Title	Periodicity	Language	Missions	Hqr.	Total
219. Natya . . .	Quarterly	English	50	1	51
220. Rhythm . . .	Do.	Do.	41	1	42
221. World Window . . .	Do.	Do.	15	1	16
222. Roop Lekha . . .	Bi-annual	Do.	135	1	136
223. Century . . .	Weekly	Do.	20	4	24

*List of Foreign Newspapers and Periodicals subscribed for use in the Mission abroad and at Headquarters as on 1-9-1963.*

Sl. No.	Title	Periodicity	Language	Missions	Hqr.	Total
1.	Dawn, Karachi . . .	Daily	English	13	4	17
2.	Pakistan Times, Lahore . . .	Do.	Do.	5	4	9
3.	Morning News, Dacca . . .	Do.	Do.	0	1	1
4.	Times, London . . .	Do.	Do.	1	1	2
5.	New York Times . . .	Do.	Do.	1	1	2
6.	Newsweek . . .	Weekly	Do.	6	2	8
7.	Time Magazine . . .	Do.	Do.	2	13	15
8.	New Statesman . . .	Do.	Do.	13	2	15
9.	Observer, London . . .	Do.	Do.	3	1	4
10.	Economist . . .	Do.	Do.	6	1	7
11.	Spectator . . .	Do.	Do.	1	0	1
12.	Times Weekly Review . . .	Do.	Do.	3	0	3
13.	Manchester Guardian . . .	Do.	Do.	1	1	2
14.	Times Literary Supplement . . .	Do.	Do.	1	1	2
15.	New York Times Weekly Review . . .	Do.	Do.	1	1	2
16.	Life . . .	Fortnightly	Do.	4	2	6
17.	Reader's Digest . . .	Monthly	Do.	13	1	14
18.	Eastern World, London . . .	Do.	Do.	3	0	3
19.	Psychologist . . .	Do.	Do.	1	0	1
20.	Encounter . . .	Do.	Do.	1	1	2
21.	Foreign Affairs Quarterly . . .	Do.	Do.	1	1	2
22.	China quarterly . . .	Do.	Do.	1	0	1

## APPENDIX X

(Para 20 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

*Para 39 (iii) of Audit Report (Civil) 1963.*

A note stating the position with regard to stock-taking of books and maintenance of records in the libraries mentioned in para 39 (iii) of the Audit Report and the extent of loss suffered as a result of loss of books.

---

Instructions were issued in the Ministry's letter No. F. 6/14/61-XM dated 27-10-1961 and 26-11-1962 (copies enclosed) for proper maintenance of Accession Register accountable for books and physical verification of books held on charge. In the light of information received from the undermentioned Information Units the position in regard to the maintenance of Library registers is explained below:—

*Istanbul*—The Information Service of India, Istanbul Library was originally located in Ankara and was shifted to Istanbul in September, 1959. It had on its charge 1196 books. As against 988 books listed, the number of books found was 768. Books numbering 287 were retained in Ankara, while the remaining books were reported to have been taken to Istanbul. The information regarding remaining 428 books is awaited from the Mission.

The Mission has already started reorganising the Library. An Accession Register has been sent to the Mission on 24-9-1962 for appropriate action as suggested by Audit But, as a measure of economy, request for additional staff which the Mission wanted for the Library has not been acceded to. A report on the physical verification of the books is, however, awaited.

*Damascus*.—According to the information furnished by Audit, the number of books in 1955 was 444. The latest position in regard to the books will be known after the physical verification is completed. The Mission has intimated on 3-12-1961 that the physical verification of the Library books is in progress. The result is being watched.

The Mission has, however, sent a list of 50 books received by them from the Publications Division which had not been taken into the Library as they were means for publicity purposes and as such distributed to the Public.



**Vientiane.**—The Mission has reported on 10-12-1962 that the Library books have since been entered in the prescribed register with the required details as suggested by Audit. The system of issue of books has also been streamlined. A report on the physical verification of the books is awaited.

**Addis Ababa.**—The Mission has assured that the register, for receipts and issue of books for the presentation will be maintained properly as suggested by Audit after reviewing the past cases. Action has also been taken to get the entries of the receipts of books attested by the competent authority. They have also traced the record of issues of books from 1958 to 1960 and steps have been taken to recover the books outstanding. No intimation has so far been received from the Mission regarding the progress of physical verification.

**Khartoum.**—The Mission has reported on 23-2-1963 that all books outstanding for long have been recovered except from those who have either left the country or whose present whereabouts are not known. Action has also been taken on 23-2-1963 to get the lost books written off by the Head of the Mission.

The Mission has also reported that despite the paucity of staff, efforts are being made to maintain the Library properly. It has been reported that frequent on-the-spot checkings were made to ensure that most of the books were in order. A report on the physical verification of the books has not, however, been so far received.

**Cairo.**—The Mission has reported on 17-10-1962 that the instructions regarding the maintenance of the required registers are being followed. A physical verification was conducted in March, 1962 but the certificate of physical verification has not yet been furnished. Due to follow-up action 89 books which were outstanding with the borrowers were recovered. Seven of the missing books have been recovered and action is being taken to regularise those remaining untraced.

**San Francisco.**—The Mission has reported that due to lack of space the Library books were kept in the basement of the Consulate building and physical verification had not been conducted on account of lack of trained staff. The Library has since been shifted to a new building. Stock verification has also been taken up. A list of the lost books has been forwarded by the Mission and the actual loss is under examination.

**Beirut.**—The Mission has already completed stock verification on 22-2-1963 and loss of 85 books worth Rs. 1,000 has been written off by the Head of the Mission under his powers. The Mission has also assured that the Library is now being maintained properly and the prescribed registers are being kept.

*Saigon.*—The Library is now being maintained properly. The four books lost by the Mission have been written off by them under the powers delegated to them. The amount of the loss has, however, not been reported to the Ministry. The results of physical verification are not yet available.

*The Hague.*—The prescribed Library registers are being maintained. The Mission has already completed stock verification according to which 12 books were presented to local visitors, 35 books were lost and 28 books were missing. The extent of loss is being worked out.

*London.*—The India House Library books cover approximately 40,000 titles. In 1959 the number of books was 14,500 and the number of miscellaneous publications was about 25,000. It has been reported that since 1921 when the Library was established no thorough stock taking has been carried out. In the circumstances with a staff of two assisted by a typist, it has not been found possible by the Mission to conduct any comprehensive stock taking. The magnitude of the work involved, paucity of staff and efflux of time are the limiting factors to be reckoned with in this case. The work relating to stock taking has, however, been now taken up, and results thereof are awaited. The required registers are being maintained properly. The Library record is maintained in the Accession Register and from May 1958 onwards the register is more uniform and detailed.

*Kathmandu.*—The Indian Library at Kathmandu was established in October, 1955. The total number of books entered in the Accession Register is 8,957. The Librarian was a local employee who tendered his resignation and did not attend to his work since June, 1961. A physical check of the books made in August 1961 revealed a loss of 3,445 books, estimated to cost Rs. 14,500, but in the course of re-verification, some of the missing books had been traced. The Mission has so been asked on 1-7-1963 to prepare a list of the books finally and estimate the actual loss.

2. Normally losses of books can be written off by the Heads of the Mission who are empowered to write off loss upto prescribed limits *vide* Ministry's letter No. F. 6|3|60-XM dated 6-6-1961 (copy enclosed). It is realised that the general state of the Libraries reveals that the method of work need improvement; but lack of adequately trained staff, and space have been serious obstacles hampering the smooth and orderly functioning of the libraries. All the Missions abroad are now being asked whether they would like the Ministry to continue the supply of library books keeping in view their ability to make effective use of such material from the publicity angle and also the facilities available for proper custody and maintenance of library books so as to avert the possibility of further loss of books.

*Joint Secretary to the Government of India.*

No. F. 6/14/61-XM

Government of India

## MINISTRY OF EXTERNAL AFFAIRS

New Delhi, the 26th November, 1962.

**SUBJECT:**—Maintenance of Libraries attached to Indian Missions abroad.

---

Dear Mission/Post,

From the replies received from our Missions abroad, in response to our Circular letter of even number, dated the 27th October, 1961, it has been observed that the condition of the libraries attached to them is far from satisfactory. This has largely been attributed by the Missions to paucity of staff and space.

2. As regards creation of additional posts of staff for the libraries, we wish to inform you that the proposals received can be considered only after the present ban on the creation of new posts has been lifted. In view of this, the maintenance of libraries has to be carried on by the Missions with their respective existing staff only, with high priority attached to it.

3. As regards the storage-space, the various proposals for procurement of additional space for the library books received, are engaging our attention, and it may take some time before any final picture is crystallized.

4. In the meantime, the following decision is desired to be implemented in order that some space in the existing shelves may be created for the new arrivals:—

- (i) A separate Accession Register to be maintained for the publications of ephemeral nature, e.g., 'Year Books' and Annual Numbers of commercial journals etc.,
- (ii) To weed out publications of ephemeral nature after they have become out-dated, and consequently replaced by the latest issues of such publications;
- (iii) To present the publications thus weeded out to the local institutions interested in the subject by the Head of the Mission at his discretion, and the fact recorded in the Accession Register with particulars of the file relevant to the issue;
- (iv) To obtain orders of the Head of the Mission in each case of weeding of library publications and his consent recorded in the Accession Register.

5. A terminal weeding of the library books is, therefore, essential to be effected so that sufficient space for the new arrivals of ever-green nature could be found.

6. A large number of Missions do not appear to be using the prescribed form of Accession Register for their respective library books. This is irregular. It is requested that the self-styled Accession Registers maintained by you for the library books, if any, may be discontinued and we be immediately informed for supply of the prescribed Accession Register. Also, the library books should be classified according to the "Dewey's Decimal System", and catalogued according to practical guidance given in "Aker's Simple Library Cataloguing", as already requested.

7. In order not to stuff our Mission's libraries with such books as are not likely to be of use to them, we have decided to obtain the consent of the missions before the books are actually despatched to them. For this purpose we shall send you, in the first week of every month, a list of approved books for your selection. We would like the replies to be received here by the end of the month, *without fail* so that consolidated orders can be placed in the beginning of the following month.

8. Please ensure that your requirements are communicated to us promptly otherwise there is every possibility that you will not get the books you want.

9. This Scheme will come into force with effect from December 1, 1962.

Yours ever,  
MINISTRY

All India Missions and Posts abroad, as abroad, as per list.

No. F. 6/14/61-XM

Government of India

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, dated the 27th October, 1961

Dear Mission/Post,

We find from recent reports that the loss of books from the Libraries attached to our missions is on the increase.

In order to assess the position, you are requested to let us have a report immediately as to how your library is being maintained and whether the cataloguing etc., of all the books and publications is up-to-date (*vide* instructions contained in our circular Nos. F. 1/1/54-XM, dated the 30th July and 31st December, 1954 and F. 1/7/57-XM (CO No. 206/57 dated 21-8-1957, copies enclosed). If not the reasons therefor should be intimated; and action should be taken in hand by you

to complete this job, with high priority, if necessary, with assistance from other wings of the mission/post.

A very early reply may please be sent explaining the present situation and informing us of the action you propose to take to remedy defects.

Yours ever,  
MINISTRY.

To

All Indian Missions Abroad as per list.

No. F. 6/3/60-XM

Government of India

MINISTRY OF EXTERNAL AFFAIRS

New Delhi, dated 6th June, 1961.

Dear Information Service,

Please refer to correspondence resting with Miss Sheila Kitchlu's letter No. Pub-48/4, dated the 22nd August, 1960 regarding writing off the missing books.

2. Heads of Mission of category I are authorised to write off irrecoverable losses of public money or stores due to theft, fraud etc., up to the extent of Rs. 1,000 in each case, and those of Category II upto the extent of Rs. 1,000 in each case *vide* item 2 of schedule II of the booklet "Financial Powers of Government of India's Representatives Abroad" as amended by this Ministry's letter No. F. 7(4)/GA/60(EAI/60/I/98), dated the 9th June, 1960. While sanctioning the write off, the usual certificates should be recorded and due regards be given to the instructions contained in Ministry of Finance (Department of Expenditure) letters No. 11(39)-E. II(A)/60, dated the 22nd June, 1960 and 18th October, 1960, copies of which were forwarded to you with this Ministry's Memo. No. F. 7(36)GA/60(EAI/60/II/94) dated the 23rd July 1960 and endorsement No. F. 7(36)GA/60(EAI/60/II/156) dated the 5th December, 1960. You may now have the loss of books written off under the powers of the Head of the Mission after making such enquiries as he deems fit.

Yours Ever,  
MINISTRY.

The Information Service of India, Rome.

Copy to all the Missions/Posts for information and necessary action in respect of all pending cases of missing books.

Sd/- N. P. Alexander,  
Under Secretary (XP).

## APPENDIX XI

(Para 23 of Report)

### MINISTRY OF EXTERNAL AFFAIRS

**Para 41 of Audit Report (Civil), 1963.**

A note with regard to 118 pending cases of advances of T.A. for the period 1951-58 showing:—

- (i) the number of cases in which the amounts were adjusted against the pay of the Officers, as provided in the rules, without grant of extensions.
- (ii) the number of cases where extensions were granted indicating the details of the various extensions given in each case.
- (iii) the number of cases where the people who have yet to submit their bills and get their bills adjusted, retired from service.

- 
- (i) Nil. Action is now being taken to order recovery from pay, if necessary in instalments, in all such pending cases.
  - (ii) No record is available of extensions having been formally asked for and approved.
  - (iii) (a) Only two officers retired from service. According to the existing procedure, the advances should have been adjusted before the payment of pensions was authorised by Audit. In the case of one of these two officers, the particulars furnished by audit were found to be incorrect according to the records of the Ministry.
  - (b) Six officers resigned from Govt. service, and two of them have since submitted their T.A. Bills, adjusting the advances shown as outstanding against them. In the case of another officer, the facts relating to the drawal of the advance are being verified from the Mission concerned as the information furnished by audit was found to be incorrect. In the case of the remaining three officers, any amounts due to them from Government will be authorised to be paid to them in consultation with Audit, only after ascertaining that all amounts due from them are adjusted.
  - (c) Three officers were removed from service and two died. In their cases also, the procedure mentioned above for the settlement of final dues is followed.

Some of the officers belonging to the junior grades reverted to the Central Secretariat Service or parent Departments on the formation of the IFS (B) in August, 1956. The above particulars have, therefore, been collected from such records as are readily available.

All these cases are considerably old and it has not been found possible to verify the fact of adjustment of the outstanding advances as the requisite records have not been readily forthcoming.

## APPENDIX XII

(Para 24 of Report)

*Ministry of External Affairs*

*Para 41 (b) of Audit Report (Civil) 1963.*

A note stating whether at the time of second advance of Rs. 29,058, the officer concerned was informed in writing that his previous T.A. bill was pending settlement.

Under the Financial Powers vested in Heads of Missions, who are their own controlling officers, advances of TA on transfer can be sanctioned by them. When the advance for the transfer from Santiago to Rangoon was drawn in July, 1960, the Officer was aware that the adjustment TA bill in respect of the advance drawn on his transfer from Baghdad to Santiago was to be sent for pre-audit and excess amount was to be refunded. He was transferred to Rangoon under telegraphic orders and this move involved heavy expenditure of the order of Rs. 20,000 which he could not be expected to meet from his private resources especially in a foreign country and in foreign currency. The pre-audited bill was received by the officer from Santiago in May, 1961, and he refunded the excess within four months.

In these extenuating circumstances, a drawal of an advance on the occasion of his transfer to Rangoon became unavoidable.

R. G. RAJWADE,

*Joint Secretary to the Government of India.*





2.	1961-62	Wheat . . . . .	27.66	106.48	30.84	115.16 (+)	0.01	†Imported 4.15 Indigenous 3.02
		Rice† . . . . .	7.17	41.48	6.97	32.92 (—)	7.90	
		Other grains . . . . .	..	..	0.34	1.00 (+)	0.08	
		<b>TOTAL . . . . .</b>	<b>34.83</b>	<b>147.96</b>	<b>38.15</b>	<b>149.08 (—)</b>	<b>7.81</b>	
		<i>Add indirect expenses not classifiable grain-wise</i>						
		Interest on Capital . . . . .					(—) 6.05	
							(—) 5.39	
		<b>TOTAL LOSS . . . . .</b>					<b>(—) 19.25</b>	
3.	1962-63 (Provisional)	Wheat . . . . .	35.42	139.23	32.25	120.83	(—) 8.13	**Imported 3.52 Indigenous 3.45
		Rice** . . . . .	6.97	40.61	9.77	46.33	(—) 6.58	
		Other grains . . . . .	..	..	0.05	0.14	(—) 0.01	
		<b>TOTAL . . . . .</b>	<b>42.39</b>	<b>179.84</b>	<b>42.07</b>	<b>167.30</b>	<b>14.72</b>	
		<i>Add Indirect expenses not classifiable grain-wise</i>						
		Interest on Capital . . . . .					(—) 6.57	
							(—) 5.27	
		<b>TOTAL LOSS . . . . .</b>					<b>26.56</b>	

NOTE: The figures of subsidy in respect of imported foodgrains only are not separately available and the above figures are, therefore, for both imported and indigenous food-grains.

*Annexure to Appendix XIII showing the amount of subsidy borne by Government during 1960-61, 1961-62 & 1962-63.*

The break-up of subsidy borne by Government on wheat and rice during the years 1960-61, 1961-62 and 1962-63 is indicated below:

Year	Commodity	Economic	Issue	Element
		price per M. Tonne	price per M. Tonne	of subsidy per M. Tonne
		Rs.	Rs.	Rs.
1960-61	Wheat . . . . .	393·10	375·10	18·00
	Rice (Burma) . . . . .	523·30	428·70	94·60
	Rice (U.A.R.) . . . . .	502·90	428·70	74·20
	Rice (U.S.A.) Long Grains	661·00	589·40	71·60
	Medium Grains . . . . .	673·60	482·30	191·30
	Rice (Burma & U.A.R.) . . . . .	516·10	428·70	87·40
1961-62	Wheat . . . . .	403·80	375·10	28·70
	Rice (Burma) . . . . .	539·30	428·70	110·60
	Rice (U.A.R.) . . . . .	530·50	428·70	101·80
	Rice (U.S.A.) Long Grains . . . . .	699·30	589·40	100·90
	Medium Grains . . . . .	674·90	482·30	192·60
	Rice (Burma & U.A.R.) . . . . .	538·20	428·70	109·50
1962-63	Wheat . . . . .	409·75	375·10	34·65
	Rice (Burma) . . . . .	544·13	428·70	115·43
	Rice (U.S.A.) Long Grains . . . . .	789·45	482·23	307·22
	Medium Grains . . . . .	761·87	428·70	333·17

Total amount of subsidy borne by Government in 1960-61, 1961-62 and 1962-63 are as under:—

1960-61 . . . . .	Rs. 18·68 crores
1961-62 . . . . .	Rs. 19·25 crores
1962-63 . . . . .	Rs. 26·56 crores (Provisional)

## APPENDIX XIV

(Para 31 of Report )

MINISTRY OF FOOD AND AGRICULTURE (DEPTT. OF FOOD)

*Statement showing the Losses in Transit and Storage during 1960-61, 1961-62 and 1962-63*

Commodity	Transit loss	Value of transit loss	Storage loss	Value of storage loss	Total amount
1	2	3	4	5	6
			1960-61	(in M. tonnes)	
Wheat . . . . .	12,917	59,77,672·70	376	1,47,805·60	
Rice . . . . .	7,303	37,69,078·30	935	4,82,553·50	
Milo . . . . .	4	1,255·20	30	12,578·00	
	20,224	88,48,006·20	1,341	6,42,937·10	94,90,943·30
			1961-62	(in M. tonnes)	
Wheat . . . . .	16,852 (10201 + 6651)	68,04,837·60	1,400	5,65,320·00	
Rice . . . . .	2,107	11,49,987·40	448	2,41,113·60	
Milo . . . . .	7	2,231·60	62	19,765·60	
	18,966	79,57,056·60	1,910	8,26,199·20	87,83,255·80

1	2	3	4	5	6
				1962-63 (in]M. tonnes)	
Wheat . . . . .	43,835	1,73,34,000	3,525	14,10,000	
Rice . . . . .	7,206	34,28,100	1,681	7,90,600	
Milo . . . . .	23	11,500	3	1,500	
	51,154	2,07,73,600	5,209	23,02,200	2,30,75,700.00

NOTE 1 Details of transit and storage losses are worked out after taking into consideration the position given in para 3 of Chapter V page 77 of Audit Report (Civil) 1963 as shown below :—

2 Break-up of Storage/Transit losses obtained from Pay & Accounts Officer's Office.

1960-61	Losses in distribution shown in Proforma A/cs 1960-61 . . . . .	45,971	Tonnes.
	Out of 45,971 Tonnes transit losses are . . . . .	44,630	Tonnes
	Out of 44,630 Tonnes transit losses pertaining to year 1960-61 are . . . . .	20,224	Tonnes
	(Balance 24,406 Tonnes pertains to previous years)		
	Loss in Storage 45,971-44630. . . . .	1,341	Tonnes
1961-62	Losses in distribution shown in Proforma A/cs 61-62 . . . . .	14,225	Tonnes
	Out of 14,225 Tonnes, transit losses are 12,315		
	Plus transit loss included in the proforma Accounts for 1962-63	6,651	
		18,966	Tonnes
	Storage losses (14,225 plus 6,651)—18,966 . . . . .	1,910	

## APPENDIX XV

(Para 52 of Report)

No. 15|27|63-FC

GOVERNMENT OF INDIA

Ministry of Information and Broadcasting

New Delhi (2), the 14th January, 1964.

### OFFICE MEMORANDUM

**SUBJECT:**—Public Accounts Committee—Consideration of Appropriation Accounts (Civil) 1961-62—Audit Report (Civil), 1963 and Audit Report (Commercial), 1963.

The undersigned is directed to refer to the Lok Sabha Secretariat O.M. No. 2|1|12|63|PAC, dated 23rd December, 1963, on the subject noted above, and to furnish below seriatim the required information:—

(i) *Composition of the Indian National Centre.*

\* \* \* \* \*

Shri \* \* Ex-General Secretary of the Children's Film Society, was the Honorary Secretary of the Committee for the Indian National Centre.

2. It is understood that the above-mentioned members were appointed for a period of one year in the first instance and were eligible for re-appointment. Whether the members were re-appointed or whether any additional or substitute member was appointed on the Committee subsequently, is not known, as the relevant file of the Children's Film Society is stated to be missing.

3. It may be added that the Executive Council of the Children's Film Society passed a resolution at its meeting, held on 10th July, 1963 that the Ministry of Information and Broadcasting might be requested to permit the Society to perform the functions of the Indian National Centre of films for children in its own name and that the Committee set up by the then President of the Society in 1959 under the authority delegated to him in this regard by the Executive Council of the Society, would be deemed to have ceased to function after the expiry of its term of one year; and that the responsibility for performing such functions would vest directly with the Executive Council of the Society. The Society was accordingly permitted by Government to undertake the functions of the Centre in its own name w.e.f. 2nd September, 1963. The Secretary General International Centre of Films for Children, Brussels, has also been apprised of this arrangement.

(ii) *Date of its formation and its scope and functions:*

4. The Executive Council of the Children's Film Society, at its meeting held on 12th May, 1959, authorised the President of the Society to form a Committee for the working of the National Centre. According to the note placed before the Standing Committee of the Society at its meeting held on 30th September, 1959, the Committee had been formed with the members mentioned above, and it held its first meeting at Bombay on 21st August 1959. The exact date on

which the Committee was formed is not known, but it appears that it came into existence some time between May and August, 1959.

5. The functions of the Indian National Centre are the same as those of the International Centre *viz.*,

1. Production, distribution and exhibition of such films and publishing catalogue of those films which are approved by national bodies.
2. Current legislation and regulations concerned with the welfare of children with regard to films and facilitating the import of such films.
3. Assistance to national centres in preparation of versions in different languages of children's films.
4. Conducting of research on the influence of films on children, any young people.
5. Encouraging film appreciation in and out of schools.

(iii) *The date on which the resolution approving the expenditure of dollars 1,000 incurred by Shri \* \* on behalf of the Centre was adopted, and*

(iv) *A copy of the resolution and the mode of its adoption.*

6. Shri \* \*, former General Secretary of the Children's Film Society, circulated on 20th March, 1963, the following draft resolution to those who had been initially appointed as members of the Indian National Centre:

**"Resolve that the expenditure of dollars 1,000 incurred by the Indian Delegate during his visit to Brussels in December, 1961, is approved in view of influencing the other delegates towards the Indian stand and his appointment as Delegate-General for Asia.**

Further resolved that a meeting of Indian National Centre be called at an early date so that a proper line of action may be worked out in order to fulfil the responsibility, which had devolved on India as a result of this appointment.

7. Shri \* \*, informed Shri \* \*, then President of the Children's Film Society, *vide* his letter dated 22nd April, 1963, that the Resolution had been signed by all the members except two. \* \*

This Office Memorandum issues with the approval of Secretary, Ministry of Information & Broadcasting.

(Sd.) S. PADMANABHAN,

*Under Secretary to the Government of India.*

To

The Lok Sabha Secretariat,  
Parliament House,  
New Delhi.

## APPENDIX XVI

### Summary of main conclusions/Recommendations

S. No.	Para No. of Report	Ministry/Deptt. concerned	Conclusion/Recommendation
1	2	3	4
1	1	<u>External Affairs</u> Finance	<p>It is clear from the information made available to the Committee that despite the retrenchment of 248 persons, since 1959-60, as reported, the High Commission of India, London is comparatively over staffed even after taking account of the fact that its Accounts and establishment departments are performing certain duties on behalf of organisations other than those under the aegis of Ministry of External Affairs. The scope for reduction of the staff in these two Departments also would be worth examining.</p> <p>The Committee would suggest in this connection that Mission-wise details of provision under pay of officers and pay of establishment should be given in the Schedule annexed to the Demand for Grant No. 19—External Affairs so that an informed discussion in regard to their staffing is possible in Parliament.</p>



1	2	3	4
2	2	<p>External Affairs</p> <hr/> <p>Finance</p> <hr/> <p>All other Ministries</p>	<p>(i) The Committee note that factual statement in the Audit Report in regard to cash balances held in the Mission—Djakarta has been contested by the Ministry in evidence. The Committee have pointed out in the past that in order that they may come to proper conclusions, the Ministries should furnish full facts to Audit so that a complete picture is available to the Committee as regards facts. They hope that due care will henceforth be taken in this regard.</p>
		External affairs	<p>(ii) The Committee learnt that as late as in May, 1962, the Ministry had pointed out in a letter that a scrutiny of the recent cash accounts received from the Missions abroad revealed that a number of Missions were holding large cash balances in hand apart from holding heavy cash balances in banks. The Committee would like to know as to what steps do the Ministry now propose to take to remedy such lapses in future.</p>
3	3	External Affairs	<p>(i) The Committee have come across several cases in the past where due to occupation of hired buildings without prior execution of lease agreements or delays in entering into agreements, Government have been saddled with much higher liabilities than original negotiations envisaged. The Committee understand from Audit that in the present case, the lease agreement of the building in occupation could not be executed from 1956 onwards as the agreement form remained under correspondence between the Government of India and the Mission for a considerable time. The form as approved in August, 1958 was not acceptable to the landlord who sought many modifications therein. The Committee are surprised that it should have taken two years to settle the form of the agreement and another three years</p>

thereafter to execute the lease agreement. This indicates that the matter was allowed to drift. The Committee suggest that Government may issue orders to the effect that as a rule buildings should not be occupied until execution of a lease agreement is effected. Serious notice should also be taken of delays in the Mission as well as in the Ministry in processing such cases.

(ii) Another unsatisfactory feature of this case was that it took over four years to investigate and regularise the excess of Rs. 27,964 over the sanctioned estimate of Rs. 40,000/- in regard to the expenditure incurred on additions and alterations. The Committee desire to stress that if such investigation has to serve any purpose, it must be done with expedition.

4

4

External Affairs

The Committee do not understand how the Embassy was morally bound to vacate the house in the event of a lack of agreement over the rent, when it was not legally possible for the landlord either to increase the rent or to evict the tenant. In their view, the proper course would have been to resist the steep increase demanded by the landlord which was also not justified under the local laws. It appears to them that the absence of a lease deed led the landlord to insist on the vacation of his building if the Embassy did not agree to pay the higher rent demanded by him. It has been argued in the note that the increase of rent in terms of rupees due to devaluation of the local currency in April, 1961 was only of the order of about 18%. This is, however, an irrelevant consideration to determine the increase in rent for which the increase has to be reckoned in terms of the local currency, which was of the order of 66%. The Committee hope that Government will profit by their experience in this and other similar instances and take care to have proper lease deeds executed prior to taking over buildings as already suggested by the Committee in para 3 of the Report.

1	2	3	4
5	5	External Affairs	The Committee hope that in all such cases due care will be taken to observe the scales fixed for accommodation as far as possible, in the interest of economy.
6	6	External Affairs <hr/> Finance <hr/> Home Affairs	The Committee feel that the Ministry should ensure that the instructions as laid down by Government are invariably observed by all Missions. If there was any difficulty in their observance, they should be examined separately and if necessary, the instructions amended.
7	7	External Affairs <hr/> Finance	The Committee see from a note (Appendix IV) submitted to them in regard to resumption by Ghana Government of six other plots leased to India at Independence Avenue that Ghana's own requirements were constantly on the increase. They could not therefore understand the explanation that it was taken for granted that Ghana Govt. would not insist on resuming the 1.32 acre plot in terms of their agreement with India for our failure to construct the building in time. The observations of the Indian High Commissioner at Accra quoted in the Report who must have full local knowledge cannot also be brushed aside. The Committee are surprised at the extent of slackness and delay at every stage to which the Ministry itself has been a party. The Committee have no doubt that the plot was lost due to this delay and caused infructuous expenditure of Rs. 8,000 on ground rent and another Rs. 1.23 lakhs on the Engineer deputed from India, fees of architects, surveyors etc. They are also of the opinion that in view of the special nature of the agreement with Ghana Govt. and the liabilities already incurred foreign exchange difficulties arising in 1957 should have been overcome. The Committee hope that such cases will not be allowed to recur.

8

8

External Affairs  
Finance

The Committee take a serious view of the unwritten and unsanctioned commitments to the extent of Rs. 40,000 made by our Ambassadors at Djakarta to pay compensation to the intermediary when there were no means to ascertain the expenses actually incurred by him. The Committee hope that Government will sternly discourage such actions.

9

12

External Affairs

(i) The Committee feel that the picture that emerges out of evidence in regard to the irregularities alleged in the Audit Report in respect of purchase and control of furniture and other stores is not wholly creditable to the Ministry and the Missions concerned. They note, however, that the position in regard to maintenance of stock registers and physical verification of stock have since improved. They hope that there will be insistence hereafter that rules in this regard will be strictly observed. The deficiencies and excesses observed should be expeditiously examined and responsibility fixed not only for the specific deficiencies now noticed but also for the lapses observed in regard to the proper maintenance of the Registers in the past.

(ii) The Committee are averse, on principle, to the rent free issue of furniture in excess of normal scales. They are unable to accept the plea taken that in some instances it was for the purpose of proper storage. Such a step could be justified only in exceptional circumstances when for a month or two, an unforeseen difficulty of storage might arise.

(iii) The Committee take a serious view of the purchase effected by the Counsellor in Rangoon in July, 1960 of furniture for Rs. 4000 without inviting quotations, without placing any written orders and without even informing the Chancery. The Mission has not cared to give a full explanation to the Ministry in this regard, as reported. There cannot be any justification for such unseemly procedure for furnishing a residence which became available in November, 1960.

1	2	3	4
			The Committee desire to stress that the Ministry should not countenance departures from financial propriety. They hope that suitable action will be taken in this case.
10	13	External Affairs	The Committee are unhappy to note that the Mission at Cairo continued to disregard the orders of the Ministry for three years. They feel that such a tendency should be sternly discouraged.
14	14	External Affairs	The cinema van in Nairobi has apparently only a limited use. It practically remained unutilised for six years although the Committee understand the emergency in Kenya lasted only for two years. The expense of Rs. 35,000 for use of the van on 24 occasions only is obviously too heavy. As such the Committee suggest that instead of retaining the van the possibility of hiring suitable transport locally when required should be examined.
12	15	External Affairs	The purchase of the trailer appears to have been made without proper examination.
13	16	External Affairs	The case regarding purchase of the car by the Mission in Jeddah is again an instance where full facts of the case were not explained to Audit in time. Further, in the case of the purchase in Khartoum there appears to be little justification for making the payment in advance in U.S. dollars. The Committee hope that such instances will be avoided in future.

- |    |    |                  |  |
|----|----|------------------|--|
| 14 | 17 | External Affairs | <p>It was admitted by the witness that the Mission at Acera showed undue leniency to the driver in not dispensing with his services soon after adverse police reports were received. The driver, since dismissed, was a local man. It was hoped that the Mission would be more careful in future.</p> <p>The Committee understand that instructions have been issued to the Missions for taking proper care in the maintenance and repair of cars in future. They regret that issuing of instructions at all became necessary in such a matter. Particularly serious is the case in respect of Rajshahi where a car was never serviced during its life of six years. The Committee feel that negligence of this type should be seriously viewed.</p>                               |
| 15 | 18 | External Affairs | <p>The Committee feel that there is scope for economy in expenditure particularly under "Other Charges". They desire this to be examined and the result communicated to them.</p>  |
| 16 | 19 | External Affairs | <p>The Committee have been given the break-up of the expenditure of the Wing during the five years ended 1961-62 (Appendix VIII). They notice from the statement that the expenditure under 'Allowances and Honoraria' increased from Rs. 31,000 in 1958-59 to Rs. 57,000 in 1961-62. During the same period P &amp; T charges increased from Rs. 7,600 to Rs. 10,800. The "Miscellaneous" expenditure rose from Rs. 5,900 in 1958-59 to Rs. 14,600 in 1960-61 (reduced to Rs. 7,700 in 1961-62). It appears to the Committee that adequate attention was not being paid to economising expenditure to the extent possible. They suggest that the Ministry may conduct a review of the expenditure incurred by this wing so as to reduce expenditure to the minimum necessary.</p> |
| 17 | 20 | External Affairs | <p>The Committee find that the note furnished by the Ministry indicating the position with regard to stock taking of books and main-</p>   |

tenance of records in the Libraries in Missions etc. is not as informative as they would like it to be. Such information as it conveys also discloses an unsatisfactory state of affairs in most of the Missions mentioned in the Audit Report. By and large it has not been possible either to bring the registers up-to-date or to complete the physical verifications of stocks. The Committee regret to note that in several cases including such an important library as the India House Library in London the stock verification has never been done in the past. Lack of adequately trained staff, space and the need for economy are stated to have been serious obstacles hampering the smooth and orderly functioning of the libraries. The Committee are particularly surprised that the plea of shortage of staff should have been advanced in the case of India House Library while the High Commission in London are obviously over staffed.

The Committee recommend that the libraries should be organised properly and where the extent of work justifies trained Librarians should be provided to look after them. In the meantime priority should be given to complete physical verification of books which can well be undertaken by assembling teams by drafting men from the other branches of the Missions. The Committee would like to have a report when this work and the compilation of registers is duly completed.

The Committee were assured that the Ministry would look into the matters relating to the entrusting of work without inviting quotations and take care to see that proper procedures were actually being observed in awarding such contracts.

(i) What surprises the Committee is that no serious attempt was made since March-April, 1961 to examine the accounts of the Havildar Accountant immediately after he absconded. It was only the commandant at the time who could order a proper enquiry. The fact that he did not care to do so, calls for an investigation before it is concluded that it was a case of mere carelessness. In any case such an officer would be a grave risk in any position of responsibility and the Committee hope that Assam Government will have come to the same conclusion. They desire that their observations be communicated to that Government.

(ii) In terms of the Law Ministry's advice given in December, 1962, the Ministry are yet to make up their mind whether or not to file a suit against the officer. The Committee deprecate the delay of about 13 months in coming to a decision.

(i) It was brought to the Committee's notice that the Manual of Instructions issued by the Ministry of External Affairs in 1958 contained a provision that if a case of advance drawn remained unadjusted on the expiry of six months from the date of arrival of an officer at the new post, the unadjusted amount should be recovered from his salary unless the Government's prior approval had been obtained for extension of the period. These instructions were reported to have been reiterated in August, 1962 and assurance also given to Audit in January, 1963 that the backlog would be cleared expeditiously. The latest position, however, was reported to be that out of 340 cases only 17 cases have been settled so far. (One out of 40 pertaining to the period 1958-59, 4 out of 75 of 1959-60 and 12 out of 107 of 1960-61.) It is clear that if care had been taken to apply the rules strictly the backlog would not have accumulated at all.



(ii) From a note submitted to the Committee showing the position in respect of 118 cases pertaining to 1951-58 (Appendix XI), they see that in not a single case was action taken to order recovery from salary and no record was available of any extensions for the submission of adjustment bills applied for or granted. These cases only betray lack of adequate administrative control by the Ministry in financial matters; otherwise, the submission of adjustment bills was not such an involved task as could not be completed within the prescribed period irrespective of the conditions of service abroad.

21

24

External Affairs

The Committee are unhappy to note that financial irregularities have been committed even by Ambassadors. In the second case particularly the Committee fail to see why the Ambassador, who drew advances to the extent of Rs. 57,000 in all on two occasions, did not refund forthwith Rs. 7,246 saved by him out of the first advance of Rs. 26,667 and Rs. 5,630 saved out of the second advance of Rs. 29,058 when the savings were sizeable enough not to have escaped his notice. The Committee recommend that such cases, as soon as they are detected, should be brought to the notice of the higher authorities in the External Affairs Ministry so that prompt action can be taken. The Committee would also like to invite attention in this connection to their earlier recommendation contained in para 39 of their 8th Report (Third Lok Sabha).

22

25

External Affairs

Finance

The various irregularities pointed out in the Audit Report seem to indicate that the control of the Ministry over the various Missions abroad is somewhat loose in financial matters. The Committee are of the view that this needs tightening up.

23	26	Food and Agriculture (Agriculture)	<p>The Committee regret to note that no survey was made about the availability of raw materials before purchasing the bone digesters. The Administration even failed to watch the working of the five digesters purchased at a cost of Rs. 14,765 in 1957 before placing order for the next five digesters, resulting in avoidable loss on the care and maintenance of the surplus digesters besides unnecessary locking up of funds.</p> <p>The Committee desire that the surplus bone digesters should be disposed of expeditiously.</p>
24	27	Food and Agriculture (Agriculture)	<p>(i) The Committee are not satisfied with the explanation in this case. They regret to note that no action was taken to settle the rate for clearing and stocking of the balance of timber as soon as it became clear that its continued storage with the old contractor was unavoidable. The plea that it was not clear at that time as to how long these stocks would remain with the contractor is hardly convincing. Had timely action been taken in the matter, it would have saved delay and legal expenses incurred over a period of years.</p> <p>(ii) The Committee also note that out of Rs. 15,004 paid to the contractor towards refund of amounts withheld on account of shortage of timber, only a sum of Rs. 6,377 had been recovered from the shipping company and further claims for only a few hundred rupees were pending. They would like to be informed of the reasons for the non-realisation of the balance of the loss on this account.</p>
25	28	Food & Agriculture (Agriculture) <hr/> Law	<p>The Committee observe that there is difference of opinion between the Ministry of Food &amp; Agriculture and Law regarding the liability for the Port Trust dues. They, therefore, desire that the Ministry should refer the matter to the Ministry of Law for their reconsideration and that their final opinion be intimated to the Committee as well.</p>
26	29	Food & Agriculture (Agriculture)	<p>The Committee regret to note that although all the recurring expenditure on the Station was to be borne by the Indian Central</p>

1	2	3	4
			<p>Oilseeds Committee no steps were taken by them to satisfy themselves about the suitability of the site before releasing the grants. It is surprising that it should have taken them three years to realise that the site was not suitable for experimental work. This resulted in an infructuous expenditure of Rs. 68,762.</p> <p>The Committee hope that the procedure for the selection of appropriate sites for such research stations should be finalised early in consultation with the State Governments to avoid the recurrence of such cases. The Committee also trust that in future no such research stations would be opened without making a thorough enquiry in consultation with State Governments, about the suitability of the site and its soil.</p>
27	30	Food & Agriculture (Agriculture)	<p>The Committee regret to note the delay in the presentation of the Audit Reports relating to certain autonomous bodies to Parliament. They desire that such Reports should be presented to Parliament as soon as possible after their receipt from Audit.</p>
28	31	Food & Agriculture (Food)	<p>From the figures furnished by the Ministry, it would be seen that there has been a sharp rise in the transit losses as well as storage losses during the year 1962-63 (total loss Rs. 230.76 lakhs). The Committee would like the Ministry to furnish a detailed note indicating the reasons for this sharp rise, and steps taken to minimise such losses.</p>
29	32	--Do--	<p>(i) While the Committee are glad to note that there had been improvement in the investigation of cases for transit and storage losses they desire that the arrears should be cleared early. Steps should also be taken to reduce the losses in storage and distribution to the minimum.</p>

9	32	Food & Agriculture (Food)	The Committee view with concern the large number of claims for transit losses pending settlement with the Shipping companies (total amount pending on 31-3-1963 Rs. 37.38 lakhs) and the Railways (total amount pending on 31-3-1963 over Rs. 32 lakhs). They desire that efforts should be made for the early settlement of these claims.
31	33	—Do—	It was admitted that in the depots the accounts were not looked after as carefully as they should be. The Committee consider this as a highly unsatisfactory position.
32	34	—Do—	The Committee consider it unfortunate that there was lack of proper system of accounting in Tripura Administration. They hope that vigorous steps would now be taken to improve the position to reconcile the figures and to clear the arrears.
33	35	—Do—	The Committee are surprised to learn that the contract for transportation of food grains should have been awarded to a contractor who was only a wine merchant. The Committee are of the view that the matter requires a thorough investigation with the object of fixing responsibility.
34	36	Food & Agriculture (Food)	The Committee are not happy over the manner in which the Administration has acted in this case. In their opinion as soon as the unsatisfactory performance of the original contractor came to the notice of the Administration, steps should have been taken to appoint another contractor for the clearance of the stocks. This would have prevented the accumulation of heavy stocks in transit sheds which were not fully protected against rains or pilferage and consequential loss (5000 mds.) to the Administration.
35	37	—Do—	The Committee are not satisfied with the explanation given in this case. Even after allowing for the hiring of some extra accommodation as and when it became available and allowing for a reasonable period for which they might remain vacant owing to the

uncertainty of other factors, they see no justification for such a large number of godowns (131) remaining vacant for long periods (2 to 33 months) before they were either utilised or surrendered. These delays, the Committee regret to note had resulted in avoidable expenditure on pay and allowances of the staff and rent of the godowns during the period they remained vacant (over Rs. 1.50 lakhs). The Committee desire that steps should be taken to make proper assessment of the requirements of the storage capacity in accordance with the programme for the purchase of food-grains, to avoid such infructuous expenditure.

36

38

Health

The Committee recommend that a proper form should be prescribed in consultation with audit so as to assess on a systematic basis the cost of the Scheme from year to year. As regards the recovery of expenditure from the semi-government organisations brought under the scheme, the Committee feel that this need not be done on the basis of monthly calculations. In their view it should be enough to base the calculations on the strength of staff during one month in a year; but the C.H.S. Directorate must insist on obtaining the figures in time.

150

37

39

Health  
                      
 Deptt. of Supply

The Committee note that expenditure incurred on local purchases of medicines is still very heavy (i.e., 40 per cent. of the total). They feel that this problem can be solved partly by better liaison with the DGS&D and partly by improving upon the estimates of future requirements. The Committee also feel that arrangement of procurement should duly take into account the functioning and urgent nature of requirement of medicines. Accordingly, it should be

worthwhile if in appropriate cases rate and running contracts are entered into by the DGS&D with the manufacturers for supplies through the latter's local agents. Under this arrangements C.H.S. authorities should be able to make purchases directly from the local agents as and when required at the rates agreed to. This should also avoid over-stocking of medicines.

38

40

Health

Finance

(i) The Committee take a serious view of the fact that in contravention of the rules, no report was made to Audit in regard to pilferages and falsification of accounts. Expert audit scrutiny was obviously necessary as soon as suspicions were raised. The Committee desire that the Ministry of Finance should take due notice of this and prevent recurrence of such instances.

Health

(ii) The Committee had asked for a note indicating the nature of charges against 11 store-keepers who were being prosecuted and the amount of pilferage suspected in the remaining 11 cases which were still under investigation. The note is still awaited.

They deprecate the delay in submission of the note.

39

41

Health

The Committee take a serious note of such disregard of the financial rules as disclosed in this case and hope that steps will be taken to avoid a recurrence of such cases.

Health

Home Affairs

Finance

40

42

The Committee do not see any extenuating circumstance for release of the entire grant of Rs. one lakh unconditionally in February, 1960, when even the design of the building was not known. They are surprised that none of the Ministries concerned including Finance cared to observe the precautions as prescribed in the financial rules before the grant was sanctioned. The Committee are anxious that the recurrence of such cases is prevented.

161

1	2	3	4
41	43	Health	The Committee feel that the Indian Council of Medical Research should evolve some procedure whereby their detailed budget estimates are framed and sent to the Ministry of Health only after the selection of schemes with the advice of expert groups. In this way, the Ministry would be enabled to make provision in the Central Budget on a more realistic basis.
42	44	Health	The Committee note the progress since made in adjusting the expenditure on the basis of the audited accounts (Rs. 17.71 lakhs out of Rs. 37.36 lakhs). They, however, view with concern the fact that about 50 per cent. of the amount outstanding in August, 1962 (i.e. Rs. 17.49 lakhs) related to 1959-60 and earlier years. They hope that this backlog is being expeditiously cleared and the I.C.M.R. will ensure that, in future, the amount of all grants-in-aid advances are fully adjusted within a year of their disbursement.
43	45	Health <hr/> W. H & R (Deptt. of W & H)	The Committee are not convinced about the need of a Superintending Engineer when the advice of the Chief Engineer C.P.W.D. in addition to that of their architects was available to the Institute. The Executive Engineer assisted by his other staff could well assist the Chief Engineer in matter of detail. Besides, the remaining staff of the Engineering-Unit which includes two Assistant Executive Engineers, sixteen Section Officers and other junior staff appears to be excessive. (It is significant to note here that the Building Committee of the institute itself had recommended that there should be a small technical staff consisting of an Executive and Assistant Engineer and two Section Officers for supervising the progress of construction works). The Committee recommend that the strength

of the Unit *vis-a-vis* the construction work which still remains to be executed may be examined and economy to the maximum extent possible, may be effected, urgently.

44 46

Health  
W. H. & R. (Deptt.  
of W &H)

The Committee do not find that the explanations given to them are fully satisfactory. If the quotations of the lower tenderer were unworkable, the estimates were even more unworkable. If it was so, the Committee feel that the Superintending Engineer should also not have recommended acceptance of the lower tender, as he did. The Committee feel that estimates must be framed in the light of the prevailing costs, if they are to serve the purpose of making an objective assessment of the reasonability and workability of tenders received.

45 47

Home Affairs

(i) The Committee feel concerned about the various mal-practices pointed out by the special audit and the Board of Enquiry, which had been allowed to prevail in the Sub-Treasury till an embezzlement of Rs. 98,566 was detected. They hope that necessary remedial measures will now be taken. The Committee also regard it as most objectionable to entrust the key of the single-lock chest to a Potdar or some other subordinate, instead of its being kept in the custody of the treasurer. This practice had obviously facilitated the embezzlement in the present case.

Home Affairs

(ii) The Committee regret to point out that, although the Potdar had left the place on 2nd March, 1961, the matter was, according to the Board of Enquiry, brought to the notice of the Zonal Sub-Divisional Officer only on the 9th March, 1961 and the verification was conducted on the 10th March, 1961. It is not clear why the Cash Chest was not broken open for use in the following day's transactions, which would have brought out the embezzlement earlier and might have helped in arresting the Potdar before he left for the foreign country.



## Home Affairs

(iii) The Committee deplore the inordinate delay of about one year on the part of the Board of Enquiry in the submission of its Report. In extenuation of this delay, the Secretary, Ministry of Home Affairs stated that the Board was waiting for the special Audit to be completed and there was also a change of one member in its composition during the course of the investigation. The witness, however, agreed that the Board should not have delayed its Report by one year. The Committee consider it unnecessary to emphasize the need for utmost expedition in conducting enquiries in cases of fraud in order to avoid losses and delinquents escaping punishment.

## Home Affairs

(iv) The Committee are further perturbed over the delay of 6-7 months in initiating disciplinary proceedings and criminal proceedings against the delinquent officers after the receipt of the report of the Board of Enquiry, and hope that the Home Ministry would see that their offices do not tend to be lethargic in dealing with cases of indiscipline or corruption. They should not only avoid all delays in investigations, but also be very firm and prompt in taking action.

46

48

Information &  
Broadca ting

## Finance

The Committee consider it extremely unfortunate that even though the terms and conditions of the grant to the Children's Film Society were subsequently liberalised, the important suggestion made originally by the Ministry of Finance that the position might be reviewed at the end of the Third year in the light of the experience gained and results achieved was not implemented. The Committee consider this a serious lapse on the part of the Ministry. Had this suggestion been implemented many of the irregularities committed by the Children's Film Society would have come to light much earlier and effective remedial action could have been taken.



working of the Society under constant review is now fully realised by Government and they would not hesitate to wind it up, if such a step appeared to be in the taxpayers' interest. In the meantime, the Ministry of I. & B. should examine in detail the question of entrusting the work of production of feature films for children to the Films Division with a view to effecting economy in expenditure.

49

51

Information & Broadcasting

Finance

It is rather disquieting for the Committee to learn that although the handling of the funds of the Society had been found to be inept, inefficient and irregular and there were also suspicions of extravagance, and misuse of funds, no responsibility therefor could be fixed on any one. They are surprised that no criminal action was considered feasible in spite of the fact that in certain cases payments out of public funds were not vouched for and there was no account of some moneys received as also of some final prints valued at over a lakh of rupees. The Committee also do not understand why the persons, who admit not having received certain sums of money shown to have been paid to them are chary of giving evidence to that effect. They hope that it is not due to any complicity on their part in any collective swindle of the Society's funds. They, however, have some misgivings in this regard. They also apprehend that enquiries made by the Ministry have not been pursued to the logical and perhaps for fears that they might involve eminent persons associated with the Society whose sanctions might have been obtained to serve irregular ends. The Committee, therefore, recommend that in the light of the Audit Report a thorough and impartial enquiry should be made to fix responsibility for the financial irregularities of the Children's Film Society for a number of years and

to ascertain the amount of loss suffered by the Society as a result of inefficient and inept handling.

50 52 Information & Broadcasting

In the opinion of the Committee, the facts disclose a very irregular way of functioning of the Indian National Centre. The manner in which the expenditure incurred sometime ago, was sought to be authorised *ex post facto* by means of a resolution circulated for signature at a much later date, is also highly objectionable.

The Committee would like to be informed of the final outcome of the case.

51 53 Do.

The Committee would like to be informed when the amount of Rs. 33,000 due from the Punjab State Committee is recovered.

52 54 Labour & Employment

The Committee trust that the audited Annual Accounts of the Employees' Provident Funds Scheme along with the Audit Report thereon will be placed before Parliament. They further desire that the Annual Report of the Board of Trustees on the working of the Scheme may also be placed before Parliament. In case any delay is apprehended, the Annual Report and the Audit Report may be laid before Parliament separately.

53 55 Labour & Employment

The Committee note with concern that a large sum of Rs. 466.78 lakhs was outstanding on 31st October, 1962 from the employers and that recovery proceedings had to be instituted in as many as 14,844 cases till 31st May, 1963. They are sorry to learn that in most of these cases of arrears, the employers had not only failed to send their own contributions, but had also failed to send the contributions already collected by them from the employees. The Committee, however, note that the percentage of outstandings to the total collections has since come down from 3.38% (in October, 1962) to 1.9% (in November-1963). They desire that further efforts should be made for the expeditious recovery of the outstanding amount and a report made to them.

1	2	3	4
			Steps taken to avoid accumulation of such arrears in future may also be intimated to them.
54	56	Labour & Employment <u>W. H &amp; R (Deptt. of W &amp; H)</u> Finance	While the Committee note the Ministry's explanation for the need of desert coolers in the present case, they feel that it was wrong in principle to incur expenditure on an item, sanction to which had been refused by the Ministry of Finance. In the opinion of the Committee, in cases where a Ministry consider expenditure on an item to be absolutely necessary, and where the Ministry of Finance refuse to give sanction, the proper course for the Ministry should be to request the Minister concerned to place the matter before the Cabinet for a decision. The Committee trust that the Ministries and Departments of the Government would bear this in mind in future.
55	57	Labour & Employment	The Committee appreciate the need for utmost expedition in the payment of claims to the employees. They nevertheless feel that the expenditure on superintendence (Rs. 63.32 lakhs in 1962-63) is on the high side. The Committee desire that the matter should be reviewed with a view to effecting maximum possible economy in establishment charges without any detriment to the amenities provided to the employees.
56	58	Labour & Employment	The Committee may be informed about the decision taken in the matter of integration of certain social security schemes.
57	59	Labour & Employment	The Committee are glad to be informed that the amount of outstanding income has since been brought down. The amount still due to be recovered is, however, very large (over Rs. 52 lakhs). A substantial portion out of this was due for more than two years (Rs. 37.18

Law

W. H & R (Deptt.  
of W & H)

Finance

lakhs). They desire that further efforts should be made by the Corporation to ensure expeditious recovery of this amount.

The Committee are of the view that making an income-yielding gift of the additional three storeys to the Law Institute in the manner arranged was not a proper way of subsidising it and that any subsidy to such a body is better given in a direct manner so that the extent of it is clearly exhibited. The Committee take strong exception to the circuitous way in which indirect subsidies are sought to be given to private bodies howsoever important their field of activity might be. Granting that there were good reasons to see that the land site already in possession of the Law Institute yielded more accommodation for the use of Government, the Committee feel that this should have been achieved under some arrangement with the Institute by a direct investment on the part of Government rather than through the Institute by means of a self-liquidating loan. The Committee desire that circuitous procedure as adopted in the present case should be completely avoided in future.

## DELHI

34. Jain Book Agency, Connaught Place, New Delhi.
35. M/s. Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.
- 36. Atma Ram & Sons, Kashmere Gate, Delhi-6.
- 37. J.M. Jaina & Brothers, Mori Gate, Delhi-6.
- 38. The Central News Agency, 23/90, Connaught Circus, New Delhi.
- 39. The English Book Stall, 7-L, Connaught Circus, New Delhi.
40. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.
41. Lakshmi Book Store, 42, M. M. Janpath, New Delhi.
42. Kitab Mahal (W.D.) (Private) Ltd., 28, Faiz Bazar, Delhi.
43. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.
44. Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.
45. Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.
46. People's Publishing House, Rani Jhansi Road, New Delhi-1.
47. Mehra Brothers, 50-G, Kalkaji, New Delhi-19.
48. Dhanwantra Medical & Law Book House, 1522, Lajpat Rai Market, Delhi-6.
49. The United Book Agency, 48, Amrit Kaur Market, Paharganj, New Delhi.
50. Hind Book House, 82, Jan Path, New Delhi.
51. Bookwell, 4, Sant Naran-kari Colony, Kingsway Camp, Delhi-9.

## MANIPUR

52. Shri N. Chaoba Singh, Newspaper Agent, Ramalal Paul High School, Annexe, Imphal, Manipur.

## AGENTS IN FOREIGN COUNTRIES

### U. K.

53. The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.-2.

