

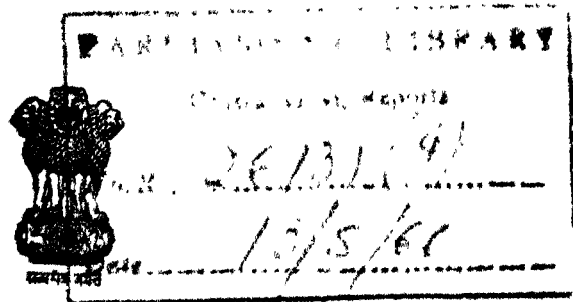
PUBLIC ACCOUNTS COMMITTEE (1965-66)

FIFTY-FOURTH REPORT

(THIRD LOK SABHA)

[Appropriation Accounts (Civil), 1963-64 and Audit Report (Civil), 1965 and Audit Report (Commercial), 1965 and Finance Accounts, 1963-64 relating to Ministries of Finance (including Planning Commission), Food, Agriculture, Community Development & Co-operation (Department of Agriculture) and Home Affairs (relating to Andaman Administration), Industry, Iron & Steel, Mines & Metals, Labour, Employment & Rehabilitation (Department of Rehabilitation), Department of Social Welfare and Ministries of Supply & Technical Development, Transport and Aviation and Works, Housing & Urban Development.]

VOL. II—APPENDICES



**LOK SABHA SECRETARIAT
NEW DELHI**

April 1966/Vaisakha, 1888 (Saka)

Price : Rs. 1 86

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

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
ANDHRA PRADESH			3.	Deccan Book Stall, Ferguson College Road, Poonn-4.	65
1.	Andhra University General Cooperative Stores Ltd., Waltair (Visakhapatnam).	8	RAJASTHAN		
2.	G.R. Lakshmiipathy Chetty and Sons, General Merchants and News Agents, Newpet, Chan- dragiri, Chittoor District.	94	14.	Information Centre, Go- vernment of Rajasthan, Tripolia, Jaipur City.	38
ASSAM			UTTAR PRADESH		
3.	Western Book Depot, Pan Bazar, Gauhati.	7	15.	Swastik Industrial Works, 59, Holi Street, Meerut City.	3
BIHAR			16.	Law Book Company, Sardar Patel Marg, Allahabad-1.	48
4.	Amar Kitab Ghar, Post Box 78, Diagonal Road, Jamshedpur.	37	WEST BENGAL		
GUJARAT			17.	Granthaloka, 5/1, Arubica Mookherjee Road, Bel- gharia, 24 Parganas.	10
5.	Vijay Stores, Station Road, Anand.	35	18.	W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.	44
6.	The New Order Book Company, Ellis Bridge, Ahmedabad-6.	63	19.	Firma K. L. Mukhopadhyay 5/1A, Banchharam Akkur Lane, Calcutta-12.	82
MADHYA PRADESH			DELHI		
7.	Modern Book House, Shiv Vilas Palace, Indore City.	2	20.	Jain Book Agency, Con- naught Place, New Delhi.	1
MAHARASHTRA			21.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3
8.	M/s. Sunderdas Gianchand, 601, Girgaum Road, Near Princess Street, Bombay-2.	6	22.	Atma Ram & Sons, Kash- mere Gate, Delhi-6.	9
9.	The International Book House (Private) Limited, 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.	22	23.	J. M. Jaina & Brothers, Mori Gate, Delhi.	11
10.	The International Book Service, Deccan Gym- khana, Poonn-4.	26	24.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15
11.	Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.	30	25.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20
12.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.	60	26.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23

CORRIGENDA TO FIFTY-FOURTH REPORT OF PAC (1965-66)
(PRESENTED TO LOK SABHA ON 10.5.1966) (Vol. II)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(11)		9	XXIII	XXXIII
		10	XXIV	XXXIV
9		3	MINISTER	MINISTRY
89	3	3	Gujrat	Gujarat
113		2	(Para /1.34	(Para 11.34

CONTENTS

APPENDIX No.	PAGE
<i>Composition of the Public Accounts Committee, 1965-66</i>	
	(iii)
II Statement showing the commitment charges paid by Government of India on loans from the International Bank for Reconstruction and Development	1
III Note on commitment charges	5
IV Guarantees given for the repayment of principal and interest to the State Bank of India in respect of cash credit facility, letters of authority etc., given by the Bank to Government Companies during the period 1957-64	9
V Statement showing grants released to States and the Actual expenditure incurred by them on Rural Industries Projects Programme for 1963-64	12
VI Note on number of projects allotted to each State so far under the Rural Manpower Programme. Type of works carried out under the Rural Works Programme according to broad categories etc.	13
VII Note on para XXXVII of Audit Report, (Commercial), 1965	20
VIII Note on para XXXIV of Audit Report (Commercial), 1965	27
IX Note on para 104 of Audit Report (Civil), 1965	49
X Note on para 104 of Audit Report (Civil), 1965	57
XI Note on para 104 of Audit Report (Civil) 1965	61
XII Note on receipts and payments of the Iron and Steel Equalisation Fund for the year 1963-64	75
XIII Statements of receipts and expenditure of the Coal Board for the year ended 31st March, 1964	77
XIV Note on para 51 of the Audit Report (Civil), 1965	80
XV Note on para 51 of Audit Report (Civil), 1965	81
XVI Note on para 51 of Audit Report (Civil), 1965	82
XVII Note on para 51 on Compensation Pool—Appropriation Accounts (Civil), 1963-64 and Audit Report	84
XVIII Note on para 51 of Audit Report (Civil), 1965	86
XIX Note on para 51 of Audit Report (Civil), 1965	88
XX Note on para 53 of Audit Report (Civil), 1965	90
XXI Note regarding Administrative expenditure	96
XXII Note on Audit Report on the Accounts of the Employees' State Insurance Corporation for the Year 1962-63	99
XXIII Note on Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1962-63	100
XXIV Note on Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1962-63	101

(ii)

	Page
XXV Note on para 81 of Audit Report (Civil), 1965	102
XXVI Note on para 83 of Audit Report (Civil), 1965	103
XXVII Note on para 84 of Audit Report (Civil), 1965	106
XXVIII Statement on para 85 of Audit Report (Civil), 1965	107
XXIX Note on para 86 of Audit Report (Civil), 1965	109
XXX Statement showing the details of the loan of Rs. 50 lakhs	113
XXXI Note showing the time taken to convert the coal-fired dredger into an oil-fired dredger	114
XXXII Note explaining the reasons for the loss in running the Ferry by the Port	115
XXXIII Note on the purchase of water current meter	119
XXXIV Note on the delay in the installation of the machinery	157

PUBLIC ACCOUNTS COMMITTEE

(1965-66)

Shri R. R. Morarka—Chairman.

MEMBERS

2. Shrimati Akkamma Devi
3. Shri Ram Dhani Das
4. Shri Gulabrao Keshavrao Jedhe
5. Shri Cherian J. Kappen
6. Shri R. Keishing
7. Shri M. R. Krishna
8. Shri B. P. Maurya
9. Shri V. C. Parashar
10. Shri Nanubhai N. Patel
11. Shri C. L. Narasimha Reddy
12. Shri G. Yallamanda Reddy
13. Shri Prakash Vir Shastri
14. Shri Surendra Pal Singh
15. Shri U. M. Trivedi
16. Shri M. P. Bhargava
17. Shri Chandra Shekhar
- *18. Shri S. C. Deb
- *19. Shri R. S. Panjhzari
20. Shri Ram Sahai
21. Shri Niranjana Singh
22. Shri Atal Bihari Vajpayee.

SECRETARIAT

Shri H. N. Trivedi—Deputy Secretary.

Shri R. M. Bhargava—Under Secretary.

*Ceased to be members of the Committee consequent on their retirement from Rajya Sabha on 2-4-66 under article 83(I) of the Constitution.

APPENDIX II

(Para 1.16 of this Report)

Ministry of Finance

STATEMENT I

Commitment charges paid by Government of India on loans from the International Bank for Reconstruction and Development

Name of loans and date of agreement	Amount authorised (in lakhs of Rs)		Commitment charges paid (in lakhs of Rs.)
Agriculture Loan 29-9-1949	343	1949-50 to 1954-55	8.60
1st Railway Loan 18-8-1949	1562	1949-50 to 1951-52	8.06
2nd Railway Loan 12-7-1957	4285	1957-58 to 1959-60	16.12
3rd Railway Loan 16-9-1958	4048	1958-59 to 1959-60	6.51
4th Railway Loan 15-7-1959	2381	1959-60 to 1960-61	9.88
5th Railway Loan 29-7-1963	3333	1960-61 to 1962-63	21.47
6th Railway Loan 13-10-1961	2381	1961-62 to 1962-63	14.07
1st D.V.C. Loan 18-4-1950	796	1951-62 to 1956-57	13.78
2nd D.V.C. Loan 23-1-1953	500	1954-55 to 1958-59	14.48
3rd D.V.C. Loan 23-7-1958	1048	1958-59 to 1964-65	13.91
Koyna Power Project Loan 8-4-1959	890	1959-60 to 1964-65	22.04
Private Sector Coal Production Loan 9-8-1961	1667	1961-62 to 1964-65 (Loan amount not yet drawn completely)	34.58
Total Commitment charges paid up to 1964-65			183.50

STATEMENT II

Statement showing commitment charges paid to the International Bank for Reconstruction and Development in respect of Loans given to Public Undertakings

Names of Loans and dates of Agreement	Amount authorised in lakhs of rupees	Commitment charges paid during					Total Rs.
		1950-60-61 Rs.	1961-62 Rs.	1962-63 Rs.	1963-64 Rs.	1964-65 Rs.	
1. Calcutta [Port-I (No. 198-IN) dt. 25-6-1958	13,81	20,19,288	6,82,433	522,292	3,20,803	1,73,191	37,18,007
2. Calcutta Port-II (No. 294-IN) dt. 17-8-1961.	10,00	..	60,368	747,724	6,84,566	4,88,744	19,81,402
3. Trustees of the Port of Madras (No 199-IN) dt. 25-6-58.	6,67	11,47,800	3,27,738	292,632	2,31,595	1,21,973	21,21,738
4. Air India (No 161-IN) dt. 5-3-1957	2,67	2,20,000	..	..	..	..	2,00,000
GRAND TOTAL . . . . .	..	33,87,088	10,70,539	15,62,648	12,36,964	7,83,908	80,41,147

Sd/-

Joint Secretary to the Govt. of India.

STATEMENT III

Statement showing commitment charges paid to the International Bank for Reconstruction and Development in respect of loans given to Companies in the Private Sector

Names of loans and dates of agreement	Amount authorised in lakhs of rupees	Commitment charges paid during					Total Rs.
		1950-60-61 Rs.	1961-62 Rs.	1962-63 Rs.	1963-64 Rs.	1964-65 Rs.	
I	2	3	4	5	6	7	8
(1) Indian Iron & Steel Co.—I (No. 71-IN) dt. 18-12-1952	13,90	49,42,229	5,677	..	..	..	49,47,906
(2) Indian Iron & Steel Co.—II (No. 159-IN) dt. 19-12-1956	9,49	12,72,148	83,526	37,699	10,805	196	14,04,374
(3) Tata Iron & Steel Co.—I (No. 146-IN) dt. 26-6-1956	35,71	26,07,000	..	..	..	..	26,07,000
(4) Tata Iron L Steel Co.—II (No. 182-IN) dt. 20-11-1957	15,47	8,59,105	..	..	..	..	8,59,105
(5) Tata Power Co.—I (No. 106-IN) 19-11-1954	6,59	12,06,915	31,466	24,878	14,154	4,573	12,81,986

I	2	3	4	5	6	7	8
(6) Tata Power Co.—II (No. 164-IN) dt. 29-5-1957.	4,60	5,40,282	31,666	22,479	17,410	9,545	6,21,382
(7) Industrial Credit & Investment Corpn. of India—I (No. 109-IN) . dt. 14-3-1955	4,70	2,70,701	65,595	16,327	5,172	350	3,58,145
(8) I.C.I.C.I.—II (No. 232-IN) dt. 15-7-1959	4,76	14,724	2,04,223	2,31,845	88,051	23,130	5,61,978
(9) I.C.I.C.I.—III (No. 269-IN) dt. 28-10-1960	9,52	..	43,638	3,50,839	2,81,070	1,59,621	6,35,168
(10) I.C.I.C.I.—IV (No. 312-IN) dt. 28-2-1962	9,52	..	..	3,466	1,69,170	1,69,344	2,81,980
(11) I. C. I. C. I.—V (No. 340-IN) dt. 5-6-1963	14,28	..	..	..	..	98,908	98,908
(12) Indian Iron & Steel—Coal Mining (No. 307-IN) dt. 22-12-1961	9,28	..	..	..	..	16,62,174	16,62,174
GRAND TOTAL		1,17,13,104	4,65,769	6,87,533	5,25,832	21,27,841	1,55,20,106

These statements have been seen by Audit.

Sd/- A. T. Bambawale

Joint Secretary to the Government of India,

APPENDIX III

(Para 1.23 of this Report)

MINISTRY OF FINANCE

(Department of Economic Affairs)

The Public Accounts Committee while considering the Audit Report (Civil), 1965, at its sitting on 4th February, 1966, desired that with reference to para 16(b) of the Audit Report, a note may be furnished to the Public Accounts Committee analysing the figure of Rs. 420 lakhs, the total amount of commitment charges paid upto 1964-65 on I.B.R.D. loans, including such charges paid by Public Undertakings and Companies in the Private Sector.

2. The attached statement shows loan-wise details of total commitment charges paid upto 1964-65 on IBRD loans. It may, however, be stated here that at its sitting on 4th February, 1966, it was brought to the notice of the P.A.C. that the whole amount of the commitment charges paid to the IBRD cannot be taken to be avoidable. The following facts were mentioned at the sitting to bring out that a major part of the commitment charge paid to the IBRD is in fact unavoidable.

- (a) The IBRD charges a commitment fee on undrawn amounts in order to meet its own cost of maintaining liquid funds for disbursements to borrowers on demand (supported by prescribed applications). Such charge is levied on all IBRD loans to all borrowers, without any distinction, and being one of the basic provisions of IBRD Loan Regulations, is inescapable.
- (b) The commitment charge has not been primarily conceived of as a penalty on lack of promptness in execution of work and utilisation of loan. As it is, it becomes due right from the date the loan becomes effective. As most of the IBRD loans finance imports of capital plant and machinery (which necessarily involve long delivery periods, say two or three years), the loan agreements do take into account such long delivery period and provide for suitable terminal date. Even utilisation of loans according to the original schedules and with the terminal dates

involve payment of commitment charges over a long period and such payment cannot be considered as avoidable.

- (c) It is only when the loan utilisation gets extended beyond the original terminal date or a portion of the loan amount is cancelled subsequent to the loan becoming effective, that the commitment charges paid on the extended utilisation or on loan portion cancelled, can be said to be avoidable. (Even here, to the extent that the original utilisation schedule and terminal date provided in the loan agreement were unrealistic, the payment of commitment charge on extended utilisation cannot be said to be totally avoidable).

3. Such part of the total commitment charges as had to be paid for on account of extensions and cancellation [as referred to in para 2(c) above] is also shown in the last two columns of the attached statement. It may, however, be stated here that in the case of loans, portions of which were cancelled after the original terminal date, some element of commitment charges would be common to both the categories—extensions and cancellations—shown in the attached statement. It would not therefore be correct to add up the charges shown under both the categories so as to arrive at the total avoidable payment of commitment charges

Statement of Commitment Charges paid upto 1964-65 on World Bank loans

(Rs. in lakhs)

Loans	Total Charges paid	Charges paid on account of	
		Extension	Cancellation
I	2	3	4
I. Loans to Govt. of India			
1. Agriculture loan	8.60	..	2.56
2. First Railway loan	8.06	..	0.23
3. Second Railway loan	16.12	..	..
4. Third Railway loan	6.51	..	..
5. Fourth Railway loan	9.88	..	..
6. Fifth Railway loan	21.47	..	..
7. Sixth Railway loan	14.07	..	..
8. First D.V.C. loan	13.78	0.66	2.87
9. Second D.V.C. loan	14.48	3.16	2.80
10. Third D.V.C. loan	13.91	5.76	2.17
11. Koyna (power) loan	22.04	..	5.57
12. Private Sector Coal loan	34.58	..	..
TOTAL	183.50	9.58	16.20
II. Loans to Private Companies or Public Undertakings.			
1. Calcutta Port loan (I)	37.17	4.53	..
2. Calcutta Port loan (II)	19.81	..	..
3. Madras Port loan	22.59	7.29	..
4. First loan to IISCO	49.48	10.93	4.41
5. Second loan to IISCO	14.04	6.91	0.12
6. Third loan to IISCO	21.23	..	..
7. First loan to TISCO	26.07	..	..
8. Second loan to TISCO	8.59	..	..
9. First loan for Trombay Power Station	12.82	2.47	2.67

	1	2	3	4
10. Second loan for Trombay		6.21	0.60	0.27
11. First loan to ICICI		3.59	3.59	0.34
12. Second loan to ICICI		5.62	3.28	..
13. Third loan to ICICI		8.36	2.91	..
14. Fourth loan to ICICI		2.82	0.52	..
15. Fifth loan to ICICI		0.99	..	..
16. Loan to Air India		2.20	..	..
TOTAL II		241.58	43.03	7.81
GRAND TOTAL		425.09	52.61	24.01

APPENDIX IV
(Para 1.62 of Report)
MINISTER OF FINANCE

Government Companies/Corporations—

(vii) Guarantees given for the repayment of principal and interest to the State Bank of India in respect of cash credit facility, letters of authority, etc. given by the Bank to Government Companies during the period 1957—1964 :—

1. Cash credit facility, *i.e.*, the maximum limit up to which the Companies have been permitted to overdraw from the Bank.

Name of concerns on whose behalf guarantee was given	Maximum amount guaranteed	Sums guaran- teed out- standing on 31-3-1964
	Rs.	Rs.
Bharat Electronics Ltd., Mazagon Dock Ltd., Garden Reach Workshop Ltd., National Industrial Development Corporation Ltd., State Trading Corporation of India Ltd., Minerals and Metals Trading Corporation Ltd., Hindustan Steel, Ltd., Hindustan Shipyard Ltd., National Projects Construction Corporation Ltd., National Small Industries Corporation Ltd., Indian Oil Corporation (Marketing Division) Ltd., National Buildings Construction Corporation Ltd., Hindustan Housing Factory Ltd., Nahan Foundry Ltd., Heavy Electricals Ltd., and Fertilizers and Chemicals Ltd.	52,54,00,000	27,83,38,714

2. Letters of credit, *i.e.*, an authorisation by the Bank to an exporter abroad to draw on it for funds within a stated amount and time in payment for specified goods to be shipped to India :—

Heavy Engineering Corporation Ltd., Indian Oil Corporation (Refineries Division) Ltd., Neyyell Lignite Corporation Ltd., National Coal Development Corporation Ltd., Hindustan Organic Chemicals Ltd., Regional Subsidiaries of the National Small Industries Corporation Ltd., and Shipping Corporation of India Ltd.	Lire.	8,712,030,552	5,305,402,497
	Rs.	48,94,65,130	16,47,69,955
	\$	11,885,878	11,405,168
	D.M.	32,500,000	32,500,000
	(In all Rs. 65,12,59,118 and 29,82,70,010 approximately)		

3. Counter-guarantee to State Bank of India to enable the Bank to issue letter of guarantee to the Foreign suppliers of equipment etc. to the corporation on deferred payment basis.

Fertilizer Corporation of India Ltd., Naya Nangal	₹	13,674,653	346,026
	D.M.	519,229	331,632
		(In all Rs. 6,57,35,524 and 20,42,542 approximately).	

4. The undertaking has secured credit facilities for £2.72 million from a British Firm for purchasing plant and machinery abroad on deferred terms of payment. The State Bank of India has given a guarantee to the Firm for the repayment of the credit with interest. The Government of India have given a counter-guarantee indemnifying the Bank against all claims in respect of the guarantee given by it to the Firm.

Heavy Electricals Ltd.	£20,72,000	₹1,475,344
	and interest thereon	(Rs. 1,96,71,253)
	(Rs. 36.04 millions)	

(viii) Guarantees to the Export and Import Bank of Japan and Shipping Development Fund Committee for repayment of principal and interest in respect of loans given by them to a Government Company :—

	Yen	Yen
The Shipping Corporation of India Ltd.	815,500,000	620,400,000
	plus interest @ 5 $\frac{1}{2}$ % per annum	
	(Rs. 1,08,00,000 and 84,19,000 approximately)	
	Rs.	Rs.
	3,23,00,000	3,23,00,000
	and interest thereon.	

(ix) Guarantees to the Foreign consultants contractors/Yugoslav Bank for repayment of principal and interest and fulfilment of payment obligations in pursuance of agreement/letters of acceptance with the following Government Companies :—

Heavy Electricals Ltd., Hindustan Steel Ltd., Indian Oil Corporation (Marketing Division) Ltd., Shipping Corporation of India Ltd. and Fertilizer Corporation of India Ltd.,	Rs.	31,95,63,627	14,54,79,420
	₹	4,160,000	703,638
	D.M.	132,170,540	4,901,290
	Yen	5,045,565,000	5,045,565,000
		(In all Rs. 59,91,16,453 and 22,74,36,406 approximately).	

(x) Guarantee given for the repayment of loan and interest to the Industrial Finance Corporation in respect of loans given by it to the following Government Company :—

Fertilizers and Chemicals Ltd. Travancor . . .	Rs.	2,95,94,400	2,59,59,400
--	-----	-------------	-------------

(xi) Guarantees given to Development Loan Authority for repayment of principal, interest and other charges in respect of loans given by it to the following Government Companies :—

Fertilizer Corporation of India Ltd. and National Small Industries Corporation Ltd.	\$	42,000,000	31,230,000
	(Approximately Rs.		19,04,76,190
	and	14,87,14,286)	

(xii) Guarantees given for the repayment of paid up share capital and payment of minimum annual dividend as well as repayment of redeemable debentures raised/issued by the following State Financial Corporations Guarantee liability is shared in prescribed ratio by the Central Government/ Union Territories and the State Governments) :—

Punjab Financial Corporation and Assam Financial Corporation	Rs.	2,68,74,000	2,66,08,000
---	-----	-------------	-------------

Note—Upto 1963-64 the Central Government had to bear total expenditure of Rs. 66,828 and Rs. 38,783 towards payment of guaranteed dividend in respect of Punjab Financial Corporation and Assam Financial Corporation respectively.

(xiii) Guarantees to the Foreign firms for repayment of principal interest and other charges in pursuance of contracts entered into with the following State Corporations :—

Uttar Pradesh State Electricity Board, Madras State Electricity Board, Madhya Pradesh State Electricity Board, Andhra Pradesh State Electricity Board, Mysore Electricity Board and Gujarat Electricity Board	Rs.	3,65,93,075	3,65,93,075
---	-----	-------------	-------------

(xiv) Guarantees given to International Bank for Reconstruction and Development/Development Loan Authority/Foreign Commercial Banks for repayment of principal, interest and other charges in respect of loans given by them to the following Statutory Corporations during the period 1957—1964 :—

Air India Corporation and Industrial Finance Corporation	Rs.	14,17,99,000	12,75,87,000
	\$	30,000,000	6,641,370
	(In all Rs.	28,46,56,143 and	
	15,92,12,571 approximately)		

(xv) Guarantee given for repayment of share capital, minimum annual dividend and repayment bonds/notes with interest thereon issued by the following Statutory Corporations :—

Industrial Finance Corporation, Indian Airlines Corporation, Air India Corporation, Central Ware- housing Corporation and Agri- cultural Refinance Corporation	Rs.	55,40,79,160	40,39,77,328
--	-----	--------------	--------------

Government have also given guarantees for maximum of Rs. 2,67,75,000 or supplies made to the Indian Airlines Corporation by the foreign suppliers. The actual guaranteed amount outstanding on 31-3-64 was Rs. 5,44,707.

APPENDIX V

(Para 1.96 of this Report)

Ministry of Finance

Statement showing grants released to States and the actual expenditure incurred by them on Rural Industries Projects Programme for 1963-64.

Sl. No.	States	No. of Projects	Grants released to States during 1963-64	Grant expenditure incurred by States
1.	Andhra Pradesh	3	4.50	4.93
2.	Assam	2	2.50	2.54
3.	Bihar	4	7.00	6.42
4.	Gujrat	2	2.00	1.65
5.	Jammu & Kashmir	2	..	..
6.	Kerala	2	6.00	4.70
7.	Madhya Pradesh	3	0.62	4.58
8.	Madras	3	3.00	2.43
9.	Maharashtra	4	3.60	1.66
10.	Mysore	2	2.50	2.48
11.	Orissa	2	4.30	1.39
12.	Punjab	2	3.36*	4.41
13.	Rajasthan	2	3.00	2.88
14.	Uttar Pradesh	5	6.00	2.05
15.	West Bengal	3	3.00	3.68
	TOTAL (1—15)	41	51.28	45.75
<i>Union Territories</i>				
1.	Himachal Pradesh	1	..	0.74
2.	Manipur	1	1.00	0.22
3.	Goa	1	1.45	0.70
4.	Tripura	1	1.00	0.06
	TOTAL	4	3.45	1.72
	GRAND TOTAL	45	54.73	47.47

*This includes unspent balance of Rs. 0.36 lakhs of 1962-63.

APPENDIX VI

(Para 1.114 of this Report)

(i) *Number of Projects allotted to each State so far under the Rural Manpower Programme:*

A statement is given at Annexure—1.

(ii) (a) *Types of works carried out under the Rural Works Programme according to broad categories:*

The types of schemes being carried out under this programme are as under:

Anti-erosion works.—Contour bunding, mass field bunding and terracing; plantation of trees; construction of drains, anti-water-logging and flood protection schemes etc.

Minor Irrigation Works.—Construction and repairs of field channels and water courses; construction, deepening and desilting of tanks; construction of bandharas, construction and repair of minor ahars, pynes and bunds, and digging, repairs and widening of community irrigation works.

Village Roads.—Construction and improvement of village market roads including small culverts and village approach roads.

Schemes relating to land reclamation, development of panchayat shamlat lands, panchayat plantations, community orchards, pasture development, fuel plantation, construction of fish ponds are also taken up.

(ii) (b) *Amount spent and what would have been the expenditure if these works were carried through normal Government agencies.*

The expenditure incurred in different years has been as under:—

(Rs. in lakhs)	
Year	Expenditure
1960-61	3.90
1961-62	32.59
1962-63	111.85
1963-64	418.85

For the preparation of estimates of the schemes included under the Rural Works Programme, their scrutiny, sanction, execution and supervision, the normal block and departmental procedures are followed. Under the Rural Works Programme, wages are paid at the local slack season rates, land is obtained free and the contractor's margin is largely eliminated. To that extent, it is likely, that the expenditure would have been somewhat more, had the works been carried out through normal Government agencies. However, no specific assessment has been made in this regard. It may also be noted that State departments have been utilised for the execution of the Rural Works Programme where the Panchayati Raj institutions are not in a position to undertake them.

(iii) Number of persons and the period for which they got employment under this scheme.

The number of workers employed on a work varies from day to day and also period to period. Precise information as to the number of individuals who found employment under the programme is not available. Details of mandays of employment provided in different States during the first three years of the programme are available; these are enclosed in the Statement at Annexure-II. The employment figures for 1964-65 are being collected from the States.

(iv) How far this scheme has been able to meet the objective in view. A comparative statement indicating the employment potential expected to be created and that actually created may please be indicated.

In the Third Plan document it was envisaged that, tentatively, employment through the Rural Works Programme should be found for 100 days during the agricultural slack season for about one lakh persons in the first year, about 4 to 5 lakh persons in the second year, about a million in the third year rising to about 2.5 million in the last year of the Plan. The Plan document reckoned that to reach these targets the programme as a whole would entail an outlay of Rs. 150 crores over the Plan period. The actual outlay provided for the programme over the Plan period has, however, been considerably less, Rs. 16.07 crores in all (including Rs. 5 crores allocated for the current financial year), and the impact on the employment situation has been correspondingly limited.

Schemes included under the Rural Works Programme have to be labour intensive. Having regard to the fact, however, that local slack season wage rates vary widely from area to area, no rigid percentage has been laid down for employment generation per 100

rupees of expenditure. The mandays of employment generated per 100 rupees of expenditure in different States are shown in Annexure III.

- (v) *Whether an overall control is kept at the Centre to ensure the execution of the projects according to the objective in view. If so, the details of the procedure adopted may please be indicated:*

The Rural Works Programme is a centrally sponsored programme. The entire expenditure is provided by the Centre in the form of 50 per cent grant and 50 per cent loan. The loan amount is treated as a 15 years loan while the first 5 years is a moratorium period during which interest alone is recovered. The rate of interest charged is 5½ per cent p.a. at present. The Central Government lays down certain broad criteria for selection of areas and schemes and methods to be followed in the implementation of the programme. The State Governments are responsible for the implementation of the programme on ground according to these criteria. The procedure followed at the Centre to ensure the implementation of the programme, according to the principles and criteria laid down, include a set check list in which State Governments furnish particulars about the areas selected and schemes proposed; submission of Quarterly Progress Reports from the block to the State level and by the State to the Ministry; review at the time of the annual Plan discussions; tours and field visits by Officers from the Ministry; and evaluation studies by the Programme Evaluation Organisation in selected blocks and employment studies by the Directorate General of Employment and Training. The progress under the programme is also reviewed at the Annual Conference on Community Development and Panchayati Raj and at special seminars and conferences like the Inter-State Conference on Rural Manpower Programme held in April, 1965.

The Ministry has recently asked the State Governments to conduct a thorough review of the working of the programme with a view to identifying ineffective blocks and invalidating them. The evaluation studies conducted by the Programme Evaluation Organisation have focussed attention on administrative, organisational, technical and other deficiencies. These studies are circulated to the State Governments for their information and necessary action. The Ministry also issues appropriate policy instructions to the State Governments from time to time to remedy the deficiencies noticed.

(vi) *Arrangement which exists for Audit of the grants given to Village Panchayats and Block Samities for the execution of these works.*

The audit of accounts for the funds allotted under the rural works programme is conducted by the State Accountants General in the case of Assam, Gujarat, Jammu & Kashmir, Kerala, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh, West Bengal, Tripura and Himachal Pradesh and by the Local Fund Audit Department in the case of Punjab and Rajasthan. In Uttar Pradesh also the funds allotted to Zilla Parishads are audited by the Examiner of Local Fund Accounts. In Madras, the expenditure is met initially from Panchayat Union Funds which is subject to hundred per cent audit by the Examiner of Local Funds Accounts. The expenditure on disbursements from the State funds is however, subject to audit by the Accountant General. In Mysore the Accountant General conducts the audit where works are executed directly by the blocks or departments; in respect of funds made over to local bodies for execution of the rural works programme, the Comptroller of State Accounts is responsible for the audit. The information in respect of Andhra Pradesh and Bihar is being collected.

(vii) *The amount which is proposed to be spent on this scheme during the Fourth Five Year Plan may also be indicated.*

A lump sum provision of Rs. 148 crores has been made for special areas, hill areas and Rural Manpower Programme (Rural Works Programme) in the Draft Fourth Plan placed before the National Development Council recently. The exact amount to be provided specifically for the Rural Manpower Programme has not yet been indicated.

ANNEXURE I

The position of allotment of blocks under Rural Works Programme to different States

State	Allotment of Blocks				Total
	1st Series	2nd Series	3rd Series	4th Series	
1. Andhra Pradesh	3	15	73	15	106
2. Assam	3	10	20	10	43
3. Bihar . . . . .	..	4	67	10	81
4. Gujrat	2	11	20	..	33
5. Jammu & Kashmir	1	5	10	..	16
6. Kerala	2	13	16	5	36
7. Madhya Pradesh	3	9	48	5	65
8. Madras	2	25	35	10	72
9. Maharashtra	3	15	50	63	131
10. Mysore	2	13	25	5	45
11. Orissa	2	11	25	7	45
12. Punjab	2	10	19	5	36
13. Rajasthan	2	13	25	..	40
14. Uttar Pradesh	1	20	113	35	159
15. West Bengal	2	14	30	..	46
16. Himachal Pradesh	1	5	13	9	28
17. Tripura . . . . .	..	3	2	1	6
	31	196	591	180	998

ANNEXURE II

Employment generated under the Rural Works Programme.

Sl. No.	State	(Lakh Man-p-days)		
		1961-62	1962-63	1963-64
1.	Andhra Pradesh	1.57	3.72	6.68
2.	Assam	2.39	4.58	5.17
3.	Bihar	0.01	0.80	20.22
4.	Gujrat	0.67	4.02	2.29
5.	Jammu & Kashmir	0.47	0.16	0.34
6.	Kerala	0.38	0.50	1.55
7.	Madhya Pradesh	1.74	4.49	13.93
8.	Madras	3.35	0.94	27.27
9.	Maharashtra	0.78	8.75	40.44
10.	Mysore	2.91	2.21	6.08
11.	Orissa	0.41	3.77	8.73
12.	Punjab	0.53	1.72	3.53
13.	Rajasthan	1.41	2.46	3.42
14.	Uttar Pradesh	0.07	12.64	31.40
15.	West Bengal	0.40	1.56	2.11
16.	Himachal Pradesh	1.96	4.15	4.59
17.	Tripura	0.04	0.50	1.26
	TOTAL	19.09	56.08	179.03

ANNEXURE III

Rates of employment generated per 100 rupees of expenditure in different States during 1963—65.

State	Mandays of employment generated per Rs. 100 expenditure during 1963—65.
Andhra Pradesh	46
Assam	..
Bihar	59
Gujarat	..
Jammu & Kashmir	..
Kerala	40
Madhya Pradesh	67
Madras	..
Maharashtra	37
Mysore	43
Orissa	53
Punjab	18
Rajasthan	..
Uttar Pradesh	38
West Bengal	49
Himachal Pradesh	31
Tripura	..

(—) Information is being collected.

APPENDIX VII

(Para 2.3 of this Report)

GOVERNMENT OF INDIA

MINISTRY OF FOOD & AGRICULTURE

(Department of Agriculture)

Statement showing the information asked for by the P.A.C. in connection with Para XXXVII of Audit Report (Commercial)

Point No. 1:

What are the reasons for the short quantity of timber extracted during 1961-62?

Reply:

The timber extracted in different islands has to be transported to timber depots by boats etc. These boats remain unused when they are under repair and thus affect the transportation of extracted logs lying at the felling sites. The reduction in the quantity of logs transported to the Forest Depots during the year 1961-62 is, attributable to frequent break-downs of these boats during that year.

Point No. 2:

What were the targets for extraction of timber fixed for the years 1960-61 to 1964-65 and what were the quantities of timber extracted during 1963-64 and 1964-65?

Reply:

- (i) Targets for extraction from the year 1960-61 to the year 1964-65 . 60,000 tons per year.
- (ii) Quantity of timber extracted during the year 1963-64 55,827 ton logs extracted and transported.
- (iii) Quantity of timber extracted during the year 1964-65 cannot be supplied at this stage as the proforma accounts for that year have not yet been completed.

Point No. 3:

What is the present transport cost per ton of timber?

Reply:

Transport cost of Andaman timber during 1963-64 was Rs. 31·53 per ton. The Transport cost of timber for 1964-65 is not yet ready as the proforma accounts for this year have still to be completed.

Point No. 4

What steps are being taken or proposed to be taken to reduce the transport cost? Is there any plan to replace the old crafts in the near future?

Reply:

The only way to reduce the transport cost of timber in Andamans is to modernise the equipment and the replacement of the old crafts which are used for inter-island transportation of timber. For this purpose an outlay of Rs. 29 lacs was provided during the Third Five Year Plan. Under this Scheme one LCT, 9 Marine Engines, 2 Locomotives and 2 tractors in all worth Rs. 14·5 lacs have already been procured. Besides the question of procurement of 6 Tractors and 6 trucks etc., is receiving consideration in consultation with the D.G.S.& D. It has not been possible to acquire this equipment expeditiously due to the non-availability of foreign exchange and delay in procurement of the equipment through the D.G.S. & D. Apart from this, new crafts are not easily available.

A provision of Rs. 73·33 lacs has also been made in the Fourth Five Year Plan for modernization of equipment. It will, thus, be seen that everything possible is being done by the Andaman Administration to reduce heavy expenditure on maintenance and repairs of equipment by replacing the equipment and crafts which will ultimately help in reducing the cost of the transport of timber.

Point No. 5:

A brief note on the working of the Forest Department stating (i) the arrangements for extraction of timber in the Islands, (ii) Working results for the past three years and (iii) Developmental Schemes Projects being undertaken may be furnished.

Reply:

Serialim replies to these points are given below:—

- (i) The extraction of timber in Andamans is mainly done Departmentally. But in order to supplement the extractions,

small forest areas are also leased out to contractors for extraction of timber and supply of the same to Government. Some islands are, however, leased out to private parties for exploitation. Timber extracted by them is disposed of by the parties concerned according to their own choice.

- (ii) The work of Andamans Forest Department during the years 1961-62, 1962-63 and 1963-64 resulted in a net profit to the Government as given below:—

	Rs.
1961-62	25,41,401·00
1962-63	15,66,973·00
1963-64	10,83,917·00

- (iii) The following developmental schemes and projects have been undertaken by Andamans Forest Department during the Third Plan period:
- (a) *Purchase of equipment*: Details in this regard are already given against serial No. 4 above.
 - (b) *Raising of Industrial Plantations*: This scheme aims at raising matchwood and teak plantations at a total outlay of Rs. 12 lacs. So far 4187 acres of teak and 943 acres of match plantation at a cost of Rs. 12·689 lacs have been raised under this scheme.
 - (c) *Silvicultural Research*: A provision of Rs. 2·475 lacs was made during the third plan period for Silvicultural Research and experiments. This scheme was, however, held in abeyance due to National Emergency. But the same has now been revived and work thereon will start soon after the Deputy Conservator of Forest being appointed for this purpose is in position.
 - (d) *Boat building*: Against the target for construction of 50 big and small boats and one slip-way at a provision of Rs. 4·50 lacs, 8 motor boats, 48 dinghies, 5 life boats, 4 timber boats and one timber barge has been constructed at an expenditure of Rs. 3,324 lacs so far. The construction of slipway is also in hand.
 - (e) *Revision of Working Plan*: The outlay provided for this scheme is Rs. 3,900 lacs. Under this scheme the Survey of Little Andamans and preparation of preliminary working plan report of the South Andaman was completed during the first three years of the Third Plan. Further

work under this scheme is, however, held up pending the appointment of an officer for this purpose. The proposal to appoint the officer is already under active consideration.

- (f) *Other Small Schemes*: Apart from the above some other schemes like minor forest plantations, construction of rest houses, opening of training schools for foresters, etc. have also been undertaken during the Third Plan period.

Point No. 6:

Commenting on the working of Saw Mills, the P.A.C. (1962-63) had expressed the hope that it would be possible to increase the intake of the Saw Mills and also to reduce the percentage of wastage. What is the present position?

Reply:

The intake and out-turn in tons and the percentage of wastage in the Saw Mills over the past three years is given below:—

Year	Intake in tons	Out-turn in tons	Percentage of wastage (approx.)
1962-63	19,411	10,562	46
1963-64	21,458	11,738	45
1964-65	25,133	12,525	50

Point No. 7:

Is the seasoning kiln now being utilised to full capacity? (c/f para 41 of 7th Report—3rd Lok Sabha)?

Reply:

It has not been possible to utilise the seasoning kiln to full capacity due to poor demand for seasoned timber, both in the Andamans as well as in the mainland. Two consignments of 172 tons and 112 tons of seasoned timber were shipped to Calcutta and Madras respectively on trial basis during the period between October, 1962 and April, 1964. No seasoned timber has been supplied to Calcutta and Madras thereafter as the value fetched therefor in auctions held at Calcutta and Madras Depots was not favourable. The C.P.W.D. is, however, gradu-

ally becoming conscious of the benefits of seasoned timber. In addition to this local demand for seasoned timber is also likely to increase in another 5 years' time. It may thereafter be possible to utilise the seasoning plant to its full capacity.

Point No. 8:

To what extent are the creosoting plant and Ascue treatment Plant being utilised at present? (Para 42 of the 7th Report).

Reply:

The installed capacity of each of the two plants, (Creosoting and Ascue Treatment) is 12,000 tons per annum. These plants are being utilised to the extent of market demand for the treated timber. During 1964-65, 220 tons of Creosoted and 548 tons of Ascue treated timber was produced in these plants.

Point No. 9:

Certain defects in the working of the contract with the licensee in North Andamans were commented upon by the P.A.C. in para 46 of 7th Report and para 9 of the 26th Report (3rd Lok Sabha).

- (i) What is the present position of the dispute with the licensee which had been referred to arbitration?
- (ii) What further steps have been taken to ensure that the licensee firm fulfils the conditions of the contract?

Reply:

Information on these two points is given below seriatim:—

- (i) There are at present three arbitration cases between the Government and the licensees of the North Andaman Agreement of Licence in progress at Calcutta. The details of these cases are given below:—
 - (a) *1st arbitration case.*—This case is in respect of the disputes and differences arising in the working of the agreement from its inception upto the year 1960-61. The present position of this case is that the evidence and examination of the witnesses on behalf of the Government (two in number) has been completed. The counsel on behalf of the Government has commenced his arguments which are still continuing. It will be followed by arguments by the Company's Counsel and counter arguments by the Government Counsel etc.

- (b) *Second arbitration case in respect of the disputes and differences about the working of the agreement for the years 1961-62 and 1962-63.*—In all 8 sittings of the arbitrators have been held in connection with this case. So far the arbitrators are in the process of framing issues in this case. After the framing of issues evidences from both sides will have to be recorded before taking up the pleadings on the issues.
- (c) *Third arbitration case in respect of the disputes and differences about the working of the agreement for the year 1963-64.*—In this case the company has already filed its statement of claim. The Government is preparing its written (counter) statement and statement of claim which will be filed in due course. As in the above case this will be followed by framing of issues by the arbitrators, evidence and examination of witnesses from both sides and arguments etc.

No meetings of the arbitrators could be held during the months from April to August, 1965 because of the sudden illness of one of the two arbitrators. This resulted in hold up of the progress of these cases. The arbitrators are, however, now regularly meeting every month from the month of September last onwards. The completion of all these three cases is likely to take about two years.

- (ii) In May, 1963 the Government of India appointed an authorised controller under the D.I.R. for the North Andaman Undertaking of the licences of North Andaman Agreement of Licence. The authorised controller was authorised to issue directions to the Company for due fulfilment of their obligations under the North Andaman Agreement of Licence for the violation of which the Company was to become liable for prosecution under the Defence of India Rules. The company had violated certain directions of the Authorised Controller for which criminal proceedings were launched against them in the Andaman & Nicobar Islands. The company, however, moved the Calcutta High Court challenging the validity of the prosecution launched against them. The Government had taken necessary action to defend its case but the case has been decided by the High Court in favour of the Company. After examining the judgement of the High Court the Government has, however, decided to go in for

appeal against this judgement and the High Court has already been moved for grant of leave for appeal to the Supreme Court in this case.

Further developments in this case are awaited.

[This note has been vetted by audit but it has not been possible for the Audit to verify the facts and figures given in the note. The comments of the Audit, if any, arising out of the local verification of these facts and figures, will follow in due course.]

Sd./- INSPECTOR GENERAL FORESTS.

APPENDIX VIII

(Para 3.3 of this Report)

MINISTRY OF HOME AFFAIRS

*Marine Development, Andamans—Para XXXIV, Audit Report
(Commercial) 1965.*

Point No. 1—Working Results:

A statement showing the working results of the different units of the Department for the year 1963-64 may be furnished.

Reply:

1. *Working results of different units of Marine Department.*

(a) *Dock-yard*

	Rs.
Expenditure	9,66,813
Income	8,79,839
Loss	86,974

(b) *Stores*

	Rs.
Value of stock of stores on 1-4-63	14,66,640
Value of stores purchased during 63-64	13,78,576
Value of stores issued during 63-64	13,62,281
Value of stores in stock on 31-3-64	14,97,876
Gross profit as per trading account	14,941
Profit as per profit and loss account	54,354
Net profit during the year	69,295

(c) *Ferry Service.*

	Rs.
Expenditure	1,44,520
Income	61,566
Loss	82,954

NOTE : The figures indicating the working results of the units have been adopted from the proforma accounts for 1963-64 compiled by the Marine Department. The proforma accounts have not yet been audited, as such the figures are only provisional.

Point No. 2.—Dockyard:

Three copies of the Report of the Departmental Committee set up to examine the working of the Marine Department and a note setting forth the action taken thereon may be furnished.

Reply:

2. Three copies of the report of the Departmental Committee have already been sent to the Public Accounts Committee*. A note indicating the action taken on the recommendations of the Committee is enclosed (Annexure A).

Point No. 3.—Stores:

Details of the obsolete and surplus stores which were disposed of during 1963-64 at a loss of Rs. 70,100 may be given stating *inter alia*

- (a) Date of purchase
- (b) Nature of items and the purpose for which they were purchased
- (c) The manner of their disposal indicating the reasons for such a heavy loss on this account.

Reply:

3. A statement of obsolete and surplus stores disposed of during 1963-64 at a loss of Rs. 70,100 is enclosed*. As is seen from the statement, a good number of items of the stores was brought to the islands in 1945 by the reoccupation forces. Their purchase was planned at Delhi before the Allied Forces landed in the Islands in 1945. It is, therefore, not possible to find out the specific purpose for which each of the items was purchased. However, as they were lying in stock with no utility, they were declared surplus and reported to the D.G. S.&D. for disposing them of. The D.G.S.&D. authorised the Administration to dispose them of in public auction. The stores were accordingly disposed of. The amount realised in public auction fell short of their book value to the extent of Rs. 70,100 as the stores had lost all their utility. The disposal of these stores was sanctioned by the Government of India, Ministry of Home Affairs.

In respect of obsolete/surplus motor spare parts, it may be added that they were received long after they were indented for. The time taken for receipt of these parts ranged from one to three years. The

*Not printed.

delay was due to their non-availability at short notice from indigenous source . Even those spare parts which were received earlier could not be used as the other spare parts with which they should be used were not received by that time. By the time, all the necessary spares reached the Islands, most of the vehicles had outlived their normal life. Actually these vehicles which had been used in conditions of war were received from the military stock after the cessation of war in 1945. These vehicles which had outlived their life had to be condemned and disposed of. The spares thus became obsolete/surplus.

Point No. 4.—Sundry Debtors:

The position of outstanding dues as on 31st March, 1965 may be indicated.

4. The position of outstanding dues as on 31st March, 1965 from sundry debtors is as follows:—

	Rs.
(i) From Government Departments	4,38,380
(ii) From Private Parties	19,152
	<hr/> 4,57,532 <hr/>

The outstanding amount of Rs. 19,152 from private parties relates to the dues for jobs undertaken in the Dockyard prior to 31st March, 1963. Since then credits are not being given to private parties. The outstanding amount of Rs. 4,38,380 relates to the period from 1947-48 to 1962-63, details of which are attached (Annexure B).

II. Shipping Department, Andamans—Para XXXV, Audit Report (Commercial), 1965.

Point No. 1.—Working Results:

(1) A statement showing the working results for the years 1962-63 and 1963-64 may be furnished.

Reply:

1. (1) Working results for the year 1962-63.

	Income	Expenditure	Loss
	Rs.	Rs.	Rs.
M. V. Andamans	21,74,839	26,02,920	4,28,081
S. S. Cholunga	2,19,742	5,17,414	2,97,672
M. V. Nicobar	15,49,724	23,39,651	7,89,927

The above figures have been adopted from the proforma accounts for 1962-63, which have not been audited. The proforma accounts for 1963-64 have not yet been completed and therefore it is not possible now to furnish the working results for 1963-64.

Point:

(2) Reasons for delay in preparing the account for the years 1962-63 and 1963-64 may be stated.

Reply:

(2) The compilation of the proforma accounts are contingent upon the receipt of information from the Steamer Agents at Calcutta

and Madras. The information in respect of accounts for 1963-64 was received in December, 1964 only and the compilation of the accounts for 1963-64 is in hand.

As regards proforma accounts for 1962-63, it may be stated that due to vacancies in the posts of trained staff in the islands, the accounts of the Commercial Undertakings had fallen in arrears. The Administration is trying its best to adhere to the time schedule for the compilation of the accounts in future.

Point:

(3) How many complaints were received during 1963-64 and 1964-65 about the operation of cargo-cum-passenger service between mainland and Andamans? What was the nature of complaints? What remedial measures have been taken?

Reply:

(3) The complaint book placed on board the ship M.V. 'Andamans' has 8 complaints during the year 1963-64 and 10 complaints during 1964-65 recorded by the passengers. These complaints relate mostly to insanitary conditions on the ship, rude behaviour and inattention of the Canteen and Saloon Staff, unsatisfactory catering arrangements, provision of hot water, defects in fans and provision of refrigerated water etc. etc. The Shipping Corporation of India, who are responsible for maintaining the Home Ministry's vessel M.V. 'Andamans' and M.V. 'Nicobar' have reported that necessary remedial measures are being taken by them from time to time. Constant efforts are also being made to improve the sanitary conditions on the ship and to cater to the comforts of the passengers.

There were no complaints regarding M.V. Nicobar during the period in question.

Points:

(4) A statement showing the annual expenditure incurred on the survey of each ship during the period 1960-61 to 1964-65 may be furnished.

(5) For what periods each of the ships was laid up during the last five years for purposes of survey?

(4) and (5) The following table will show the annual expenditure on survey of each ship and the period for which each ship was laid up for survey:—

M. V. 'Andamans'

Year	Period of Survey	No. of days	Expenditure
			Rs.
1960-61	20-1-61 to 31-3-61	71	1,83,062
1961-62 } 1962-63 }	23-3-62 to 10-6-62	80	3,68,687
1963-64	22-9-63 to 30-11-63	70	6,29,600 (Approx.)
1964-65	20-2-65 to 9-4-65	49	5,79,750 (Approx.) (including for the period 1-4-65 to 9-4-1965)

M. V. 'Nicobar'

1960-61	21-6-60 to 28-8-60	69	4,15,918
1961-62	13-10-61 to 27-1-62	107	5,82,289
1962-63 } 1963-64 }	27-1-63 to 29-6-63	154	2,62,129
1964-65	13-6-64 to 4-12-64	175	9,75,000

S. S. 'Choulonga'

1963-64	..	..	99,241
1964-65	11-2-65 to 11-4-65	64	5,93,000* (including for period 1-4-65 to 15-4-65)

*Reimbursement not yet made to the Corpn.

T.S.S. 'Yerewa'

The ship was delivered to the Administration in January, 1965 only.

Point:

(5) Has the high-powered Committee, which was appointed in June, 1964 completed its work? If so, three copies of the report submitted by the Committee may be furnished.

Reply:

(6) The Committee has not yet completed its work.

Point:

2. Purchase of Ships:

- (1) What is the composition of the fleet maintained by the Department?
- (2) What were the proposed additional acquisitions for which funds were sanctioned during the years 1960-61 to 1963-64?
- (3) Reasons for the non-utilisation of the funds provided for the purchase of ships may be stated.
- (4) On what items was the actual expenditure incurred during the years 1960-61, 1962-63 and 1963-64 when no new ships were purchased from the funds provided for the purpose?

Reply:

2. Copies of the detailed note containing the information furnished (Annexure C).

III. General:

1. A brief note explaining the administrative set-up of Andaman and Nicobar Islands including *inter alia* (i) No. of Deptts. (ii) Revenue and Expenditure incurred on administration during the last three years (iii) The sanctioned Budget Provisions and actual expenditure on Development Schemes during the last three years and (iv) any special features may be furnished.

- (i) A note is enclosed (Annexure D).
- (ii) A statement is enclosed (Annexure E).
- (iii) A statement is enclosed (Annexure F).
- (iv) Nil.

2. Three copies of the Report of the Work Study Team on the question of re-organisation of the Chief Commissioner's Secretariat may be furnished (Page 3 of Annual Report 1963-64).

Three copies are enclosed.*

3. Three copies of the Annual General Administration Report of Andamans and Nicobar Islands may be furnished.

Three copies are enclosed.*

This has been seen by Audit.

Sd/- A. D. PANDE,
Joint Secretary to the Government of India.

ANNEXURE A

Note indicating action taken latest position on the report of the Department Committee.

(a) *Indent for Stores* (Recommendation Nos. 1 & 2)

Indents for stores are placed on the Central Purchase Organisation soon after the New Item Statement is received by the Administration.

(b) *Posting of a liaison Officer* (Recommendation No. 3)

The Deputy Director (Progress) in the D.G.S. & D. who is the liaison officer is approached demi-officially by the Administration whenever delay in the procurement of stores is reported. The Iron and Steel Controller has also nominated a liaison officer at the request of the local Administration. He too is approached demi-officially wherever necessary.

(c) *Programme of ships etc.* (Recommendation No. 4)

The dates of sailing of Private ships are generally intimated to the Head of Departments|Offices who need dangerous cargo. So far as Government ships are concerned, their programmes are published in the local daily telegrams.

(d) *3/4" timber* (Recommendation No. 5)

The cost of timber quoted by the Forest Department is very high and it is therefore not considered necessary to go in for this size of timber. The Department is therefore managing with 1" timber, and it does not effect the profit and loss account of the department as the cost of the timber is recovered from the parties.

(e) *Annual Survey of vessels* (Recommendation No. 6)

Action is taken by the Marine Department to undertake survey of various crafts according to schedule prepared by the Department. It has, however, not been possible to implement this recommendation very rigidly as the departments, owing to various difficulties, are unable to release the boats according to the time schedule.

besides, due to increase in the number of boats during the past few years and the limited capacity of the Dockyard to undertake repairs, the Dockyards now kept busy and the problem of idle labour is on the decrease now.

(f) *Idle labour* (Recommendation No. 7)

In order to minimise the idle hours of labour, it was proposed that repair works of marine crafts including that of the Forest Department should be undertaken by the Marine Dockyard. However, subsequently the matter was reconsidered by the Chief Commissioner. It was felt that the minor repairs to boats and crafts of the Forest Department should be undertaken by the Forest Department itself to ensure that repairs are carried out quickly and department works are not held up unnecessarily. It was therefore decided that only such repairs that could not be done by the Forest Department to their boats would be undertaken by the Marine Department. However, the Marine Dockyard is also now catering to the needs of the Indian Navy stationed in Port Blair. There has also been increase in work in the Dockyard as a result of expansion of shipping and marine activities in the Islands. Consequently, the problem of idle labour is considerably on the decrease now.

As and when there is demand for articles of domestic utility, they are being manufactured and supplied to public at reasonable rates against cash.

(g) *Allocation of Pay & Allowances* (Recommendation No. 8)

The matter has been finalised *vide* Chief Commissioner's order No. 1596, dated the 24th June, 1963 and No. 2106 dated the 17th August 1963 (copies enclosed).

(h) *Preparation of estimates* (Recommendation No. 9)

Estimates are being prepared in advance in respect of all minor jobs as far as possible. Where major jobs are undertaken, progressive estimates are being prepared i.e., estimates are prepared as the work is progressing and the actual work to be done is known.

(i) *Standardisation of jobs* (Recommendation No. 10)

Jobs like cleaning, scraping, chipping and painting of ships hulls and building of new boats, lighters and pontoons have been standardised. As almost all the jobs executed in the Dockyard are of repair works, further standardisation is not possible.

(j) *Replacement of Diesel Oil run, machinery by motor driven machinery (Recommendation No. 11).*

Order for a motor was placed on the D.G.S. & D. by the Harbour Master on 10th July, 1963 and the machinery is expected to be received very shortly.

(k) *Charging of rates and internal economy (Recommendation No. 12)*

This recommendation has been noted by the Marine Engineer and is being implemented.

(l) *Charges for the use of slipway (Recommendation No. 13)*

Orders have since been issued. A copy of the Chief Commissioner's Order No. 1980, dated the 1st August, 1963 is enclosed.

(m) *(Recommendation No. 14)*

(i) *Repairs to the approach road—since completed*

(ii) *Repairs to drainage near stores—since completed.*

(iii) *Barbed wire fencing around the Marine Stores Building—since completed.*

(iv) *Installation of outlet chimneys to the Blacksmithy shop and glass panes on the roof of the shop*

Glass panes have been fixed by the P.W.D. on side walls and not on the roof. The chimneys have yet to be installed by the P.W.D.

(v) *Roofing of the uncovered portions of the stores*

P.W.D. has already been requested to do it, and P.E. is being asked by the Administration to accord priority to this work.

(vi) *Supply of shoes etc. to workers*

Action for the procurement was taken. Gloves have already been purchased and supplied to workers. Supply of shoes is still awaited.

(vii) *Construction of sheds*

This work is to be done by the P.W.D. who are awaiting the supply of tubular structure required for the work from the main land.

(viii) *Minor repairs to stores building*

Since completed.

(n) *Contract system and question of incentive to workers*

(Recommendation No. 15)

In view of the fact that the contract system has already been abolished by the Government of India, the question of contract system being introduced in the Administration does not arise. In regard to the payment of incentive wages to the best workers, it may be stated that only repairing works are being undertaken in the dockyard and the nature of these works does not permit introduction of any system of incentive wages payments.

(o) *Obsolete Stores—(Recommendation No. 16)*

All obsolete stores have since been disposed of.

ANNEXURE B

Details of yearwise outstanding against Government Departments as on 31st March, 1965.

Period to which relate	Total
	Rs. P.
1947-48	606.59
1948-49	1,281.57
1949-50	544.03
1950-51	4.81
1951-52 . . . . .	..
1952-53	7,042.68
1953-54	26,584.20
1954-55	12,177.69
1955-56	17,499.01
1956-57	8,143.79
1957-58	15,010.74
1958-59	31,874.23
1959-60	83,012.69
1960-61	28,383.37
1961-62	1,24,190.45
1962-63	82,024.43
Total	4,38,380

ANNEXURE C

Note explaining the position about utilisation of funds for ships in Andaman & Nicobar Islands.

Year	Budget Provision	Actual Expenditure	Saving
(In lakhs of rupees)			
1960-61	47.50	0.28	47.22
1961-62	49.01	..	49.01
1962-63	75.00	12.73	62.27
1963-64	38.22	22.79	15.43

The year-wise position is explained below:—

1960-61

The original provision of Rs. 47.50 lakhs was made for the purchase of one inter-island vessel, three launches, one sea craft, one water boat and one touring vessel for the Chief Commissioner. The construction of these vessels could not proceed mainly due to the critical foreign exchange position of the country. As such, the entire provision in this respect was surrendered. The actual expenditure, however, resulted in an excess of Rs. 27,851 which was due to adjustment of debits in connection with expenditure incurred for the purchase of the ship 'El-Halal' (M.V. Nicobar) pertaining to previous years.

1961-62.

A provision of Rs. 49.01 lakhs—detailed below—was made in the budget for 1961-62:—

	(In lakhs of Rupees)
(i) One small ship for inter-island service	30.00
(ii) Ferry Boat (200 tons)	6.50
(iii) Two mooring boats	2.50
(iv) Chief Commissioner's touring vessel	10.00
(v) Boat (token provision)	0.01
	49.01

Due to non-delivery of these vessels and non-materialisation of full payments for the inter-island vessel before the close of the financial year, a sum of Rs. 40.79 lakhs was surrendered, the balance of Rs. 8.22 lakhs having been retained for making payment of Rs. 8 lakhs to M/s. Mazagon Docks Ltd., Bombay, in respect of the vessel 'Yerewa' under construction and Rs. 22,000 for payment in connection with the construction of mooring boats. The amount of Rs. 8 lakhs could not be paid due to non-finalisation of the agreement between the President and the Mazagon Docks Ltd. before the close of the financial year. As regards the mooring boats for which a provision of Rs. 22,000 was retained, an expenditure of Rs. 21,999 was wrongly adjusted by the A.G.C.R., New Delhi, under the head '81-Capital Outlay on Electricity Schemes.'

1962-63

A provision of Rs. 75 lakhs was made in the budget for the following:—

	(In lakhs of Rupees)
(i) Inter-island communications vessel	30.00
(ii) Touring vessel for C.C.	10.00
(iii) One Passenger-cum-Cargo ship for mainland-island service and one cargo ship	10.00
(iv) Launches for Ferry service	20.50
(v) Water Boat	4.50
	75.00

The position was reviewed towards the close of the financial year 1962-63 and it transpired that a sum of Rs. 60.80 lakhs was surplus

to requirement. The actual expenditure during the year amounted to Rs. 12.73 lakhs, detailed as under:—

	(Rs. in lakhs)
Payment to Mazagon Docks Ltd., for construction of inter-island vessel	13.00
Recovery adjustments	0.13
Less minus debit relating to 1956	(—)0.40
Net	<u>12.73</u>

1963-64

A provision of Rs. 38.22 lakhs was made in the budget for the following:—

	(In lakhs of Rupees)
(i) Water Boat	4.50
(ii) Ship for inter-island service	17.00
(iii) Inter-island ferry service (Yerewa)	16.22
(iv) Purchase of 2 engines for mooring boats	0.50
	<u>38.22</u>

Out of this, a provision of Rs. 22.79 lakhs was actually utilised and a sum of Rs. 15.48 lakhs re-appropriated to other heads as only a part payment was made for crafts and boats during the year. The actual expenditure of Rs. 22.79 lakhs was incurred as under:—

	Rs.
(i) Part payment towards construction of 110 ferry vessel	5,48,673
(ii) m.v. 'Little Andamans'	3,53,500
(iii) Tss 'Yerewa'	13,29,000
(iv) Two mooring boats	47,472
	<u>22,78,645</u>

Reasons for non-utilisation of funds provided in the budget for the purchase of ships

Inter-Island Vessel

Orders for the construction of Inter-Island Vessel were placed in September, 1960 with M/s. Mazagon Docks Ltd., after the tech-

nical experts of the D.G.. Shipping, had scrutinised the offers, but its construction could not proceed mainly due to foreign exchange difficulties. The Ministry of Finance who were formally approached for the release of foreign exchange in January 1961, agreed to release of foreign exchange of Rs. 11.90 lakhs on 14th February 1961. M/s. Mazagon Dock Ltd. demanded a further foreign exchange of Rs. 4.60 lakhs in April 1961 due to revaluation of currency, and changes in the specification and additions of some items. The Ministry of Finance with difficulty agreed to release foreign exchange worth Rs. 71,187 only on 26th October 1961. The Mazagon Dock Ltd. curtailed some of their requirements and finally demanded a minimum foreign exchange of Rs. 2.63 lakhs which the Ministry of Finance agreed to release on 17th September 1962. The vessel has now been completed and delivered to the Administration in January, 1965.

Touring Vessel

In May, 1959, quotations were invited and on 9th September 1960 order for the construction of the vessel was placed on M/s. Garden Reach Workshops in consultation with the Ministry of Finance. Subsequently, the Ministry of Finance who were approached in January, 1961, for the required foreign exchange declined in February, 1961, to release foreign exchange in view of the critical position of the foreign exchange. The question of obtaining the release of foreign exchange/credit was taken up with the Ministry of Finance many times subsequently but they were not able to provide necessary foreign exchange. Subsequently, the Ministry of Finance were able to sanction an amount of Rs. 7.62 lakhs as foreign exchange on 28th January 1964. The decision regarding the price of the vessel was taken in August, 1964 only. The acceptance of the offer of the firm was conveyed on 11th September 1964 after obtaining the clearance of the Departments of Expenditure and Economic Affairs of the Ministry of Finance. The firm undertook the job in hand but suggested some technical changes to which this Ministry conveyed to acceptance in April, 1965.

Though the construction of the vessel has been started by the firm, the Ministry of Finance have now stated that the original sanction for the foreign exchange has lapsed and have suggested that the firm be asked to explore the possibility of importing the machinery from the East European countries, in which case, that Ministry have stated, it may be possible to provide the necessary foreign exchange. Efforts are still being made to import the machinery from Holland.

Passenger-cum-Cargo Ship

Indent for the procurement of a Passenger-cum-Cargo vessel was placed on the D.G.S. & D. on 22nd January, 1962. The D.G.S. & D. called for tenders. The tenders received were not in conformity with the specifications. Revised specifications were, therefore, prepared by the Andamans Administration and a fresh indent was placed on the D.G.S. & D. on 21st February 1964. Tenders were received but considered unsuitable as the Administration suggested some vital changes in the specifications. The D.G.S. & D. cancelled the indent and advised the Administration to place a fresh indent after getting the specifications vetted by the Shipping Corporation of India. The specifications have now been finalised in consultation with the D.G., Shipping and the Shipping Corporation of India. Further action to acquire the ship is to be taken by the Ministry of Transport as the work is now proposed to be transferred to that Ministry.

Cargo Vessel

An indent for the acquisition of a cargo vessel was placed on the D.G.S. & D. on 22nd January 1962, who called for global tenders. The tenders received were not considered suitable. The Ministry of Finance agreed on 4th May 1964 to the release of Yugoslav Credit as it was then hoped that the Yugoslav tender would be accepted. This hope, however, did not materialise. The D.G.S. & D. therefore called for fresh tenders in December 1964. The D.G. Shipping commented favourably on the offer of M/s. INTRA Co. but the Administration again suggested changes in the specifications of the vessel. The specifications have now been finalised in consultation with the D.G., Shipping and the Shipping Corporation of India. Further action now rests with the Ministry of Transport.

Water Boat

Sanction for the purchase of a water boat in replacement of an existing one which was found to be unserviceable, was conveyed to the Administration on 7th July, 1959. The Administration placed an indent with the D.G.S. & D. on 6th January 1960. After calling for tenders, the D.G.S. & D. accepted the tenders of M/s. Shaparia Dock & Steel Co. Ltd., Bombay on 1st December 1961. The boat was delivered on in January 1964. The construction could not be completed earlier due to foreign exchange difficulties.

It will be seen from the above that the main reason for the non-utilisation of the budget provisions was non-availability of foreign exchange in time.

ANNEXURE D

A brief note on the Administrative set-up of the Andaman and Nicobar Islands.

The Union Territory of Andaman and Nicobar Islands is administered by the President of India, under article 239(1) of the Constitution, through an administrator designated as "Chief Commissioner".

2. The Chief Commissioner also exercises the powers of Inspector General of Police, Inspector General of Prisons, and Sessions Judge in relation to the Union Territory. Recently, however, a separate post of District and Sessions Judge has been created for the Andaman and Nicobar Islands, and action is in progress for the appointment of a suitable officer to this post.

3. The headquarters of the Union Territory of Andaman and Nicobar Islands is at Port Blair, from where the Chief Commissioner administers the Territory. At the Secretariat level, the Chief Commissioner is assisted by the following four Secretaries:—

1. The Chief Secretary.
2. The Development Commissioner-cum-Development Secretary.
3. Secretary (Finance).
4. Secretary (Judicial).

In addition to the above, the Chief Conservator of Forests also functions as *ex-officio* Secretary (Forests) to the Chief Commissioner.

4. The entire Union Territory of Andaman and Nicobar Islands comprises a single revenue, judicial and police district. The Deputy Commissioner, with his headquarters at Port Blair, is also the Collector, District Magistrate and District Judge. He has the following officers under him:—

1. The Additional Deputy Commissioner, with headquarters at Car Nicobar.

2. The Additional District Magistrate, with headquarters at Port Blair.
3. Assistant Commissioner (North and Middle Andamans), with headquarters at Mayabunder.
4. Assistant Commissioner (Nicobars), with headquarters at Nancowry.

In addition to their duties as revenue officers, these officers also exercise, magisterial functions. Therefore, in addition, the following gazetted officers under the Deputy Commissioner:—

1. The Assistant Commissioner (Settlement), who is concerned with survey and settlement work, and
2. The Treasury Officer, who is in charge of the District Treasury, Port Blair.

5. In regard to financial powers, the Chief Commissioner exercises the powers of an "Administrator" under the Delegation of Financial Powers Rules, 1958. The Chief Conservator of Forests is the only officer in the Territory who has been declared as a 'Head of Department' for the purposes of the Delegation of Financial Powers Rules, 1958.

6. The various Departments comprising the Andaman and Nicobar Administration, and the officers heading the Departments, are as follows:—

Name of Deptt.	Officer-in-charge
Forest Department	Chief Conservator of Forests.
Public Works Deptt.	Principal Engineer.
Labour Department	Deputy Commissioner (who is <i>ex-officio</i> Labour Commissioner).
Police Department	Superintendent of Police.
Agricultural Department	Director of Agriculture.
Medical and Public Health Department	Senior Medical Officer.
Marine & Shipping Department	Harbour Master.
Education Department	Education Officer.
Cottage Industries Department	Cottage Industries Officer.
Electrical Deptt.	Electrical Engineer.
Supply Department	Supply Officer.
Fisheries Deptt.	Fisheries Development Officer.
Livestock Department	Livestock Officer.
Co-operation Deptt.	Registrar of Co-operative Societies.

ANNEXURE E

Statement showing revenue and expenditure on Administration of the Union Territory of Andaman & Nicobar Islands.

Year	Revenue	Expenditure on Administration
	(In lakhs of rupees)	(Administrative Services)
1962-63 (Actuals)	159.89 (Demand Book 1964-65)	47.85 (Appropriation Accounts 62-63).
1963-64 (Actuals)	175.83 (Demand Book 1965-66)	39.55 (Appropriation Accounts 63-64).
1964-65 (Revised Estimates)	217.74 <i>ibid</i>	40.85 (Demand Book 65-66)

ANNEXURE F

Statement showing sanctioned budget provision and actual expenditure on plan schemes of the Union Territory of Andaman & Nicobar Islands.

Year	Sanctioned Budget Provision	Actual Expenditure
		(In lakhs of rupees)
1962-63	205.68	125.18
1963-64	158.02	122.50
1964-65	148.22	Not yet available

Note : The facts and figures given in the note are not susceptible to verification by Audit.

APPENDIX IX

(Para 5.15 of this Report)

MINISTRY OF INDUSTRY

SUB:—Para 104 of Audit Report (Civil) 1965, pages 146-147—Non-recovery of Instalments of Loans:

A note may be furnished stating, when the Central Government had given loan to the Delhi Garments Coop. Society, whether Government dues have any preferential claim or first charge over the Society?

A loan of Rs. 2.50 lakhs was sanctioned in favour of the Society on 25th October, 1956. Another loan of Rs. 5,000 was sanctioned to the Society on 9th May, 1959.

As regards the question whether the Government dues have any preferential claim, the position is that under the provisions of Sections 24 and 65 (1) of the Bombay Cooperative Societies Act (VII of 1925), as extended to the Union Territory of Delhi, the claim of the Government will have priority over the claims of all other creditors.

Extracts of the above quoted Sections of the Bombay Cooperative Societies Act and the Law Ministry's note dated 9th April, 1963 containing that Ministry's views in the matter are given below:—

“Section 24(1): Subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue or of a landlord in respect of rent or any money recoverable as rent.

- (a) Any debt or outstanding demand owing to a society by any member or past member shall be a first charge
- (i) upon crops or other agricultural produce raised whole or in part with a loan taken from the society by such member or past member and
 - (ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery or raw material for manufacture or workshops, godown or place of business, supplied to or purchased by such member or past member in whole or in part from

any loan whether in money or goods given to him by the society;

- (b) any outstanding demands or dues payable to a housing society by any member or past member in respect of rent, shares, loans, or purchase money or any other rights on amounts payable to such society shall be first charge upon his interest in the immovable property of the society.

* * * * *

Section 65(1): All sums due from a society or from an officer or member or past member of society as such to the Government may be recovered according to the law and under the rules for the time being in force for the recovery of arrears of land revenue."

Extract of the Ministry of Law (Department of Legal Affairs) Note U.O. No. 11648/63 dated 3rd April, 1963:

The Delhi Garments Cooperative Industrial Society Ltd. (hereinafter to be referred as Society) will be governed by the provisions of the Bombay Cooperative Societies Act (hereinafter to be referred as Act), as extended to the State of Delhi. Notwithstanding the repeal of the said Act in the parent State, the Act will continue to remain in force in the State of Delhi. As the Act has not been repealed in its application to the State of Delhi, the Society will be continued to be governed by the Act.

2. "It is not known whether the Society has liquid assets. If there are liquid assets or other assets from which money can be readily recovered, we may resort to Section 65(1) of the Act and recover sums due from the Society as arrears of land revenue. The procedure for recovery as arrears of land revenue is provided under the Punjab Revenue Recovery Act as applicable to the State of Delhi. After exhausting this remedy, the Society can be allowed to go into liquidation. Section 50(a) of the Act provides that the Liquidator appointed shall have power, with the sanction of the Registrar, to pay any class or classes of creditors in full. Resort can be had to this provision and steps may be taken to recover the Government claims in full. Section 50(f) of the Act provides that the Liquidator shall have power, with the sanction of the Registrar, to issue requisition under Section 59 upon the Collector for the recovery, as arrears of land revenue, of any sum ordered by him to be recovered as dues from members or as a contribution to the assets of the Society or to the Cost of liquidation. Action under this provision also can be taken for recovering money due to the Government from the Society."

APPENDIX X

(Para No. 5.25 of this Report)

MINISTRY OF INDUSTRY

SUB:—Para 104 of Audit Report (Civil) 1965, pages 146-147 Non-recovery of instalment of loans

Have the Ministry of Industry and Supply (Department of Industry) examined the question of fixing responsibility for the lapse for not preparing the hypothecation Document and executing it in time on anybody and if so, the result thereof.

Para. 3 of this Ministry's letter No. 32-LI(B) (2)/56 dated the 25th October, 1956 sanctioning Rs. 2.5 lakhs to the Delhi Government's Cooperative Industrial Society provided that the Society would enter into an agreement with the President of India pledging their then existing assets as well as those to be created out of the loan money in favour of the President. It was added that the payment of the loan would not be held up pending the execution of the requirement agreement. No action was taken by the Society for about three months towards the execution of the required agreement. On the 25th January, 1957, the Society approached the Government for a copy of the agreement to be executed by them. In April, 1957, the DC (SSI) was requested to prepare a model agreement form in consultation with the Director of Industries, Delhi. As the Society was functioning in Delhi, the following forms, which were used by the Delhi Administration in advancing loan to Co-operative Societies as well as to other industries under the Delhi State aid to Cottage and Small Industries Rules, 1956, were obtained by the DC(SSI) and forwarded to the Ministry on 27th June, 1957:—

- (i) Agreement form
- (ii) Mortgage Deed form
- (iii) Order form

These forms were accordingly referred to the Ministry of Law for approval on 16th July, 1957. On certain clarifications sought by the Ministry of Law on 22nd July, 1957 the following steps were suggest-

ed by the DC (SSI) on 27th August, 1957 by which the Society could ensure the security and the re-payment of the loan:—

- (i) Machinery worth Rs. 1,00,100 was purchased by the Society from the Delhi Cloth Mills on instalment basis. According to the terms of the agreement, the amount in question was payable in four equal quarterly instalments and till the completion of full payment the ownership of machinery was to vest with the Delhi Cloth Mills. By that time Rs. 50,000 had already been paid by the Society to the Delhi Cloth Mills in this connection. The Society could be persuaded to liquidate this liability and get the ownership of —the machinery transferred in its favour and thereafter to pledge the machinery in question to the Central Government as security against the Government loan.
- (ii) at that time the following trading stocks were available with the Society:—
 - (a) A.C.C. uniforms and cloth valued at nearly Rs. 95,000 lying mortgaged with the Gadodia Bank Ltd., Delhi. Against this, the overdraft in the bank stood at Rs. 56,000.
 - (b) Stock of A.C.C. uniforms worth about Rs. 55,000 lying at Patna.
 - (c) Stock of ready-made garments, raw cloth, garmateure (buttons, thread, buckles, etc.) valued at Rs. 60,000.

These stocks could not, of course, be used as security against the Government loan as their volume/value was subject to change. The factory was supplying garments to foreign customers at the rate of Rs. 15 to 20 thousands per mensem. It could be so arranged that a portion say about 10 per cent of the proceeds and export sales would be ear-marked against repayment of the Government loan. This was to utilise merely Rs. 20 thousand per mensem.

- (iii) There is an outstanding of nearly Rs. 50 thousand in the market which would be utilised by the Society to facilitate the repayments of the dues to the Delhi Cloth Mills.

The intention was that on receipt of the Society's reaction to these suggestions the question of execution of the agreement with the Society would be again referred to the Ministry of Law.

On the 27th December, 1957, the A.G.C.R. enquired if the Society had entered into an agreement with the President of India pledging

their assets in favour of the President as security against the Government loan. A reply to this reference could not be sent as the papers on the subject were still under consideration in the office of the DC(SSJ). The President of the Garments Society was however, addressed again on 21st February, 1958 to submit the required agreement to the Government in accordance with the Bye-laws of the Society.

Thereafter the attention of the Government was engaged in the following pressing problems of the Garment Society and the question of execution of agreement did not get the desired priority:—

- (i) Notice served by the Delhi Cloth Mills on the Garment Society for the vacation of their premises;
- (ii) Allotment of premises of the Match Factory of the Family Welfare Cooperative Industrial Society, since closed down, to the Garment Society and conclusion of an agreement in this regard between the two Societies;
- (iii) Absorption in the Garment Society of the retrenched women workers of the Match Factory of the Family Welfare Cooperative Industrial, Society purchase of sewing Machines and imparting training and financial provisions for grant of stipend to these trainees etc.;
- (iv) Fixation of the rent for the premises payable by the Garment Society to the Family Welfare Coop. Ind. Society in consultation with the Works Housing & Supply, Ministry (CPWD).

On the 9th March, 1959, a loan of Rs. 5,000 was sanctioned in favour of the Delhi Garment for the purchase of 25 Sewing Machines required for training the women workers retrenched by the sister Cooperative Society, namely, Family Welfare Cooperative Industrial Society. These women were about 50 in number and the intention was to provide alternative vocation to them by training them in stitching and sewing in the Garment Society. Para 3 of the sanction letter dated 9-3-59 in respect of this loan also provided that the Society would enter into an agreement with the President of India pledging their then existing assets as well as those created out of the loan money in favour of the President.

On a reminder dated 15-6-59 being received from Director of Audit, in this connection, the Society was again reminded on 24-6-59 and a subsequent reminder was also issued on 29-9-59.

On the reports of mis-management of the affairs of the Garment Society being brought to the notice of the Minister (Industry), the Minister ordered on 30th January, 1960, that a meeting be arranged with the President of the Society to discuss the problems of the Society. The meeting was accordingly held on the 16th February, 1960, where besides the Minister, Shri * * *, MP (President of The Garments Society), Mrs. * * *, (President, Family Welfare Cooperative Industrial Society), Shri * * * and Shri * * *, Secretary and Industries Officer, respectively, of the Central Social Welfare, Board, Shri * * *, (Director, Industrial Cooperatives) and Shri * * * (Deputy Secretary) were present. The following conclusions/observations were made at the meeting:—

1. Steps should be taken to put the Society in a proper working condition immediately.

2. The Managing Committee of the Society should be re-constituted with an Official Chairman to re-organise the Society on efficient lines.

3. Shri * * * should be nominated as the Vice-President of the Society.

4. The financial demands of the Society should be looked into by the re-constituted Managing Committee.

5. Minister (Industry) promised to speak to Shri * * *, and Dr. * * * regarding the reconstitution of the Society.

The implementation of the conclusions mentioned above took sometime and the Managing Committee of the Society was re-constituted on the 13th June, 1960 with Dr. * * *, as the Chairman. After about a month and a half the Managing Committee was again re-constituted on 2-8-1960 with Shri * * *, IAS (Director of Industries, Delhi) as the President.

Shri * * *, (Director, Industrial Cooperatives) took up the question of execution of an agreement by the Garments Society again in September, 1960 and on being informed that the forms of the agreement received earlier from the Delhi Administration had not been approved by the Ministry of Law, Shri * * *, directed that the necessary forms might be obtained from the Registrar of Cooperative Societies who was accordingly addressed on 5-10-1960. Three specimens of the model agreement forms received from the

Registrar; Cooperative Societies on the 15th November, 1960 were scrutinised in consultation with the Central Social Welfare Board before these were referred to the Ministry of Law on the 13th January, 1961. The file was received back from the Ministry of Law on the 4th February, 1961. That Ministry while discussing the interpretation of the words "pledge" and "assets" used in the sanction letter desired this Ministry to peruse the observations made by them and to clarify the actual intention. Clarifications were also sought by that Ministry regarding—(i) whether it was desired to have a pledge of moveable assets or a hypothecation of moveable assets without possession and (ii) whether it was always intended that the expression "assets" used in the sanction letter would include moveable as well as immovable assets of the Delhi Government Society or their moveable assets only. On 18-2-1961 the matter was again referred to the Ministry of Law who returned the file on 28-3-1961 suggesting some modifications in the form of agreement. The modified draft agreement was again referred to the Ministry of Law on 18-5-1961 and the file was received back on 7-8-1961 for making some additional changes in the draft agreement. In the meantime a form of agreement was also received from Shri * * *, President of the Society on 5-8-1961. It was felt that it would not be desirable to finalise the agreement and send it back for the signature of the President of the Society without the scrutiny of the agreement by the Ministry of Law. Director (Industrial Cooperatives), however, recorded a note on the 21st August, 1961 stressing that the agreement should be got signed by the President of the Society on that day (21-8-1961) as it was the last day of the functioning of the Managing Committee nominated by the Government; and, if necessary, the agreement could be shown to the Law Ministry later. A Fair copy of the agreement was accordingly returned to Shri Parija with the request that it should be returned duly signed to Shri * * *, Deputy Secretary, on the same day. On the 22nd August, 1961, Shri * * *, and Shri * * * took the agreement duly signed by Shri * * *, in his capacity as the President of the Society, to Shri * * *, for his signature on behalf of the Government of India. Shri * * *, did not, however, sign the agreement as it was *prima facie* defective and had not been vetted by the Ministry of Law and Ministry of Finance Shri * * * and Shri * * * took the proposed agreement personally to Shri * * * Solicitor, Ministry of Law, who agreed that the agreement was defective and had to be re-drafted. A fresh draft agreement was accordingly supplied by the Ministry of Law on the 24th March, 1962 and it was subsequently concurred in by the Ministry of Finance on the 30th June, 1962.

While the Director of Industries, Delhi (Shri * * *, President of the Government Society) was being requested to sign the agreement on behalf of the Society, it transpired that he was no longer the President of the Society as the tenure of the Government nominated Managing Committee had expired on the 21st August, 1961 and the affairs were in the hands of a new Managing Committee elected by the Members of the Society. Accordingly the elected President of the Society, Shri * * *, was invited to sign the agreement. Shri * * *, met Shri * * *, Deputy Secretary on the 24th April, 1962 and took a copy of the draft agreement for studying and promised to come to the Ministry later to sign the agreement. Subsequently, Shri * * *, informed that he would place the draft agreement before the Managing Committee of the Society before he could sign it. On 17th August, 1962 Shri * * *, informed the Government that a meeting of the Managing Committee had been called on the 9th August, 1962 to discuss the draft agreement but the members emphatically disowned the responsibility of the past liabilities amounting to Rs. 2 lakhs, which had been created due to the mis-management of the Government nominated Managing Committees headed by Political leaders.

The Society requested the Government to fix the past liabilities on the members responsible for the same and promised to pay the balance amount in easy instalments keeping in view the paying capacity of the Society.

Shri * * *, Director of Industrial Cooperatives discussed the matter again with Shri * * *, Chairman and Shri * * *, Secretary of the Society on 3-9-1962. They indicated that they were hesitating to sign the agreement as the Society was not in a position to pay instalments of Rs. 3,000 per month and also as the other terms and conditions of the loan embodied in the agreement were very strict. As regards the past loss, they were advised to approach the Registrar, Cooperative Societies for enquiring into the losses and fixing the responsibility for the same. However, they agreed to start paying the instalments against the second loan of Rs. 5,000. Shri * * *, discussed the matter again with Shri * * *, on the 25th October, 1962 but he was told that it was extremely difficult to persuade the members of the Managing Committee to agree to the signing of the agreement. Shri * * *, however, agreed to bring the Chairman of the Society, Shri * * *, to the Ministry for further discussions. Shri * * *, also spoke to Shri * * *, Deputy Registrar of Cooperative Societies and Shri * * *, who had been connected with the Society as Deputy Registrar for a long time and was at that time

in the Ministry of Food and Agriculture Shri * * *, also addressed to Shri * * *, the Development Commissioner of Delhi, who was also the Registrar of Cooperative Societies, on 1-12-1962 to help in the matter. Shri * * * later informed on 28-12-1962 that he had spoken to the representatives of the Society but they were adamant that the Government should first accept the responsibility for the losses incurred by the nominated Committee.

As no tangible results were achieved through correspondence and in the formal discussions, a meeting was held on 29-1-1963 in the Room of Shri * * *, Joint Secretary. Other officers present at the meeting were Shri * * *, Development Commissioner, Delhi, Shri * * *, Deputy Registrar, Delhi Cooperative Societies, Delhi, Shri * * *, Shri * * *, Shri * * *, etc. Taking into consideration the financial position and the defective working of the Society and the fact that society was reluctant to sign the mortgage agreement, it was decided that the Society should be liquidated and the Registrar of Cooperative Societies requested to take necessary steps in that direction. It was also decided to consult the Ministry of Law about the course of action to be adopted by the Government for the recovery of the loans from the Society in the absence of any agreement between the Government and the Society. Joint Secretary, Shri * * *, agreed to communicate formally the decisions of the Government in this regard to Shri * * *, Development Commissioner, Delhi soon after. The decision of the Government of India that the necessary steps should be taken to liquidate the Delhi Government Cooperative Industrial Society Limited was communicated to the Development Commissioner, Delhi, on the 4th March, 1963.

On the question of the enforcement of recovery of the loans advanced by the Government to the Society in the absence of a legal agreement between the Society and the Government, the advice of the Ministry of Law was sought and that Ministry advised as follows in their note dated the 3rd April, 1963:—

“The Delhi Garments Cooperative Industrial Society Limited (hereinafter to be referred as Society) will be governed by the provisions of the Bombay Cooperative Societies Act (hereinafter to be referred as Act), as extended to the State of Delhi. Notwithstanding the repeal of the said Act in the parent State, the Act will continue to remain in force in the State of Delhi. As the Act has not been repealed in its application to the State of Delhi, the Society will be continued to be governed by the Act.

2. It is not known whether the Society has liquid assets. If there are liquid assets or other assets from which money can be readily recovered, we may resort to Section 65 (I) of the Act and recover sums due from the Society as arrears of land revenue. The procedure for recovery as arrears of land revenue is provided under the Punjab revenue recovery act as applicable to the State of Delhi. After exhausting this remedy, the Society can be allowed to go into liquidation.

Section 50 (a) of the Act provides that the Liquidator appointed shall have power, with the sanction of the Registrar, to pay any class or classes of creditors in full. Resort can be had to this provision and steps may be taken to recover the Government claims in full. Section 50 (f) of the Act provides that the Liquidator shall have power, with the sanction of the Registrar, to issue requisition under Section 59 upon the Collector for the recovery, as arrears of land revenue, of any sum ordered by him to be recovered as dues from members or as a contribution to the assets of the Society or to the cost of liquidation. Action under this provision also can be taken for recovering money due to the Government from the Society."

On 1-5-1963, the Deputy Registrar of Cooperative Societies, Delhi was asked to furnish details of the liquid assets of the Garments Society. According to the information supplied by that Officer on 16-7-1963, the value of the liquid assets of the Society as on 30-4-1962, was Rs. 2,52,544 07. Subsequently, that officer furnished on 26-8-1963, the Profit & Loss statement of the Society for the years 1957-58, 1958-59, 1959-60 and 1960-61. The Profits & Losses reported for these years were as under:—

Period	Net Profit	Net Loss
1-5-57 to 30-6-58	10,995 58	..
1-7-58 to 30-6-59	..	49,750 21
1-7-59 to 30-6-60	..	1,08,881 29
1-7-60 to 30-6-61	..	14,049 42

The Deputy Registrar, Cooperative Societies, Delhi also informed that the advice of the Govt. of India to liquidate the Society had

been accepted and an inspection of the Society under Section 44 of the Bombay Cooperative Societies Act had been ordered and the inspection report had also been received and was under examination.

On 14-10-1963, the Deputy Registrar, Cooperative Societies, Delhi submitted a brief note on the working of the Garments Society during the years 1961-62 and 1962-63. According to the audited Balance Sheet of the Society for 1961-62, the Society again suffered a loss of Rs. 22,720.77. Till then, however, the accounts of the Society for 1962-63 had not been audited.

The copy of the Inspection report of the Society under Section 44 of the Bombay Cooperative Societies Act was sent to the Society with the show cause Notice No. F. 1522 (1)/4711 dated 4-10-1963 by the Registrar, Cooperative Societies, Delhi. The Society's reply received on 20-11-1963 was considered and found unsatisfactory by the Registrar, Cooperative Societies, Delhi and he ordered in March, 1964 that the Society be wound up with effect from 5-3-1964.

On an appeal made by the Garments Society on 16-3-1964 in the Court of the Chief Commissioner, Delhi against the Assistant Registrar's Winding up Order dated 11-3-1964, the Chief Commissioner's court ordered stay of the Order of the Assistant Registrar. The Stay Order of the Chief Commissioner, Delhi was automatically vacated on 1-12-1964 as the Society withdrew its appeal, on the grounds that the workers will organise themselves into another Cooperative Society, which has not, however, come up so far. Shri * * *, Assistant Registrar, Cooperative Societies, Delhi was accordingly appointed the Liquidator of the Society and was asked to proceed with the liquidation proceedings of the Society and he completed taking charge of the Society on 7-1-1965. Till October, 1965, the Liquidator had been able to recover Rs. 11,855.00 from the Sundry Debtors and other items. Another amount of Rs. 4,300. was realised from the auction of a part of readymade garments, buttons, cut-pieces etc. held on 28-9-1965. Arrangements are now in hand for the auction of the machinery, furniture, and other goods belonging to the Society.

The amount due from the Society to the Government is Rs. 2.52 lakhs. In addition, the interest payable by the Society as on 31st March, 1964 was Rs. 47,000.00 making a total of Rs. 2,99,000.00.

From the above detailed narration of the sequence of the events as they developed, it is the view of the Ministry that no individual officer could be blamed. The delay in the execution of the hypothe-

cation documents and its eventual non-execution appears almost inevitable, however, regrettable. This has been occasioned by (i) the initial decision to advance money in anticipation of the execution of the documents, (ii) the unavoidable delay that is inherent in the transaction in that the items of machinery should be first released by the Delhi Cloth Mills before they could become the property of the Society, to be mortgaged in favour of Government, (iii) the changes in the effective management of the Society and their internal differences, and, finally by the management of the workers themselves refusing to take responsibility to sign the documents.

As has already been explained, this however, is not likely to adversely affect Government's ability to recover the amount due, though this is not a completely extenuating factor.

APPENDIX XI

(Para No. 5.29 of this Report)

MINISTRY OF INDUSTRY

Sub:—Para 104 of the Audit Report (Civil) 1965, Pages 146-147 Non-recovery of instalment of loans

*A comprehensive note covering all aspects of the loans given to the Delhi Coop. Society duly supported by the relevant documents. A copy of the letter received from Shri * * *, has already been sent to the Ministry. This letter may also be taken into consideration while submitting the comprehensive note.*

Early in July 1956, the management of Delhi Cloth Mills Co. Ltd., took a decision to close down one of their units—the Garment Factory situated at Najafgarh Road, Delhi in which about 400 labourers were working. The closing of factory would have resulted in the starving of about 1500 souls. The workers were not agreeable to the contention of the management that the factory was going under losses and were very much anxious to take over the concern and run it efficiently and profitably. They were also prepared to raise the capital amongst themselves. Shri....., who was the President of the Indian National Trade Union Congress, Delhi State, approached the then Minister of Commerce and Industry, strongly supporting their cause. The management of the Delhi Cloth Mills were prepared to hand over the Garment Factory to the workers to be run on a co-operative basis provided the workers furnished satisfactory guarantee for the payment for the machinery and equipment then existing in the Garment Factory. They were even willing to accept the payment in instalments. Certain preliminary discussions took place and it was decided to start an industrial co-operative. This had the blessings of the then Minister of Commerce and Industry. The Society was accordingly registered in August 1956. In consultation with the Ministry of Finance, the Ministry of Commerce & Industry decided to assist it by giving it 10 years loan of Rs. 1,75,000 for working capital and another loan of Rs. 75,000 for share capital (the latter loan to be repaid in 2 years) as against the estimated requirement of the Society to the extent of Rs. 4.5 lakhs. The Delhi Cloth Mills who were managing this factory had invested an amount of about Rs. 22 lakhs on raw material and finished goods besides machinery and the building in that concern. They had also

the advantage of having the services of well experienced experts in the line and regular arrangement for marketing.

While performing the inauguration ceremony, the Minister for Industry in his address to the workers on 2nd September 1956, said that "they were no longer mere wage earners but partners in a co-operative enterprise. They should share the profit of their labour and therefore they should work hard to build up their cooperative and put it on sound footing". He further stated that the "Co-operative Societies had an important part to play in the establishment of the Socialistic Pattern of Society in India. In our Constitution the establishment of a Cooperative Commonwealth had been laid down as the goal towards which the nation will strive".

The sanction to the loan of Rs. 2.5 lakhs was communicated to the Delhi State Government in the Ministry of Commerce & Industry's letter No. 32-LI(B) (2)/56 dated 17th August, 1956 (copy enclosed). As, however, the loan to the Society had to be disbursed under the provisions of the Delhi State Aid to Small Scale and Cottage Industries Rules, the Delhi Administration came up with the following difficulties in the way of advancing the loan to the Society:

- (i) That the Society had no tangible security to offer for the loan. Delhi Administration asked for a clarification whether the stocks in the Society's possession acquired out of the loan could be taken as security.
- (ii) That under the Delhi State Government Rules, four times the share capital could be advanced as loan to the Society, that is to say, four times the share capital would be considered as maximum credit limit.
- (iii) That under the Delhi State Aid to Small Scale and Cottage Industries Rules, no loan beyond the maximum limit of Rs. 50,000 could be advanced to the Society.

The three points raised by the Delhi Administration were clarified as follows:—

- (i) The stocks to be acquired by the Society were undoubtedly to be taken as security against the loan.
- (ii) & (iii) The loan was intended to be sanctioned in two parts, Rs. 75,000 as a two-year loan towards the share capital and the balance of Rs. 1,75,000 as a ten-year loan towards the working capital of the Society. There was no

difficulty in granting the first loan as it was towards share capital. The second loan of Rs. 1,75,000 was well within the maximum credit limit under the Delhi State Aid to Industries Rules as the Society had a subscribed capital of Rs. 49,000 and four times of this amount worked out to Rs. 1,96,000. The maximum limit of loan of Rs. 50,000 could be waived by a directive from the Central Government.

The Delhi Administration, however, held the loan of Rs. 75,000 towards the share capital of the Society could not be sanctioned under their State Aid to Industries Rules unless a special directive in this regard was issued by the Central Government and a Resolution was passed by the State Government. Accordingly a directive was issued on 17th October, 1956 to the State Government to the effect that as the loan of Rs. 75,000 was being given to the Society towards share capital, a purpose which was not covered under the State Aid to Industries Rules, the amount in question might be placed at the disposal of the Society pending amendment of the Rules, in question.

As regards the loan of Rs. 1,75,000 it was decided that as in another month (i.e. *w.e.f.* 1st November, 1956) the Delhi Administration was to come directly and the Central Government administration, the Central Government Scheme, in question, could be put into operation without any difficulty.

For the reason that the Delhi State, which was to cease to exist on 1st November, 1956 had closed their budget by 24th October, 1956, neither of the loans of Rs. 75,000 and Rs. 1,75,000 could be disbursed by the Delhi State to the Society.

Considering that the Garments Factory's work, in the absence of funds, was entirely held up, it was decided in consultation with the Finance Ministry to sanction the loan of Rs. 2,50,000 (in two parts) to the Society directly by the late Ministry of Commerce & Industry. The necessary sanction was accordingly issued in the late Ministry of Commerce & Industry's letter No. 32-LI(B) (2)/56, dated 25th October, 1956 (copy enclosed).

The loan was to cover Rs. 75,000 towards share capital repayable in two equated annual instalments of principal and interest, and Rs. 1,75,000 as loan repayable in ten equated annual instalments of principal and interest, and was subject to the condition that the Society would pledge the existing assets, as well as those to be created out of the loan money, in favour of the President of India. The intention in sanctioning Rs. 70,000 towards share capital was that in

accordance with the approved pattern of assistance to industrial co-operative societies the money should be credited by the Society to the share capital accounts of the respective members and that the loan should be recovered from the members through the Society from their earnings and if necessary from their other resources. Another loan of Rs. 5,000 was also sanctioned in favour of the Society on 9th May, 1959 (copy of sanction letter enclosed) for the purchase of twenty-five sewing machines required for training women retrenched from a sister Cooperative Society viz. Family Welfare Cooperative Industrial Society, in the garment factory. The loan was repayable in five equated annual instalments commencing from the expiry of one year after the date of drawal of the loan.

On the 16th November, 1960, the Delhi Administration wrote to the Central Government regarding the complaint of the Registrar, Co-operative Societies, Delhi that the loan of Rs. 2.50 lakhs had been advanced to the Delhi Garments Coop. Industrial Society without their knowledge and that it would not be possible for them to take any responsibility in ensuring the repayment of the Government loans. The circumstances leading to the sanction of the loan, in question, to the Coop. Society directly by the Central Govt. were explained to the Delhi Administration in the following words and they were requested to take necessary vigilant steps to ensure that the Govt. monies were properly used and promptly repaid:—

“Please refer to your D.O. letter No. F.16(147)/56-P&D dated 20th February, 1957, on the above subject. The Delhi Garments Co-operative Industrial Society Ltd. was sanctioned a loan of Rs. 2,50,000 through the Delhi State Government vide our sanction letter No. 32-LI (B) (2)/56 dated 17th August, 1956. Till October, 1956, however, the amount was not made available to the Society by the State Government as the State Government had difficulties in doing so under the then existing rules and regulations on the subject. The matter was discussed with the Director of Industries, Delhi, by the Officers of the Ministry on several occasions and when it was found that the loan could not be advanced through the State Government, it was decided that the Central Government should sanction the loan directly to the Society. The Officers of the then Delhi State Government were fully aware of these facts and the copy of the letter of sanction had been endorsed to the State Government also. In these circumstances it is not clear why the Deputy Registrar of Coop.

●

Societies of the Delhi Administration has reported that the loan has been advanced to the Society without intimation to him. The Registrar of Coop. Societies of the Delhi Administration has been nominated to the Managing Committee of the Society to ensure effective supervision and guidance in the administration of the affairs of the Society. I am to request that the Delhi Administration may give suitable instructions to the Registrar of Coop. Societies to see that the Society manages its affairs properly and follows the rules and regulations in matters of deposit of its funds, audit, etc.

In para. 3 of your letter you have pointed out that it may not be possible for the Coop. Department of the Delhi Administration to take any responsibility for ensuring repayment of Government loans if they are passed to the Societies direct without consultation with it. I hope the circumstances leading to the issue of this particular loan direct to the Society will now be made clear to the Registrar of Coop. Societies for his information. I need hardly point out that if the Government of India have advanced loans direct to any Societies due to exigencies of circumstances, we are depending on the Administration to take necessary vigilant steps to ensure that the Government monies are properly used and the loans promptly repaid".

In view of the continued unsatisfactory working of the Society it was decided in January 1963, that the Society should be liquidated and the Registrar Cooperative Societies, Delhi, was requested to take necessary steps towards that direction. Accordingly, an inspection under Section 44 of the Bombay Cooperative Societies Act 1925, as extended to the Union Territory of Delhi, was conducted into the accounts of the Society by the Asstt. Registrar Cooperative Societies, Delhi and a show cause notice was issued to the Society together with a copy of the Inspection Report. After taking into consideration the reply received from the Society, the Asstt. Registrar ordered that the Society be wound up with effect from 5th March, 1964. He also ordered the appointment of a Liquidator of the Society *vide* his order dated 11th March, 1964. However, on an Appeal dated 16th March, 1964 by the Society in the Court of the Chief Commissioner, Delhi, against the Asstt. Registrar's order dated 1th March, 1964, the Chief Commissioner's Court has ordered stay of the order of the Asstt. Registrar.

The Stay Order of the Chief Commissioner, Delhi, was automatically vacated on 1st December, 1964, as the Society withdrew its Appeal on the ground that it had resolved to form themselves into another Coop. Society. A Liquidator was accordingly appointed to proceed with the liquidation proceedings of the Society, and he completed taking charge of the Society on 7th January, 1965. Thereafter the Liquidator invited claims against the Society and served notices on Sundry Debtors and has been able to recover Rs. 11,855. On 28th September, 1965 the Liquidator held an auction of the ready-made garments, cloth, goods in process, thread, buttons, etc. belonging to the Society and realized an amount of Rs. 4,300 (approx.) against the auction of a part of the goods. The other assets of the Society include 119 automatic electric sewing machines of good quality, which when sold/auctioned are likely to fetch good prices. The Liquidator expects to complete the liquidation of the Society by 30th June, 1966.

As regards the claim of Rs. 70,000 of M/s. * * * *vide* their letter No. MLR C/GF/1169 dated 7th August, 1956 addressed to the Registrar of Cooperative Societies, Delhi with a copy to Shri R. R. Morarka, Chairman, Public Accounts Committee, the position is explained below:—

During the course of its working, the Delhi Garments Society started dealing with M/s. * * * Aggarwal for the supply of cloth for the preparation of ready-made garments. After some time a dispute arose between the Society and the firm on the outstanding balance due to the firm from the Society and its repayment. In accordance with the terms and conditions of contract concluded earlier between the firm and the Society, the firm referred the dispute to the Mercantile Association, Delhi, and secured an Ex-party decree of Rs. 55,000. For the execution of this decree the firm approached the Court of the Sub-Judge, Delhi, Shri * * *. The execution of the decree was contested by the Society, but the Court's decision was given against the Society. The amount of the claim of the firm of Rs. 70,000 is made up of the amount of decree of Rs. 55,000 plus the compound interest on the unrealised decree amount calculated by the firm.

Since this claim arose due to Ex-party decree by the Mercantile Association, Delhi, in favour of the firm, the Society did not accept the claim and accordingly did not pass an entry in their account books. It has also not been shown by the Auditor in the Society balance sheet.

The official Liquidator of the Society, in his capacity as Assistant Registrar, Coop. Societies, Delhi, has stated that according to Section 24(1) of the Bombay Cooperative Societies Act (VII of 1925), as extended to the Union Territory of Delhi, the claims of the Government have a priority over the claims of all other creditors. The legal position in this regard has already been explained in detail. The Government loan will, therefore, be payable in the first instance. Thereafter the rent of the factory and the loan of the State Cooperative Bank, against which the Society mortgaged its goods, will be cleared. Last of all, in case any assets of the Society are left, the claims of other creditors will be paid rateably.

On the other points raised in the firm's letter dated 5th August, 1956, referred to above, the official Liquidator has furnished the following comments:—

- (a) Shri * * * *, Prop. of the firm was also one of the nominated members of the Committee of the Garments Society and he equally shares the responsibility for the losses incurred by the Society.
- (b) Shri * * * * has occasionally been writing to Dr. * * * that the Managing Committee of the Garments Society had not been crediting the actual amounts received from the parties on behalf of the Society. Shri Aggarwal has, however, never mentioned specifically the name of any particular party from whom the necessary enquiries could be made. The Liquidator has added that the Society was quite a big concern and it is physically impossible for him to examine at this stage, each and every transaction made by the Society years ago. He has, however, mentioned that the accounts of the Society were audited from year to year by the Auditor constitutionally appointed by the Registrar of Cooperative Societies.
- (c) As regards complaint regarding import licences and export incentives, the liquidator has already written to the concerned authorities. No reply has so far been received by him from the C.C.I. & E. The reply received by him regarding export incentives is under his examination. The liquidator has stated that if irregularity is detected, the matter will be referred to the police for investigation.
- (d) Regarding the allegation that the parts of the machines were changed, the liquidator has stated that the verification of this matter at this stage as well as the fixation of

responsibility is physically impossible. If, however, any such case is detected, action under Section 50A of the Bombay Cooperative Societies Act will be taken.

- (e) The liquidator is investigating the complaints against the office bearers and if any act of omission on the part of any office bearers comes to his notice, the necessary legal action will be resorted to.
- (f) In connection with the complaint of the firm regarding the behaviour of the liquidator, the liquidator has stated that it is beyond his competence to arrange the payments of the so called claim of Rs. 70,000 in preference to the claims of the Government, the Landlord and the State Cooperative Bank contrary to the provisions made under Section 24 of Bombay Cooperative Societies Act (VII of 1925) as extended to Delhi.

No. 32-LI(B) (2)/56

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 17th August, 1956.

From

Shri N. S. Vaidyanathan,
Under Secy. to the Govt. of India.

To

The Secretary to the Govt. of Delhi,
Department of Industries & Labour,
Delhi State Secretariat, Delhi.

SUB:—Small Scale Industries—Loan of Rs. 2.5 lakhs to the Delhi State Government for being disbursed as loan to the Delhi Garments Co-operative Industrial Society Ltd.

Sir,

I am directed to refer to the correspondence ending with your letter No. 13(151)/56-I.&L. dated the 6th August, 1956 and to convey the sanction of the President to the grant of a loan of Rs. 2,50,000 (Rupees two lakhs and fifty thousand only) to the Delhi Government for being relented as a loan to the Delhi Government Co-operative Industrial Society Ltd.

2. The Accountant General, Central Revenues, New Delhi is being requested to make necessary arrangements for payment immediately. The date on which the loan is drawn may kindly be intimated to this Ministry in due course.

3. The loan will be repayable to the Government of India in ten equated annual instalments of principal and interest at 4 per cent (four per cent) per annum. The first instalment of repayment will fall due on the second anniversary date of the drawal of the loan. Simple interest at the rate fixed will be charged from the date of drawal for the intervening period, the amount of interest so due being payable with the first instalment of the repayment of the loan.

4. The rate of interest to be charged from the society should be 2½ per cent only. The difference between the rate of interest at which the loan is being sanctioned to the State Government and the rate of interest at which the loan will be placed at the disposal of the society will be given to the State Government as a subsidy by the Government of India.

5. The expenditure involved will be charged to the Head "Loans and Advances by the Central Government—Loans to Part 'C' States—Loans for development of Small-Scale Industries" and should be met from within the sanctioned grant for 1956-57.

Yours faithfully,

Sd/- N. S. VAIDYANATHAN,
Under Secretary to the Govt. of India.

No. 32-LI(B) (2)/56

Copy to:—

1. *The Ministry of Finance (C.I. & S. Division) for communication to the Accountant General, Central Revenues, New Delhi. Sanction has accorded by this Ministry with the concurrence of the Ministry of Finance (C.I. & S. Division) *vide* their U.O. No. CI/4702 dated the 17th August, 1956.

The Accountant General, Central Revenues, New Delhi is requested to take necessary action in the matter with regard to para 2 above under intimation to this Ministry.

*With 6 spare copies.

2. The Development Commissioner, Small Scale Industries, Shahjahan Road, New Delhi (Shri L. N. Renu).

3. Planning Commission, New Delhi.

4. The Secretary to the Government of Delhi, Finance Department, Delhi.

5. The Joint Development Commissioner for Small Scale Industries (Northern Region), Institution of Engineers Building (Near Harding Bridge), Mathura Road, New Delhi.

Sd/- N. S. VAIDYANATHAN,
Under Secy. to the Govt. of India.

(COPY)

IMMEDIATE

No. 32-LI(B) (2)/56

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

New Delhi, the 25th October, 1956.

From

Shri P. N. Chakravarti, I.A.S.,
Deputy Secretary to the Government of India.

To

The Accountant General, Central Revenues, New Delhi.

SUBJECT: *Small Scale Industries—Delhi Garments Cooperative Industrial Society, Ltd., Delhi—Loan of Rs. 2,50,000 (Rupees two lakhs and fifty thousand only) sanctioned.*

Sir,

I am directed to convey the sanction of the President to the grant of a loan of Rs. 2,50,000 (Rupees two lakhs and fifty thousand only) to the Delhi Garments Cooperative Industrial Society, Ltd., Delhi.

2. The loan shall bear interest at 2½ per cent (two and a half percent) per annum. Out of the amount of Rs. 2,50,000, a sum of

Rs. 75,000 (Rupees seventy-five thousand only) is towards share Capital of the Society and will be repayable to the Government of India in 2 equated annual instalments of principal and interest. The balance amount, of Rs. 1,75,000 (Rupees one lakh and seventy-five thousand only) will be repayable to the Government of India, in 10 equated annual instalments of principal and interest.

The first instalment of repayment will fall due on the second anniversary date of the drawal of the loan. Simple interest at the rate fixed will be charged from the date of drawal for the intervening period, the amount of interest so due being payable with the first instalment of the repayment of the loan.

3. The Society shall enter into an agreement with the President of India pledging their existing assets as well as those to be created out of the loan money in favour of the President. The payment of the loan will not, however, be held up pending the execution of the agreement.

4. The Secretary, Delhi Garments Cooperative Industrial Society, Ltd., Delhi, is requested to furnish a bill in simple receipt form (in duplicate) for countersignature and arranging payment. The Accountant General, Central Revenues is requested to intimate to this Ministry in due course the date on which the loan is actually drawn by the Society.

5. The expenditure involved is debitable to the head—"O-Loans and Advances—Interest bearing Advances A.1(8)—Miscellaneous loans and Advances—Loans for the development of Small Scale Industries"—and should be met from within the sanctioned grant for 1956-57.

Yours faithfully,

Sd/- P. K. CHAKRAVARTI,

Deputy Secretary to the Govt. of India.

Copy forwarded to:—

1. *Ministry of Finance (C.I. & S. Division) for communication to the Accountant General, Central Revenues, New Delhi. Sanction has been given with the concurrence of the Ministry of Finance (C.I. & S. Division) vide their U.O. No. CI/6510 dated the 25th October, 1956.

2. The Secretary, Delhi Garments Cooperative Industrial Society, Ltd., Najafgarh Road, New Delhi.

* With five spare copies.

3. Planning Commission, New Delhi (with 2 copies).
4. The Secretary to the Government of Delhi, Finance Department, Delhi State Secretariat, Delhi.
5. The Development Commissioner for Small-Scale Industries, 114—Sunder Nagar, New Delhi.
6. The Joint Development Commissioner for Small Scale Industries, Institution of Engineers Buildings, Near Hardinge Bridge, Mathura Road, New Delhi.

Sd./- P. K. CHAKRAVARTI,
Deputy Secretary to the Govt. of India.

(COPY)

IMMEDIATE

No. 35-SSI (B) (2) /58-II

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 9th May, 1959.

From

Shri T. S. Seshukutty,
Under Secretary to the Govt. of India.

To

The Director of Audit,
Food, Rehabilitation, Supply,
Commerce, Steel & Mines,
New Delhi.

SUBJECT: *Small-Scale Industries—Delhi Garments Co-operative Industrial Society Ltd.—Loan of Rs. 5,000 sanctioned.*

Sir,

I am directed to convey the sanction of the President to the grant of a loan of Rs. 5,000 (Rupees five thousand only) to the Delhi Garments Cooperative Industrial Society Ltd., New Delhi, for the purchase of twenty-five sewing machines required for giving training to women.

2. The loan shall bear interest at 4½ per cent per annum and shall be repaid by the Society in five equated annual instalments commencing from the expiry of one year after the date of drawal of the loan.

3. The Society shall enter into an agreement with the President of India pledging their existing assets as well as those to be created out of the loan money in favour of the President.

4. The President, Delhi Garments Cooperative Industrial Society Ltd., Delhi is requested to furnish a bill in simple receipt form (in duplicate) for countersignature and arranging payment. The Director of Audit, New Delhi is requested to intimate to this Ministry in due course the date on which the loan is actually drawn by the Society.

5. The expenditure involved will be charged to the head "O—loans and Advances—Loans and Advances by Central Government—A. 8—Miscellaneous Loans and Advances—Loans for development of Small-Scale Industries" and should be met from within the sanctioned grant for 1959-60.

6. This Ministry's letter of even number dated 9th March, 1959, may be treated as cancelled.

Yours faithfully,

Sd/- T. S. SESHUKUTTY,

Under Secretary to the Govt. of India.

No. 35-SSI (B) (2)/58-II.

Copy forwarded to:—

*Finance I Branch for communication to Director of Audit, Commerce, Steel and Mines, Food, Rehabilitation and Supply (Commerce, Steel and Mines Wing), New Delhi with reference to their U.O. No. FIN (1)/IS/528 dated 22nd April, 1959.

2. The President, Delhi Garments Cooperative Industrial Society Ltd., Najafgarh Road, New Delhi.

3. Planning Commission, New Delhi. (2 copies).

4. The Secretary to the Delhi Administration, Finance Department, Delhi.

5. Development Commissioner for Small Scale Industries, Shahjahan Road, New Delhi (Branch Sectt.)

• With five spare copies.

6. Joint Development Commissioner (Small-Scale Industries),
56, Sunder Nagar, New Delhi.

7. The Director of Industries and Labour, Delhi.

8. Ministry of Home Affairs, New Delhi.

Sd/- T. S. SESHUKUTTY,
Under Secretary to the Govt. of India.

APPENDIX XII

para I of this Report]

Receipts and Payments Accounts of the Iron and Steel Equalisation Fund for the year 1963-64.

(As prepared by the Iron and Steel Controller, Calcutta)

Receipts	1962-63 (Rs. in lakhs)	1963-64 (Rs. in lakhs)	Payments	1962-63 (Rs. in lakhs)	1963-64 (Rs. in lakhs)
1	2	3	4	5	6
1. Opening cash balance	5288.98	6405.98	1. Payments due to increase in Retention Prices allowed to Main Producers and the adjustment on account of Railway Freight on despatches made on F.O.R. Destination basis :—		
2. Surcharge representing difference between the Retention and Selling Prices of Steel produced by the Producers :—					
(a) Private Sector including Mysore Iron and Steel Co.	1810.14	827.16	(a) Private Sector including Mysore Iron and Steel Co.	1325.51	738.21
(b) Public Sector	1442.16	401.08	(b) Public Sector	734.89	556.62
(c) Re-Rollers	124.14	47.75			
3. Surcharge realised in respect of the difference between the Landed Cost and Statutory Selling Prices on Imported Steel :—			2. Payment of Subsidy on Imported Steel:		
(a) Tender Purchases	41.14	55.17	(a) Tender purchases	95.34	30.00
(b) Bulk Purchases on Government to Government basis	0.06	0.05	(b) Bulk Purchases on Government to Government basis	26.00	7.62
4. Revaluation of the stock of steel with stockists on changes in Statutory Selling Prices	7.32	11.96	3. Payment of Subsidy on Exports		0.41
5. Realisation from the Controlled Stockists and Export Promotion Quota-holders on account of the difference between the normal and concessional prices of Iron and Steel materials transferred to normal stock	1.09	0.43	4. Payment to Re-Rollers in respect of Railway Freight Transport and other incidental charges on account of raw materials, despatches of finished products at F.O.R. Destination rates.	127.30	101.42
			5. Payment to Controlled Stockists being refund of the amount realised in excess on account of re-valuation of the stock with them due to changes in Statutory selling prices . . . . .	..	5.39

	1	2	3	4	5	6
6. Other Miscellaneous Receipts			0.44	6. Payment to Export Promotion Quota-holders on account of the difference between the normal and concessional prices of the iron and steel materials	0.01	..
				7. Other Miscellaneous Payments . . . . .	..	2.73
				8. Closing Cash Balance	6405.98	6307.62
TOTAL		8715.03	7750.02		8715.03	7750.02

APPENDIX XIV
(Para. 7. 40 of this Report)

Statement of Receipts and Expenditure of the Coal Board for the year ended 31st March, 1964.

RECEIPTS**PAYMENTS**

1960-63 Rs.	Particulars	1963-64 Rs.	1962-63 Rs.	Particulars	1963-64 Rs.
	<i>Opening balance</i>				
339·00	(1) Cash in hand :				
	(i) Calcutta	370·00			
	(ii) Dhanbad	} Nil.	2,95,107		
	(iii) Asansol		6,72,758		
	(iv) Chhindwara		4,71,180		
	(2) At the State Bank of India :		4,83,939		
60,79,285	(a) Calcutta Current account	14,30,178	75,478		
	(b) Dhanbad Current account		19,98,462		
83,421	(c) Asansol Current account	29,005			
51,445	(d) Chhindwara Current account	28,134	—4,062		
22,895	(e) Short term deposit	34,737			
1,00,00,000	(f) Invested in Government of India Loan	30,00,000	19,94,400		
1,27,10,412		1,25,69,012			
			51,90,190		
2,89,48,397		1,70,91,436	1,59,10,038		
			1,78,676		
4,95,407	(3) Repayment of loan for purchase of stowing plants	9,29,048	2,12,78,904		
4,05,46,195	(4) Excise duty received under Sec. II	4,60,16,059			
8,83,698	(5) Interest on investment	9,60,077	6,21,048		
				I. Revenue Expenditure	
				A. Administration of the Board :	
				(i) By pay to officers	3,94,081
				(ii) By pay to staff	8,04,971
				(iii) By allowances etc.	5,14,657
				(iv) By contingencies	4,23,890
				(v) By Grants-in-aid	1,00,684
				(vi) Pm Advance to staff	1,485
				(vii) Advance for conveyance to staff	22,39,768
					16,642
					22,56,410
				B. Grant of stowing materials etc.	
				(i) Voluntary stowing for safety	90,44,618
				(ii) Voluntary stowing for conservation	1,99,70,265
				(iii) Grant of loan for purchase of stowing plants	2,90,14,883
				(iv) Assistance for open cast mining . . . . .	..
				C. Other measures connected with the Administration of the Act—Refund of stowing excise duty.	3,03,808

RECEIPTS

PAYMENTS

1962-63 Rs.	Particulars	1963-64 Rs.	1962-63 Rs.	1963-64 Rs.
10,190	(6) Miscellaneous Receipts	21,473	15,67,982	D. (i) Protective works 20,49,337
2,445	(7) Recovery of water charges	3,751	9,00,000	(ii) Contribution to Mining Research Station 8,25,000
			24,67,982	<u>28,74,337</u>
28,643	(8) Recovery of rents for buildings in coal-fields	31,520	1,31,60,961	E. Assistance to collieries handicapped by adverse factors etc. 1,59,98,772
29,400	(9) Contractors security deposit	59,349		F. Central Ropeway Scheme
1,87,650	(10) Recovery of pay allowances of the staff for committee on assessment of resources 17,380		22,954	G. Miscellaneous :
	(11) Loans from Government of India 2,00,00,000			(i) Repairs and maintenance of building in coalfields 5,777
			1,26,370	(ii) Lump sum provision for unforeseen expenditure 54,062
			<u>1,49,324</u>	<u>59,839</u>
				H. Refund of contractor's security deposit 23,341
<u>7,11,32,025</u>		<u>8,51,30,093</u>	<u>3,97,49,848</u>	<u>5,05,31,390</u>
			1,41,92,923	Capital Expenditure :
			97,818	(i) Central Ropeway Scheme]. 1,30,06,606
			<u>1,42,90,741</u>	(ii) Buildings for office accommodation 1,25,810
				<u>1,31,22,416</u>

Balance at close

370	Cash in hand at Calcutta	.	.	.	409
..	Cash in hand at Dhanbad	.	.	.	..
..	Cash in hand at Asansol	.	.	.	..
	Cash in hand at Chhindwara	.	.	.	..
<i>At the State Bank of India :</i>					
14,30,178	(a) Calcutta current a/c.	.	.	(-)	8,34,646
29,005	(b) Dhanbad current a/c.	.	.	.	48,728
..	(c) Dhanbad current /ac. No. 2	.	.	.	50,000
28,134	(d) Asansol current a/c.	.	.	.	61,294
..	(e) Asansol current account	.	.	.	50,000
34,737	(f) Chhindwara current a/c.	.	.	.	36,929
30,00,000	(g) Short term deposit	.	.	.	1,60,00,000
1,25,69,012	(h) Invested in Govt. of India Loans	.	.	.	60,63,573
<u>1,70,91,436</u>					<u>**2,14,76,287</u>

**Includes Rs. 94,725 on account of contractors' security deposits.

7,11,32,025

8,51,30,093 711,32,025

8,51,30,093

Sd/- Accounts Officer,
Coal Board.

Sd/- Secretary
Coal Board.

Sd/- Chairman
Coal Board.

I have examined the foregoing accounts of the Coal Board. I have obtained all the explanations and information that I have required, and subject to the observations in the separate audit report, I certify as a result of my audit, that in my opinion these accounts are properly drawn up so as to exhibit a true and fair view of the state of affairs of the concern according to the best of my information and explanations given to me and as shown by the books of concern

Sd/- D. D. DHINGRA,
Accountant General.

APPENDIX XIV

(Para No. 8·10 of this Report)

MINISTRY OF REHABILITATION

SUBJECT: Para 51 of Audit Report (Civil) 1965 pages 63—66—Compensation Pool 1963-64.

(A) Payments of Compensation:

- (i) A statement showing the latest position regarding the total number of compensation applications received and the total number pending out of them with the Chief Settlement Commissioner may be furnished.
- (ii) Which is the earliest case pending for disposal (the date since when it is pending may also be indicated)?

The information is furnished below:

- (i) The total number of compensation applications including R. G. applications registered with the various Regional Settlement Commissioners so far is 5.06 lacs. Out of this number only 846 compensation and R. G. cases are pending with the different Regional Settlement Commissioners.
- (ii) The earliest case pending bears registration No. B/T|47|3609|IVNT. This case was registered on 21st July, 1953.

V. NANJAPPA,

Secretary to the Govt. of India.

NEW DELHI,

Dated the 7th February, 1966.

APPENDIX XV

(Para No. 8·10 of this Report)

MINISTRY OF REHABILITATION

SUB:—Para 51 of Audit Report (Civil) 1965 Pages 63—66—Compensation Pool 1963-64.

(A) Payments of Compensation

What is the value of the evacuee property (throughout India) which still remains to be disposed of?

The information is furnished below.

The total value of urban acquired evacuee properties, which still remain to be disposed of in Jullundur, Delhi, U.P., Bombay and Indore regions comes to Rs. 1·91 crores. The information in respect of Jaipur and Patna regions is still awaited.

V. NANJAPPA,

Secretary to the Govt. of India.

NEW DELHI;

Dated the 7th February, 1966.

APPENDIX XVI

(Para No. 8-13 of this Report)

MINISTRY OF REHABILITATION

Sub:—Para 51 of Audit Report (Civil) 1965.

(A) Payment of compensation.

(iv) A statement showing the number of cases (out of the 13,000 pending cases) where Government have actually held auctions more than twice may be furnished. The statement may also include information whether by postponing these auctions or by re-auctions, Government have realised a better price or a lower price.

The information is given below:

STATEMENT SHOWING THE NUMBER OF PROPERTIES
(OUT OF 13,000 PENDING CASES) WHICH HAVE BEEN
PUT TO AUCTION MORE THAN TWICE AND WHETHER
BY POSTPONING THOSE AUCTIONS OR BY RE-
AUCTIONS GOVERNMENT HAVE REALISED
A BETTER OR LOWER PRICE.

1. No. of properties which have been put to auction more than twice.	801
2. No. of cases in which the subsequent bids were more than the first bid.	117
3. No. of cases in which the subsequent bids were less than the first bid.	187
4. No. of cases in which no bids were offered in subsequent auctions.	31
5. No. of properties which were put to auction more than twice but subsequently decision taken to dispose them of through tenders. (These properties have not yet been disposed of).	466

Note:—The above figures do not include the information in respect of U.P. & Patna regions as the information from the A.S.C. I.C., U.P. & Patna is still awaited.

V. NANJAPPA,

Secretary to the Govt. of India.

NEW DELHI;

Dated 7th February, 1966.

APPENDIX XVII

(Para No. 8:19 of the Report)

MINISTRY OF REHABILITATION

Para 51 (pages 63—66) on Compensation Pool—of Appropriation Accounts (Civil), 1963-64 and Audit Report thereon.

(B) Arrears of rent etc.—Acquired evacuee properties.

A note explaining in detail the reductions made in the demand as a result of corrections may be furnished. Reasons for making these correction may also be indicated.

Reply:

Details of all the properties under the management of the Custodians/Regional Settlement Commissioners are entered in the Rent, Demand & Collection Registers which indicate rental dues and the recovery made in respect thereof from each occupant. Notices for recovery of the arrears of rent are also issued on the basis of the entries in the Rent, Demand & Collection Registers. It has, however, come to the notice of the Custodians/Regional Settlement Commissioners that figures mentioned in the Rent, Demand & Collection Registers are not always correct. Therefore, before action for recovery of the arrears of rent is taken, it becomes necessary to correct the rental demand. The reasons which have necessitated undertaking correction of the demand are generally as under:—

1. In many cases, the displaced persons on their arrival in India just occupied the houses which they found vacant. After their names were taken on record, many changes took place in occupancy. The displaced persons kept on moving from one place to another. These changes in occupancy necessitated correction of the record.
2. In some cases, correction became necessary as the occupants filed appeals/revisions against the orders of the Asstt. Custodians in fixing rents. When the orders were passed revising the rents the records had to be corrected as in the meantime demand continued to be shown on the old rates.

3. According to the rules, the transferees of the properties whether claimants or non-claimants are not liable to pay rents from certain dates. In case of claimant, the liability to pay rent ceases from the 1st of the following month in which he filed the compensation Application Form. In case of non-claimant, the liability ceases from 1.10.1955 where the initial instalment was paid, before 1.11.1959. The demand, however, continued to be shown against them as the conveyance Deeds/Sale Certificates were issued much later and intimation to that effect was also received late by the officials on the accounts side who were responsible for making posting in the Rent, Demand & Collection Registers.
4. In certain cases, recoveries effected by adjustment against claims were not given credit of in the Rent, Demand & Collection Registers as the recovery schedules were not linked. This fact came to notice when the defaulters were contacted at spot by squad or when notices were issued to clear the arrears.
5. Where the properties were released/restored under the Provisions of Administration of Evacuee Property Act, the rent actually realised by the department was to be refunded to the restorees. The demand which had in the meantime been carried forward was to be deleted.

It will thus be seen that correction is nothing but deletion of unreal demand.

V. NANJAPPA,
Secretary to the Govt. of India.

NEW DELHI;

Dated 19th March, 1968.

F. No. 16(12)/L and R/66.

APPENDIX XVIII

(Para No. 8·31 of this Report)

Para 51(B) pages 63—66—Compensation Pool—of Appropriation Accounts (Civil), 1963-64 and Audit Report thereon.

Arrears of rent etc.—Government Built Properties in Delhi.

- (i) When was the total amount of arrears of rent of Rs. 26·74 lakhs due for recovery and to which period these arrears relate?
- (ii) The yearly realisation of arrears of rent from Government & private parties separately may be furnished.

Reply

The position with regard to the above two items is as under:—

- (i) The sum of Rs. 26·74 lakhs was due for recovery as arrears of rent in respect of Government Built Properties in Delhi on 1st January, 1966. These arrears represent the cumulative demand relating to the previous years remaining unrealised on that date. The realisation effected in a particular year covers the demand relating to that year as well as demands in respect of the previous years. The sum of Rs. 26·74 lakhs, therefore, represents the arrears outstanding from the beginning upto 31st December, 1965. The yearwise break-up, however, is not available. Its determination will involve a lot of labour and time which may not be commensurate with the results to be achieved.
- (ii) The figures of yearly realisation of the arrears of rent have been worked out in respect of the last 3 years. The amount collected from private parties during these three years is as under:—

Year	Figures in lakhs
	Rs.
1963-64	5·39
1964-65	10·65
1965-66 (upto 12/65)	4·66

As regards the Government Departments, it may be stated that the arrears to the tune of Rs. 3.67 lakhs are outstanding against the Police Department, Social Welfare Directorate, C.P.W.D., Health Department, P. & T. Department, Education Department etc. These departments had been allotted or had occupied quarters to render services to the displaced persons in the colonies. The question of recovery of the arrears of rent has already been taken with the various departments. The Police Department have already accepted the demand of about Rs. 99,000. Similarly, the P&T Department have admitted claim to the extent of Rs. 2,034.62 p. It is expected that the amount already admitted will be paid by the departments concerned very shortly. Other departments have raised certain queries or have asked for further details. Necessary action in this regard is being taken by the Regional Settlement Commissioner, Delhi and it is hoped that after the discrepancies are reconciled, it will be possible to effect recovery of the arrears of rent.

Sd./- V. NANJAPPA,
Secretary to the Government of India.

APPENDIX XIX

(Para No. 8 52 of this Report)

MINISTRY OF REHABILITATION

Item 51(E)—Transfer of Residual Work to U.P. Government

The correct position with regard to the transfer of certain items of work of the Settlement Organisation to the U.P. Government is as under:—

1. The decision to transfer certain items of work relating to the collection of dues and disposal of properties to the Revenue Department of the U.P. Government on commission basis was taken in May, 1963. In order to implement this decision it was necessary to transfer the relevant records to the Revenue Department. At the time when the decision was taken the work relating to Government built properties in some of the districts was being done by the officers of the Settlement Organisation while in the remaining districts this work was being done by the District Relief & Rehabilitation officers under the Relief and Rehabilitation Department of the State Government and the expenditure on this establishment was borne by the Central Government. So far as the districts of which the work was being done directly by the Settlement Organisation, necessary lists of the properties and the dues recoverable were prepared and passed on to the Revenue Department. For the remaining districts where the work was being done by the District Relief and Rehabilitation Officers who were functioning under the control of the Relief and Rehabilitation Department of the State Government they were required to take necessary action to transfer the pending work to Revenue Department. The Relief and Rehabilitation Department reduced their field staff pending transfer of the work to Revenue Department. It was noticed that considerable delay was occurring in the State Rehabilitation Department in issuing sale/conveyance deeds to the displaced persons from West Pakistan to whom Government-built properties had been disposed of under the provisions of the Displaced Persons (Compensation & Rehabilitation) Act, 1954 by the office of the Relief and Rehabilitation Department of the State Government. To obviate these delays, it was decided in consultation with the Government of U.P., that all files in the District Relief & Rehabilitation Offices, where the cost of Government-built properties or lands placed into the "Compensation Pool" and disposed of under the Displaced Persons (Compensation & Rehabilitation) Act, 1954, had been fully

recovered from the parties concerned or the case was just pending adjustment in the office of the ASC may be transferred to the Managing Officer of the Ministry of Rehabilitation, Government of India, for further necessary action in the matter.

As regards the work relating to recovery of balance price of properties disposed of on instalment basis, the work has to be handed over by the State Relief and Rehabilitation Department to the officers of the Revenue Department. This work has not been taken over by the Settlement Organisation.

2. Since the process of transfer of the records relating to the various items of work to the Revenue Department of the State Government is still in progress, the office of the ASC is continuing to accept any payments in respect of cost of properties offered by the parties to the office of the ASC's Organisation. The ASC's office issues necessary transfer documents where full payments are received. There is no decision or intention to take back any work which has been transferred to the State Government. The ASC's organisation is only handling work which has not yet been transferred but is in the process of being transferred. The Revenue Department of the State Government will be paid commission only on such recoveries as are made by them on the basis of lists or record transferred to that Department. The question of making any payment to the Revenue Department for the recoveries or the work done by the Settlement Organisation or the District Relief & Rehabilitation Officers under the Relief and Rehabilitation Department of State Government, pending the complete transfer of the work to the State Government, does not arise.

3. It may be mentioned that besides U.P. the work relating to recoveries of Central Government dues and disposal of properties etc. has been transferred in Gujrat and Andhra Pradesh and work relating to recovery of rent has been transferred in Mysore and Kerala. The progress of work transferred to these States, however, has not been satisfactory and we are examining the steps to be taken to accelerate this work.

We have also decided to transfer the work relating to recovery of Central Government dues and disposal of the remaining properties in Madhya Pradesh and Rajasthan. Necessary action to prepare relevant records for transfer is being taken.

APPENDIX XX

(Para No. 8.84 of this Report)

Para 53 of Audit Report (Civil) 1965, pages 67-68—Dandakaranya Project:

Extra expenditure on purchase of trailers:

A detailed note regarding the supply of 40 numbers of 3-ton trailers (out of which 20 were supplied during April—June, 1960 and balance in March, 1961) may be furnished. Reason for delay of one year from the date of acceptance or original quotations in the supply of 20 trailers and also the reasons for condoning this delay may also be indicated.

Reply

(a) *The circumstances under which the orders for the supply of 40 trailers was reduced to 10 on the same date (viz. 28th March, 1960).*

A copy of the Director of Stores Purchase letter No. DSP/DNK/59—102—B, dated the 28th March, 1960 issued to the firm is enclosed. (Annexure I).

The original letter dated 28th March, 1960 indicated that the offer had been accepted for 40 nos. of trailers and the firm was requested to deliver the goods immediately and that formal order would follow in due course.

The supply order for 40 nos. of trailers had been placed by the Director of Stores Purchase without obtaining the approval of the Chief Administrators and the concurrence of the Financial Adviser.

Since the transaction involved was a single tender purchase, it required the prior approval of the Chief Administrator and required the concurrence of the Financial Adviser and ratification by the D.D.A. and since the Director of Stores Purchase was acting in anticipation of the approval of the Chief Administrator and concurrence of the Financial Adviser, he felt it safer to reduce the commitment from nearly Rs. 1.40 lakhs to Rs. 35,000.

The immediate despatch order, however, was restored to 20 on the basis of the instructions received from the Chief Administrator in his telegram dated 29th March, 1960 (vide para 4 Director of Stores Purchase's note dated 2nd May, 1960—Key 5).

The Director of Stores Purchase also visited the firm's factory on 30th March, 1960 and confirmed that 20 trailers could be despatched immediately and the balance order for 20 nos. was suspended till further instructions.

The proposal to place orders for 40 nos. of 3 ton trailers with M/s * * * was got approved by the Chief Administrator on 14th May, 1960 and concurred in by the Financial Adviser on 22nd June, 1960 and the formal supply order No. 102-B/585 dated 6th August, 1960 was placed on the firm for supply of 40 trailers.

(b) *The circumstances under which the delay in the supply of trailers by M/s. was condoned.*

The delivery of 40 trailers against Director of Stores Purchase's letter No. DS/DNK/50—102—B dated 28th March, 1960 (regularised by the formal supply order issued on 6th August, 1960) was completed as under:—

April 1960	..	6
May 1960	..	12
June 1960	..	2
December 1960	..	10
April 1961	..	10

Although in the Director of Stores Purchases' letter No. DSP/DNK/59—102—B dated 28th March, 1960 the firm was asked to supply the trailers immediately, in the regularising supply order issued on 6th August, 1960, the delivery date was specified as not later than 25th August, 1960.

The delivery clause reads as under:—

"It is noted that you have already despatched 20 trailers and for the remaining 20 numbers you were asked to withhold the supply till formal orders are given to you. You are now requested to complete the balance supply immediately but not later than 25th August, 1960."

The inspection clause of the supply order dated 6th August, 1960 also provided that inspection for the balance quantity of trailers (20) would be carried out by the Director of Inspection, Calcutta.

The firm in its letter No. 62-60/PG-3467 dated 26th August, 1960 addressed to the Director of Stores Purchase of the Project informed the Project authorities that with reference to the supply order dated 6th August, 1960 all the trailers were put for inspection on 24th and 25th August, 1960. But the inspecting officer wanted a copy of the approved drawing from the project.

In its letter dated 26th August, 1960 the firm also enclosed a drawing and requested the Project authorities to approve it and return it to them immediately.

The firm's letter dated 26th August, 1960 was received by the Director of Stores Purchase on 5th September, 1960. He forwarded the drawing on 8th September, 1960 to the Chief Engineer for his approval *vide* D.S.P.'s letter No. DSP/DNK/59-102-B-7425 dated 8th September, 1960.

On 4th October, 1960, the Director of Stores Purchase issued a reminder to the Chief Engineer to expedite his approval of the drawing, since the 20 numbers of trailers were lying ready with the firm and in the absence of the approved drawing the inspection of trailers could not be undertaken by the Director of Inspection, Calcutta *vide* letter No. DSP/DNK/59-102-B/8889-8890, dated 4th October, 1960.

On 11th October, 1960 the P.A. to the Chief Engineer informed the Director of Stores Purchase that the Chief Engineer's office was being wound up and necessary papers had already been sent to the Superintending Engineer, Circle IV for taking further necessary action in the matter (*vide* letter No. 153-E/7714(2) dated 11th October, 1960).

On 12th October, 1960 the Superintending Engineer, Circle IV pointed out certain variations between the specifications as per the supply order and the drawing and intimated that it was not possible for the Engineering Department to approve the drawing unless the differences were clarified (*vide* letter No. E&M/Trailor/3668 dated 12th October, 1960).

On 7th November, 1960 the Director of Stores Purchase replied to the Superintending Engineer, Circle IV explaining the differences and requesting the approval of the drawing at a very early date (*vide* No. DSP/DNK/59-102-B dated 7th October, 1960).

On 9th November, 1960, the Superintending Engineer informed the Director of Stores Purchase that he required the non-tipping type

of trailers without hydraulically tipping arrangement. (vide S.E.'s letter No. E&M/Trailer/4075 dated 9th November, 1960).

The Director of Stores Purchase on receipt of the S.E.'s letter dated 9th November, 1960 decided that the ten numbers already ordered with hydraulic arrangement would stand.

On 31st December, 1960 the Director of Stores Purchase intimated the firm the conditional approval of the drawing No. S/6/7 in respect of the trailers and presumed that the drawing duly approved and signed had been sent direct to them by the Engineers (vide his letter No. DSP/DNK/59-102-B/4508---4511, dated 31st December, 1960).

On 4th January, 1961, the firm informed the Director of Stores Purchase that 10 trailers had already been despatched and the balance 10 numbers could not be despatched for want of railway booking and they hoped to despatch the balance trailers any moment (vide letter No. 0-7-0157 dated 4th January, 1961).

On 21st January, 1961, the Superintending Engineer informed the Director of Stores Purchase that they had not approved the Drawing No. S/6/7 but wanted a revised drawing confirming the specifications given in the supply order to be sent to them so as to enable them to give the approval to the same (vide S.E.'s letter No. E&M/Trailer/571 dated 21st January, 1961).

On 3-2-1961 the approval of the revised drawing No. S/9/4-A was communicated by the Superintending Engineer to the Director of Stores Purchase. (vide S.E.'s letter No. E&N/Trailer/734 dated 3rd February, 1961).

On 15-3-1961 the Director of Stores Purchase sent the drawing duly approved by the Engineers to the firm (vide his letter No. DSP/DNK/59-102-B/9975 dated 15-3-1961).

After receipt of the drawing finally approved by the Project, the firm despatched the balance 10 numbers of trailers which were received in the Project on 2nd and 15th April, 1961.

As could be seen from the above, the firm was not at fault for the delay which occurred, which was entirely due to non-completion of the inspection formalities which were delayed due to the non-receipt of the approved drawing from the Project authorities.

(c) *Since the refusal of the firm to change tipping trailers to non-tipping trailers was received after the last date fixed for delivery in the formal supply order, D.D.A. would have been within their rights to cancel the unexecuted portion of the order. Why was this not done?*

As explained in regard to (b) above, the firm was not at fault for the delay in delivery of trailers. The firm had kept the trailers ready for inspection and despatch before the last date specified for delivery in the formal supply order viz. 25-8-1960.

Hence it would not have been correct for the Dandakaranya Development Authority to cancel the unexecuted portion of the order on the grounds of failure on the part of the firm to complete the supplies in time.

Sd./- V. NANJAPPA,
Secretary to the Government of India
Ministry of Labour, Employment & Rehabilitation
(Department of Rehabilitation)
New Delhi

ANNEXURE-I

Copy of letter No. DSP/DNK/59-102-B dated 28-3-1960 from the Director (Stores Purchase) DNK Project, Koraput Camp, 8 Theatre Road, Calcutta to M/S

SUB:—Trailers.

Further to our letter No. DSP/DNK/59-102-B dated 28-3-1960 you are requested to despatch only 10 nos. of the Trailers immediately. Regarding the balance 30 nos. please treat the order for the moment as cancelled as formal sanction and approval has not yet been received. In the meantime we would request you to submit all the information we wanted in our letter No. DSP/DNK/59-102 dated 28-3-1960. The final order for the balance quantity will be placed after fixing the reasonable price. As it is single negotiated deal, we cannot place order without formal sanction and approval of the finance.

Thanking you.

APPENDIX XXI

(Para 9.10 of this Report)

DEPARTMENT OF SOCIAL WELFARE

Administrative Expenditure

The figure of Rs. 4.99 lakhs as given in Sub-para 'B-Training-cum-Production Centre (i)' of the Audit Report, representing administrative expenditure of the Directorate on imparting training and thereafter providing work to the wage-earners during 1963-64, is correct. Also, the figure of Rs. 5.45 lakhs shown in the enclosure to Government's letter No. 30/5/64-SS/SW-5, dated 17th December, 1964, is correct.

The variation between the two figures is due to the fact that while a representative of the A.G.C.R. collected the figures for incorporation in the Audit Report, he deemed it necessary to exclude expenditure on pay and allowances, etc. of the staff employed in the Homes Branch, one post of an official exclusively engaged on the work of educational loan, and a portion of the pay and allowances, etc., of the officers and staff engaged in supervisory and other allied work relating to the Homes Branch in the Head Quarters office of the Directorate. This was done, since these expenses do not pertain to either of the two activities viz., 'training' or 'providing work to wage-earners', which form the subject matter of the Review conducted by Audit and incorporated in their Report. This was, as far as it can be recollected, also pointed out by the Secretary in the P.A.C. meeting itself.

The total expenditure of the Directorate is Rs. 12.65 lakhs. This is composed of as under:—

	(in lakhs)
	Rs.
(i) Administrative expenditure of the Directorate on imparting training and thereafter providing work to the wage-earners	4.99
(ii) Administrative expenditure at Head Qrs. on Home Branch which is exclusively meant for the	

administration of the K. N. Home and payment of Cash doles, etc.; pay and allowances of one official exclusively engaged in the Head Qrs. for work relating to educational loan, and a portion of other expenses on account of supervision of Homes work.	0.46
(iii) Wages paid to wage-earners.	4.31
(iv) Other Charges—Contingencies and expenditure on the procurement of raw-materials, etc. which are later converted into finished goods for sale at profit.	2.85
	<hr/>
TOTAL	12.61

It will be observed from the above data that administrative expenditure as such, is only Rs. 5.45 lakhs (i + ii above). This sum has been spent broadly on the following activities:—

- (1) Imparting training to 654 trainees.
- (2) Providing working opportunities to 1341 ladies (wage-earners).
- (3) Central Administration of the K. N. Home and work relating to recovery of education loan.

By and large there is one Instructor on the training side and another on the production side; the other staff being common. On this basis the total administrative expenditure for the two activities under review viz. 'training' and 'production' can roughly be distributed on a fifty basis. This would work out roughly to Rs. 2.5 lakhs for training and 2.5 lakhs for production. These would in turn work out to a *per capita* annual expenditure of Rs. 382 and Rs. 186 per trainee and per wage-earner respectively. These figures appear to be modest in view of the fact that the trainees improve their prospects of earning an independent living after completion of their training and a large majority of the wage-earners being old cannot be expected to earn a living without Government assistance and/or aid. With a view to keeping expenses lower, even an important official like Accountant is on sharing basis between two or more centres, even though accounting is a major item of work. Further,

since training and working facilities are intended to be made available near about the residences of the beneficiaries, there is hardly any scope to reduce the already minimum number of employees engaged in each centre. The position is however being reviewed by Government.

APPENDIX XXII

(Para 9.64 of this Report)

DEPTT. OF SOCIAL WELFARE

Note containing replies of the Employees' State Insurance Corporation to the points on which the Public Accounts Committee desired to be furnished with further information at their sitting held on 5th February, 1966.

Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1962-63:

10. The work pertaining to maintenance of Contribution Cards and calculation of benefit rates has only been decentralised from the Regional to Local Offices so far. The feasibility of decentralization of further items of work to Local Offices is being examined. With further decentralization and transfer of some items of work from Regional to Local Offices, the expenditure on superintendence should decrease in relative terms though the expenditure on field work would increase correspondingly. However, due to progressive expansion in the coverage by Employees' State Insurance Scheme and increase in number of insured persons, the total expenditure under A—Superintendence will never be less than that being incurred earlier.

APPENDIX XXIII

(Para 9.67 of this Report)

DEPTT. OF SOCIAL WELFARE

Note containing replies of the Employees' State Insurance Corporation to the points on which the Public Accounts Committee desired to be furnished with further information at their sitting held on 5th February, 1966.

Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1962-63.

11. A sum of Rs. 4,68,672 representing the Corporation's Contribution during 1961-62 to the Employees' State Insurance Corporation Provident Fund was booked under "Administration Expenses—A—Superintendence Ministerial Establishment", in accordance with the procedure for classification of this expenditure then in force. Subsequently it was felt that this should be exhibited under an independent head of account. Consequently, from the year 1962-63 onwards, a new detailed head "(h) Corporation's Contribution to Employees' State Insurance Corporation's contribution to Employees' State Insurance Corporation Provident Fund" under the sub-head C—Other Charges was opened to accommodate such charges.

The details of the total amount of Rs. 13,46,479 shown in Balance Sheet for the year 1961-62, as addition to the Employees' State Insurance Provident Fund balance is as under:—

- Rs. 7,31,867—Employees' Contribution.
- Rs. 4,68,672—Corporation's Contribution.
- Rs. 90,057—Interest on Employees' Contribution.
- Rs. 55,883—Interest on Corporation's Contribution.

Rs. 13,46,479—Amount credited during the year to Employees' State Insurance Provident Fund.

APPENDIX XXIV

(Para 9.114 of this Report)

DEPTT. OF SOCIAL WELFARE

Note containing replies of the Employees' State Insurance Corporation to the points on which the Public Accounts Committee desired to be furnished with further information at their sitting held on 5th February, 1966.

Audit Report on the Accounts of the Employees' State Insurance Corporation for the year 1962-63.

Para—5:

13. The plans and estimates for the construction of State Insurance Dispensary, Roop Nagar, Delhi were duly approved by the Corporation in March, 1961. The Delhi Administration in their letter No. F.1(24)/61-M & PH, dated 13th November, 1961 conveyed the administrative approval and expenditure sanction to the work in question. The Delhi Administration endorsed a copy of their letter, dated 13th November, 1961 *ibid* to Director General, Employees' State Insurance Corporation and requested that necessary funds may be placed at the disposal of the C.P.W.D. so that the work may be taken in hand. The Corporation placed a sum of Rs. one lac at the disposal of C.P.W.D. in March, 1962. As regards land for this project which was subsequently found to have been transferred, it was mentioned in the estimates sent to the Corporation for concurrence in December, 1960, that the land was already in possession. The inconvenience caused due to above facts not having been placed before the public Accounts Committee during the discussion on 5th February, 1966 is deeply regretted.

APPENDIX XXV

(Para No. 10.44 of this Report)

SUBJECT: *Para 81 of Audit Report (Civil) 1965.*

(1) Amounts outstanding against Non-Government Adjustment Parties at the close of each month during 1963-64:—

	Rs.
April, 1963	4,34,22,844·86
May, 1963	3,97,40,969·15
June, 1963	4,49,63,307·06
July, 1963	5,11,22,570·01
August, 1963	5,26,30,208·67
September, 1963	5,56,36,170·58
October, 1963	5,26,04,447·84
November, 1963	5,91,93,993·47
December, 1963	6,10,76,341·67
January, 1964	6,12,15,470·61
February, 1964	6,94,42,716·26
March, 1964	8,64,05,628·56
TOTAL	<u>67,74,54,668·74</u>

(2) Amount outstanding at the close of each month on an average:

Rs. 5,64,54,556.00

(3) Interest accrued for one month on the average amount outstanding at the close of each month @ 3.75 per cent, which is the average rate of interest on borrowings by Central Government during 1963-64:

Rs. 1,76,420.00

(4) Loss of Interest for the year 1963-64:

Rs. 21,17,040.00

Note: It is not possible to work out the loss of interest after taking into account the period of seven days allowed to the Non-government Adjustment Parties for effecting payment. On a very rough basis, however, the loss would be less by about 7/30 i.e. on the loss in that case will be Rs. 21,17,040 × 23/30 i.e. Rs. 16,23,064.00.

APPENDIX XXVI

(Para No. 10.59 of this Report)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

(Department of Supply and Technical Development)

Note for the Public Accounts Committee pursuant to the further information desired to be furnished at their sitting held on the 30th July, 1965, with reference para 83 of Audit Report (Civil), 1965.

Reference Lok Sabha Sectt. O.M. No. 2/1/29/65/PAC, dated the 11th November, 1965.

"It has been stated that the rules provided that the only means of communication recognised for acceptance of tenders were telegram or registered letters and the rules are quite definite that express delivery letters are not to be sent. It was also stated that in this case, the error was committed in sending an express delivery letter as a result of which the tenderer had the opportunity to change the offer.

It is not clear how the tenderer took advantage of the issue of express letter to change the offer."

Against indents for Blankets Barrack received from the Director of Ordnance Services, MGO Branch, Army Headquarters, New Delhi, tenders were invited and orders placed on various firms in July/August 1961, of which the following two Advance A/Ts placed on M/s. E. Sefton & Co. (P) Ltd., Mirzapur, from the subject matter of the Audit Para:—

- (i) Advance A/T No. STV-1/25885-L/II/6441, dated 18th July, 1961 for 77,000 Blankets @ Rs. 22.10 per piece. (Formal A/T issued on 16th October, 1961).
- (ii) Advance A/T No. STV-1/R-31046-M/R-31047-M/II/6440, dated 18th July, 1961 for 33,000 Nos. @ Rs. 22.10 per piece. (Formal A/T issued on 24th July, 1961).

2. Both the Advance A/Ts were dated 18th July, 1961 and marked "Express Letter". As the issue Register pertaining to the year 1961 is not available it is not possible to verify the date of actual issue and whether it was issued as an "Express Letter".

3. On 18th July 1961, the firm addressed a letter (which was received in D.G.S. & D.) on 22nd July, 1961 stating that the term "existing taxes" mentioned in their tender did not include excise duty which would be charged extra at the rate of 5 per cent *ad valorem* in addition to the prices quoted in their tender subject to further changes, if any, made by the Government. The firm also sent a telegram on 20th July, 1961 communicating the above position regarding excise duty. The telegram was received in D.G.S. & D. on 20th July, 1961.

4. The firm was informed by a letter posted on 22nd July, 1961 that the revision of prices could not be considered as their offer had already been accepted under the advance A/Ts placed on 18th July, 1961. The firm, by their letter dated 1st August, 1961, stated that they did not seem to have received the two Advance A/Ts. They had received only the formal A/T No. STV-1/R-31046-M/R-31047-M/II/6440, dated 24th July, 1961 (i.e. for supply of 33 000 Blankets) and they contended that prior to this they had sent their telegram.

5. Enquiries were made by D.G.S. & D. from the Postmaster, Mirzapur, whether the two envelopes containing the Advance A/Ts were delivered to the firm and if so, the date of delivery be intimated. The postmaster intimated in his letter dated 6th October, 1961 that as per records of his office two express delivery letters addressed to M/s. E. Sefton & Co (P) Ltd., Jubbulpore Road, Mirzapur were received in his office on 20th July, 1961 afternoon and were delivered to Shri Jatashanker, a peon of the firm on the same day at 16-45 hours. No particulars regarding the sender of the express delivery letters were kept in his office. From the information furnished by the Postmaster, Mirzapur, it was not possible to establish conclusively that the Advance A/Ts were delivered to the firm.

6. As per Para 158 of the Manual of Office Procedure for Supplies, Inspection and Disposals, "the contract is brought into existence upon communication of the acceptance which must be within the time prescribed. Where the post is the medium of communication between the parties the acceptance is completed as soon as it posted."

7. Since it could not be proved conclusively that the express delivery letters delivered to the firm were the same as the Advance

A/Ts issued by the D.G.S. & D., the amendment made by the firm by their telegram and letter had to be accepted as there was no concluded contract, the firm having denied receipt of the advance A/Ts. The firm thus took advantage of the issue of express letters to change their offer.

8. In this connection it may also be stated that although Para 158 of the Manual enjoins that "proper care should be taken to address the letter or telegram of acceptance correctly," the para as it existed at the time the A/T was placed, did not stipulate the mode of communication. This was left to the discretion of the Purchase Officer. But Officers were required to ensure that in all cases the decision to accept the offer was communicated sufficiently in advance so that the tenderer will definitely receive it before the due date. It has now been made mandatory by Office Order No. 31 (CBN Series) dated 7-3-1962 and Office Order No. 77 dated 17-6-1963 that Advance A/Ts should be issued under Registered A.D. and in cases where the despatch of Advance A/T by Registered post will result in delay and it is not possible to send them by Registered post before expiry of the validity period of the tenders, then the documents should be sent under certificate of posting.

(It may be clarified that in the case of Express delivery, neither the sender nor the post office of issue is in possession of documentary proof of having despatched the communication whereas it is not so in the cases of telegram/registered letter/certificate of posting. In the case of telegram the Post Office is in possession of the details viz. Telegraphic Address of the recipient, time and date etc. and the sender of a receipt of having sent a telegram. In respect of Registered letter/certificate of posting the sender is in possession of a detailed receipt). Under the Law, acceptance is complete as soon as the letter of acceptance of sender is posted. In the case of a telegram, a registered letter or letter sent under certificate of posting, the sender has a proof of posting the acceptance of tender, whereas in the case of an "Express Delivery" letter no such evidence exists with the sender.

Sd/- N. R. BANSOD,

Joint Secretary.

File No. 43(14)/65/PI.

New Delhi, Dated the 14th December, 1965.

APPENDIX XXVII

(Para No. 10.66 of this Report)

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

(Department of Supply and Technical Development)

No. 43 (13)/64-PI.

New Delhi, the 31st August, 1965.

OFFICE MEMORANDUM

SUBJECT:—*Audit Report (Civil) 1965—Para 84—Further information required by the Public Accounts Committee.*

The Public Accounts Committee at their meeting held on the 30th July, 1965 desired that the Department of Supply should ascertain, after consulting the relevant records, as to when the publications indicating London Metal Market Exchange rates in respect of non-ferrous metals started giving the market rates separately for Fire Refined Copper and Commercial Copper. It has been found after perusal of the relevant records, that the Magazine 'The Eastern Metals Review' published from Calcutta, giving the L.M.E. rates, started indicating the rates separately for Copper Fire Refined and Commercial quality Copper with effect from the 1st July, 1963 (Issue dated the 8th July, 1963).

This has been seen by Audit.

Sd/- N. R. BANSOD,

Joint Secretary to the Government of India.

Encl. 4 spare copies.

To

The Lok Sabha Secretariat,
New Delhi.

APPENDIX XXVIII

(Para No. 10.77 of this Report)

Sub.—Para 85 of Audit Report (Civil) 1965

		<i>Bata Shoe Co.</i>					<i>Swastik Rubber Products Ltd.</i>				
Acceptance of Tender No. and Date.	Originally	STV-4/29028-N/II/3262 dated 8-1-63					STV-4/29028-N/II/3263 dt. 8-1-63				
		Size 6	Size 7	Size 8	Size 9	Size 10	Size 11	Size 12	Size 6	Size 7	5153
Quantity Ordered		8,000	24,000	48,000	48,000	24,000	8,000	..	Size 7	15460	
	Revised	..	8,000	44,000	28,000	48,000	24,000	8,000	Size 8	309222	
		(Total—1,60,000 pairs).							Size 9	30922	
									Size 10	15460	
									Size 11	5153	
									TOTAL	1,03,070 (Pairs)	
Original Delivery period	. . . . . In eight equal monthly instalments commencing from Feb. 1963, The A/T was thus to be completed by September, 1963						January, 1963			10,000
							February, 1963			10,000	
							March, 1963			13,070	
							April, 1963			16,000	
							May, 1963			18,000	
							June, 1963			18,000	
							July, 1963			18,000	
Amended Delivery Period	November, 1963						30-9-1963			<u>1,03,070</u>	
Reasons for extension of D. P.	D. P.	Delay in production and increase in dimensions and sizes by Indentor/Inspector.					Delay in inspection and because of procedure of inspection and tests.				
Level at which extensions were granted		D.G.					D. G.				

Date	Progressive total quantity accepted	Date.	Progressive total quantity
18-3-63	8,641 pairs.	19-2-63	3,235 pairs.
1-4-63	12,867 pairs.	4-8-63	6,642 pairs.
8-4-63	24,133 pairs.	23-3-63	6,662 pairs.
22-4-63	29,199 pairs.	30-3-63	13,372 pairs.
30-4-63	35,753 pairs.	20-4-63	16,819 pairs.
31-5-63	54,937 pairs.	4-5-63	26,966 pairs.
14-6-63	60,879 pairs.	23-5-63	36,974 pairs.
21-6-63	68,010 pairs.	8-6-63	43,197 pairs.
28-6-63	70,387 pairs.	29-6-63	52,505 pairs.
5-7-63	75,141 pairs.	5-7-63	62,105 pairs.
12-7-63	79,895 pairs.	27-7-63	66,776 pairs.
26-7-63	90,987 pairs.	2-8-63	74,800 pairs.
2-8-63	95,741 pairs.	9-8-63	82,317 pairs.
9-8-63	1,00,687 pairs.	17-8-63	89,524 pairs.
16-8-63	1,06,497 pairs.	7-9-63	96,349 pairs.
23-8-63	1,12,259 pairs.	21-9-63	103,114 pairs.
31-8-63	1,19,245 pairs.		
8-9-63	1,24,504 pairs.		
12-9-63	1,27,385 pairs.		
20-9-63	1,34,840 pairs.		
27-9-63	1,38,010 pairs.		
18-10-63	1,53,505 pairs.		
2-11-63	1,60,000 pairs.		

APPENDIX XXIX

(Para No. 10.101 of this Report)

MOST IMMEDIATE
OUT TODAY
BY SPECIAL MESSENGER

GOVERNMENT OF INDIA

MINISTRY OF INDUSTRY AND SUPPLY

(Department of Supply and Technical Development)

No. PII-7(9)/64

New Delhi the 21st August, 1965.

OFFICE MEMORANDUM

SUBJECT:—*Audit Report (Civil), 1965—Para 86—Non-verification of contractor's documents as provided in contracts.*

The undersigned is directed to refer to the Lok Sabha Secretariat O.M. No. 2/1/29/65/PAC, dated 10th August, 1965, wherein the Public Accounts Committee have desired that a note on the following point in respect of para 86 of Audit Report (Civil), 1965 may be submitted to them:—

“The Committee were informed in evidence that the delay in verification of prices was brought to the notice by Audit in June, 1959, but action in this respect was initiated in September, 1961 only. The reasons for delay of 2 years to verify the prices may be furnished”.

2. Obviously, the Public Accounts Committee are referring to the three contracts placed by the India Supply Mission, London between September, 1956 and November, 1958 with M/s. Bristol Siddley Engine Ltd., for Orphous engines and spares. The licence agreements as well as subsequent contracts included a clause that reasonable facilities will be afforded to the Government of India for satisfying themselves about the fairness and reasonableness of the prices charged. After conclusion of the contracts, the Director of Audit,

London drew attention of India Supply Mission, London on the following dates in respect of contracts placed with the firm:—

- (a) Contract No. H-1061/16042/58/DEV, dated 27th November, 1958—on 24th June, 1959.
- (b) Contract No. H-2172/S 1717/OHD, dated 29th August, 1958—on 27th July, 1959.
- (c) Contract No. 7642/Air.1/2099/56, dated 15th September, 1956—No Audit note drawing the attention of India Supply Mission, London to the relevant clause is available on the file.

3. In the case of contract at (c), the audit note, as stated above, was not received. Our comments are, therefore, confined to contracts at (a) and (b) above, wherein the delay of 3 years took place in verifying prices charged by M/s. B.S.M.L.

4. As regards the aforesaid two contracts, the position is as under:—

Contract No. H-1081—It appears from the files obtained from the India Supply Mission, London that the audit note on receipt (i.e. on 24th June, 1959) was dealt with by Shri G. N. Krishnaswami and Shri B. M. Bakshi, the then Additional D.D.G. and Assistant Director in the H.A.L. Cell in London respectively. Shri G. N. Krishnaswami, (an officer on deputation from H.A.L. Bangalore to India Supply Mission, London) had a discussion on the 29th June, 1959 with one Mr. Cocks of M/s. B.S.E.L. and reminded him of the relevant clause of the contract which formed the subject matter of the note from the Audit. He sent a letter on 30th June, 1959 (i.e. within a week of receipt of the Audit note) with reference to this discussion and asked for from Mr. Cocks (B.S.E.L.) the price build-up and any other information which would assist the India Supply Mission, London to determine whether the prices charged by them were indeed fair and reasonable. He requested for an early reply. Shri G. N. Krishnaswami was repatriated from London on 8th October, 1959 when the post of Addl. D.D.G. was abolished. Thereafter, the matter was continued to be dealt with by Shri Bakshi. Shri Bakshi was an officer on deputation from M/s. Hindustan Aeronautics Ltd., Bangalore and was repatriated to India on 5th October, 1962. Thereafter he submitted his resignation which was accepted by M/s. H.A.L. on 18th January, 1963. The India Supply Mission file does not show why Shri Bakshi could not deal with the matter earlier than 17th May, 1961 when he submitted a note to the Deputy Director General

and Financial Adviser of the Mission, in pursuance of which a letter was sent to the firm on 31st May, 1961 requesting them to indicate by return of post what facilities and information they proposed furnishing to the Mission to enable them to check fairness and reasonableness of prices. The correspondence between the Mission and the firm went on from that date. It will be seen from above that action on this case was initiated on 29th June, 1959 but was not followed vigorously thereafter and the matter was again taken up with the supplier only on 31st May, 1961 after a lapse of 23 months.

Contract No. H-2172.—The audit note dated 27th July, 1959, as it appears from the Mission's file, was sent to the Assistant Director of Purchase (H.A.L. Cell) on 27th July, 1959. The file was thereafter handled by Shri Kaviratna, Director of Purchase (H.A.L. Cell), London. It appears from a note recorded by Shri Kaviratna on 29th November, 1960 that the Deputy Director of Audit, Finance Officer and the Director of Purchases (H.A.L.) Visited Bristol's with the object of exploring the most satisfactory and practical means of verifying the costs of all Bristol's contracts in general and certain discussions took place with the Chief Accountant and the Supplies Manager of the firm. This note further states that as a result of this visit, the Finance Officer, made certain recommendations, and that these recommendations were sent to the Deputy Director of Audit, London for confirmation and acceptance. The file which was sent to Audit was returned by them with their note dated 23rd December, 1960, stating that they had returned the observations of the Finance Officer with their note dated 8th November, 1960. But on the main question of procedure for examination of Bristol's records for verification of prices, Audit advised that it should be settled directly with the firm and India Supply Mission may thereafter arrange a check of the firm's records based on such agreed procedure. There is a further note written by one Shri S. Raghuvveeran dated 17th November, 1961 about the result of his investigation, for which he was deputed to examine the position from the records of the firm. The note was sent by Shri Kaviratna to Audit on 20th November, 1961 and was received back from them on 9th July, 1962.

An attempt was made by the Mission to settle the procedure in consultation with Finance and Audit in November, 1960. But, as will be seen from above, the actual investigation was undertaken in October/November, 1961. It appears Shri Kaviratna, the Director of Purchase (H.A.L. Cell) was responsible for this delay. Shri Kaviratna, however, submitted his resignation on 6th November, 1963 to the High Commissioner of India, London through the Director General, India Supply Mission, London on domestic grounds and

sought permission to resign from service with effect from 29th March, 1964. On receipt of the communication from M/s. Hindustan Aeronautics Ltd., Bangalore, stating that they had no objection to accepting the resignation of Shri Kaviratna (*vide* their letter dated 23rd December, 1963), we specifically asked the India Supply Mission, London to indicate whether there was any Audit paras outstanding in respect of contracts dealt with by him or any other matter where he was personally involved. The Mission confirmed (*vide* their telegram dated 15th January, 1964) that there were no audit paras outstanding in respect of contracts dealt with by Shri Kaviratna or other matters dealt with by him. On receipt of this specific advice, this Department concurred in the decision of M/s. H.A.L., Bangalore, for the acceptance of the resignation.

5. It will be seen from above that in these two contracts the persons dealing with the cases were temporary employees of M/s. H.A.L. Bangalore and were on deputation to the India Supply Mission, London. They have also since resigned their jobs and there is nothing on record as to why they did not make an attempt to verify the prices of the firm, earlier. Since these officers are no longer in service, the question of taking disciplinary action against them also does not arise.

6. Two spare copies of this O.M. are also enclosed. This has not been seen by Audit and their comments, if any, would be forwarded to the Lok Sabha Secretariat, in due course.

Sd/- N. R. BANSOD,

Joint Secretary to the Government of India.

To

The Lok Sabha Secretariat, New Delhi (Shri R. M. Bhargava).

Copy, with a copy of Lok Sabha Secretariat O.M. dated 10th August, 1965 under reply, forwarded to the:—

1. Ministry of Defence, New Delhi.
2. Accountant General, Commerce, Works and Miscellaneous, New Delhi for present information.
3. Adm. II Section in the Department.
4. Director General, India Supply Mission, London.

Sd/- N. R. BANSOD,

Joint Secretary to the Government of India.

APPENDIX XXX

(Para /1-34 of this Report)

MINISTRY OF TRANSPORT

Amount of Loan Rs. 50 lakhs.

Date of Drawal.	Date of investment in 3 days call deposit.	Rate of Interest on investment.	Date of Utilisation.			
			Feb. 1963	March 1963	April 1963	May. 1963
29-11-62	3-12-1962	3%	4	26	11	9

(Rupees in Lakhs.)

Secretary,
Madras Port Trust

APPENDIX XXXI

(Para 11.52 of this Report)

MINISTRY OF TRANSPORT

Visakhapatnam Port Trust

Para 125 (iii).

Note explaining why it had taken a long time to convert the coal-fired dredger into an oil-fired dredger even though a decision was taken in this regard in 1963.

The sanction of Government of Rs. 1.9 lakhs (involving a foreign exchange component of Rs. 1.33 lakhs) to convert the coal-fire dredger into oil-fired one was given in Ministry of Transport's letter No. 17-PDI (50)/62 dt. 29-7-63. On receipt of the same in the Port, an indent was placed on the D. G. S. & D. Madras branch by the Port on 12-9-63. The Madras branch of the D.G.S. & D. called for tenders in October 1963. The rate quoted by the Indian Agents, of the Dutch Firm were valid up to 1st December 1963. The date fixed by the Indian Agents was quite short, since it involved sanction to foreign exchange in excess of Rs. 1.33 lakhs originally sanctioned by Government. In the meanwhile, the tender in his letter No. IBC/9 dated 18-1-64 revised his rate and said that on the basis of the rates of wages, service charges etc. and the prices of materials anticipated to rule in the second half of 1964 the cost will come to Rs. 1.25 lakhs C. I. F. for which amount, sanction of Government was required. The question of increase of price was under correspondence with the D.G.S. & D. and finally in May 1964 Government were addressed for revised sanction of Rs. 2.58 lakhs involving foreign exchange of Rs. 1.85 lakhs. The Government's revised sanction was received with their letter No. 17-BDI (36)/64 dated 5-6-64 under Dutch General Purposes Credit. The Acceptance of tender was finalised by the Madras Unit of the D.G.S.&D. with the representatives of the Dutch firm in Madras on 31-7-1964. The equipment after manufacture by the supplying firm in Holland was shipped by them on 22-10-65 and the same is now in the port under clearance by the Customs. The equipment will be fitted in June/July 1966 when the Dredger can be laid off for this major replacement without causing any dislocation to the Port working as it is not possible to shut out the Dredger earlier with reference to dredging works on hand.

APPENDIX XXXII

(Para 11.56 of this Report)

MINISTRY OF TRANSPORT

VISAKHAPATNAM PORT TRUST

Para 125 (iv).

Note explaining the reasons why since 1951-52 there was a continuous loss except for the years 1954-55 and 1955-56 when there was a profit in running the steam ferry by the Port

The working results of the Teppa Revu Ferry from the year 1951-52 to 1963-64 have been reviewed. A statement of receipts and expenditure during each of these years is appended.

It will be seen therefrom that, barring the years 1954-55 and 1955-56, when there were marginal surpluses, in the other years, the ferry has been working at a loss. On an examination of the nature of traffic which used this ferry, it is seen during the years 1952-53 to 1955-56, there was heavy diversion of lorry traffic due to the ban imposed on the use of Sapper's Bridge. This accounts, to a great extent, for the increase in receipts. Nevertheless, in 1952-53 and 1953-54 there was a loss of Rs. 14,000 and Rs. 18,000 respectively, the reasons for this loss being that there was heavy expenditure in those years. The increase in expenditure was on account of increase in the rate of dearness allowance in 1951 and expenditure on the use of stores on account of replacement of side vires and also due to heavy repairs and renewals to boilers including cost of overhauling at Railway Workshop at Kharagpur.

In 1954-55 and 1955-56, the expenditure was on the normal side and no special remarks would be called for; but there was considerable increase in the receipts viz. Rs. 68,000 in 1954-55 and Rs. 66,000 in 1955-56 on account of the continuance of the imposition of the ban placed on the Sapper's Bridge and also due to the increased traffic over the ferry due to increase in the Port traffic on account of jaggery and I. L. T.D. Tobacco. The result was that there was marginal gain in these two years.

In 1956-57 and 1957-58 there was sudden drop in the receipts by about Rs. 23,000/- to Rs. 25,000/- as compared with the previous years on account of the imposition of the ban on the traffic over the Sapper's Bridge having been removed in the latter part of 1955. While the

expenditure in 1958-57 was in the order of Rs. 65,000/- more or less normal—there was an increase in expenditure in 1957-58 due to increased dry-docking charges.

From 1958-59 there was again an increase in the receipts on account of the Road-cum-Rail Bridge having been damaged in the floods of October 1958. As regards the expenditure position in 1958-59, it was more or less the same as in the previous year; although there was a decrease in dry-docking charges, there was an increase in salaries of staff and repairs.

In 1959-60 and 1960-61, although there was not much change in the revenue position, the increase in expenditure in 1959-60 was due to increase in the cost of stores on account of extension of working hours of the ferry by one hour for 5 months and also due to dry-docking charges, and in 1960-61 the further increase of Rs. 12,000/- in expenditure when compared with the previous year was due to the increase in cost of stores and also repairs towards replacement of wire ropes.

In 1961-62 while the revenue position was at the same level as in the previous year, there was a large increase, of Rs. 36,000/- in expenditure due mainly to payment of arrears to staff on account of revision of scales of pay.

In 1962-63 the increase in receipts by Rs. 7,000/- was due to the diversion of traffic to the ferry due to the breaches that occurred in "Weghdridgedda" making the Road-cum-Rail bridge not fit for use for some time. The expenditure figure was more or less the same although in the previous year payment of arrears to the extent of Rs. 33,000/- was made, as heavy repair charges on account of the overhauling of the ferry were incurred, besides more expenditure on staff due to increase in salaries as a result of implementation of C.C.C. and S. P. C. recommendations.

In 1963-64 there were less receipts as, by then, the Road-cum-Rail Bridge had been repaired. But there was an increase of Rs. 10,000/- in expenditure due to payment of arrears on overtime and also on account of replacement of certain obsolete equipment.

From the above it will be seen that the loss in ferry working is due to the following reasons:

- (1) The existence of either Sapper's or the Road-cum-Rail Bridge in the area. The delays in ferry service on account of increase in shipping have also resulted in decline in traffic.

- (2) The staff charges have gone up an account of implementation of C.C.C./S.P.C. recommendations besides the grant of yearly increments.
- (3) As the craft is getting old, the repairs and replacements have become more frequent and costly.
- (4) The cost of stores including coal has also been increasing due to rise in prices.

Vishakhapatnam Port Trust.

*Statement of Steam Ferry "Teppa Rovu" Receipts & Expenditure
(In Thousands.)*

Year	Receipts	Expenditure	Deficit (Loss)
1950-51	46	83	37
1951-52	37	61	24
1952-53	56	70	14
1953-54	62	80	18
1954-55	68	63	(gain) 5
1955-56	66	61	5
1956-57	43	65	22
1957-58	43	71	28
1958-59	56	70	14
1959-60	56	74	18
1960-61	55	86	31
1961-62	54	1,22	69
1962-63	61	1,21	60
1963-64	52	1,31	79

APPENDIX XXXIII

(Para 11.74 of this Report)

MINISTRY OF TRANSPORT

Purchase of Water Current Meter

The Government appointed a Committee in 1958 to examine the recommendations made by the Poona Research Station regarding the modifications required to the new Oil Jetty. The Committee in their technical note had observed that they did not have enough accurate data of directions and velocity of the tides and, therefore, recommended that these observations could best be arranged to be taken by the Survey of India Department who possessed a pendulum type current meter which would record both the velocity and direction simultaneously and which would give more accurate data.

The Dy. Director, Geodetic & Research Branch, Survey of India, Dehra Dun, was requested to take observations of velocity and directions of the tidal currents in letter No. 17-E(60)/59, dated 28th September, 1959 (Copy enclosed). The Dy. Director, Geodetic & Research Branch, Survey of India, intimated in his letter No. T-17411/42-E-10, dated 3rd October, 1959 (copy enclosed) that he would like to come over and have on the spot study of the site, the requirements and resources available. The Dy. Director visited this place from the 23rd to 26th October, 1959, and studied the site conditions and had discussions about resources available. After going into details, the Dy. Director expressed the view (*vide* copy of the note on the discussion enclosed) that more accurate current meter than the one with them at Dehra Dun would be required as the accuracy required would not be obtained with the current meter available with the Survey of India Department. Besides this, the pendulum type current meter available with the Dy. Director recorded velocity upto a maximum of 4 knots whereas the maximum velocity at the Oil Jetty was of the order of 6 knots. The Dy. Director, therefore, suggested that a direct reading radio current meter is necessary which would give accurate results, as required for this purpose. After returning to Dehra Dun the Dy. Director, Geodetic and Research branch Survey of India in his letter dated 12th November, 1959 (copy enclosed) stated that he had made enquiries and found that no current meter with the required specifications was available in India at that time and sent the specifications of the Boehnecke's current meter (German make) and the Robert's Current meter (British make) and suggested procurement of these two meters which would meet their requirement.

The formal indents for the two current meters along with the specifications supplied by the Dy. Director, Geodetic & Research Branch, Survey of India, were sent to Government along with our letter of 21st November, 1959 (copy enclosed) for being sent to the D.G.S. & D., with a request to import the two current meters and for arranging release of foreign exchange.

The Government forwarded the indent for procurement of two current meters as said above to the D.G.S. & D., in their letter No. 18-PDII(67)/59, dated 15th February, 1960. The D.G.S. & D., then requested the Government to submit proprietary article certificates in their letter No. CS3-1/RI-386/Ten/60, dated 4th March, 1960. After the certificates were sent to the D.G.S. & D., he countermandated the indent on the Director General, India Store Department, London, in his No. 3(4382)2416-2/60, dated 17th May, 1960. After receiving the tenders, the D.G., I.S.D., London, asked for some clarification in his letter No. 1146/60/ENB/Mis.3, dated 1st July, 1960. The copy of this letter from D.G., I.S.D., London, along with two pamphlets on Bifilar Current meter and Boehnecke current meter in original was sent to Deputy Director, Geodetic & Research Branch, Dehra Dun, under D.O. letter No. 17-E(60)/60, dated 21st July, 1960 (copy enclosed) with a request to clarify the points directly to India Store Department, London. The clarification was received from Dy. Director, Geodetic & Research Branch, Survey of India, in his letter No. 11887/42-C-10, dated 5th August, 1960 (copy enclosed) and he had endorsed one copy direct to D.G., I.S.D., London. D.G., I.S.D., London, was then requested to take further action in our letter No. 17-E(60)/60, dated 10th August, 1960 (copy enclosed).

The order for the Boehnecke's meter was placed by the D.G. I.S.D., London, on the firm Askania-Werke, G.m.b.H. Germany, on 14th October, 1960 with the same specifications as were originally given by the Dy. Director, Geodetic & Research Branch, Survey of India.

Since in the above order, the delivery period was shown as 12 months, the D.G., I.S.D., London, was informed in port's letter No. 17-E(60)/60-III, dated 12th December, 1960 that these delivery dates would seriously upset the programme of taking observations in connection with modification of Oil Jetty. He was, therefore, requested to approach the firm to supply the meter by the end of April, 1961. The firm in their letter dated 6th February, 1961 to the D.G., I.S.D., London, regretted their inability to shorten the delivery period. The meter was inspected and accepted in January, 1962, by the D.G., I.S.D., London. (The meter had to be rejected in earlier inspection in November, 1961 due to incorrect calibration).

The meter was received in June 1962 and in charge of the Tidal Stream party of the Survey of India put it into use on 25th July, 1962. The meter was found to have stopped after working for 10 hours and

when it was inspected it was found that a large quantity of silt has entered into the mechanism (Report dated 28th July, 1962 enclosed). After cleaning the silt, the instrument was again tried by the Survey of India party, but the meter did not work. The party sent for an expert mechanic from Dehra Dun but he also was not able to set it in the working order as reported by the Superintending Surveyor on 13th August, 1962 (copy enclosed).

The D.G., I.S.D., London, was informed about stoppage of working of the meter by a cable on 7th August, 1962 (copy enclosed) and by detailed D.O. letter, dated 14th August, 1962 and 18th August, 1962 (copies enclosed) and he was requested to take up the matter with the firm. The D.G., I.S.D., London, in his D.O. letter No. 1146/60 KC/MIS.2, dated 21st August, 1962 (copy enclosed) stated that he was approaching the firm on this matter but simultaneously he advised that it would be more expeditious for the Port to contact the local agents in India and request their assistance in restoring the instrument. The D.G., I.S.D., London, was informed by a cable again on 6th September, 1962 (copy enclosed) that though the firm's agents in India had been approached, no action had been taken by them and, therefore, he should take up the matter with the firm in Germany. The firm in their letter dated 12th September, 1962 (copy enclosed) intimated that they had already advised their agents in India to give necessary assistance.

Meanwhile the Deputy Director, Geodetic & Research Branch of Survey of India, also had taken up the matter with the firm in his letter No. 2463/42-E-10-Tidal, dated 2nd August, 1962 and the firm replied to him under their letter of 17th August, 1962 (copy enclosed) that the Boehnecke's meter was not suitable for measurements in waters in river estuaries with a heavy siltation. They pointed out that the pamphlet of the Boehnecke's current meter would show that the meter was not provided with pressure tight seals and that the sea water flows through the entire instrument including the recording mechanism. They added that when receiving the order they did not know for which purpose the instrument was to be used otherwise they would have recommended Bifilar Current meter. A copy of this letter was also sent by the firm to the Port Organisation. The attention of the Deputy Director, Survey of India, was invited to this letter of 17th August, 1962 of the firm by us under our letter No. 17-E(60)/1/61, dated 24th September, 1962 (copy enclosed) and the Deputy Director was requested to clarify the circumstances under which the Current meter of the specifications which did not meet with the requirements was recommended in the initial stage by him.

The D.G., I.S.D., London, in his letter No. 1146/60 KC/MIS.2 dated 30th September, 1962 (copy enclosed) intimated that in view of the remarks contained in the firm's letter of 17th August, 1962 addressed to the Dy. Director, Geodetic & Research Branch, Survey

of India, and of 12th September, 1962 addressed to Port, his Department could not take any further action in the matter.

The Deputy Director, Survey of India, in his letter No. 4705/42-E-10(Tidal) dated 8th November, 1962 (copy enclosed) to the firm pointed out that their descriptive literature had been some-what misleading in view the following description in the pamphlet for the Boehnecke's Current meter:—

- (i) "The Askania Current Meter after Dr. Boehnecke used for measuring currents at little or great depths."
- (ii) ".....while for recording in shallow water or close to the Surveying ship the instrument is fastened....."

In the same letter the Dy. Director suggested to the firm that the Boehnecke current meter might be exchanged for a Bifilar current meter with reasonable financial adjustment.

The Survey of India was being continuously reminded on 16-1-63, 15-2-63, 20/21-3-63, 16-5-63 and 20-6-63 regarding the out-come of their reference to the firm but no reply was received.

In our reminder dated 6th August, 1963 (copy enclosed) the Survey of India, were also requested to intimate whether any other organisation wanted this meter. The Survey of India in their letter No. 5113 42-E10 dated 21st August, 1963 (copy enclosed) informed that the meter was being looked into and efforts were also being made to have the meter acquired for the International Indian Ocean Expedition. The Port continued to remind the survey of India about the further development on 2-9-63, 7-10-63, 11-11-63, 10-12-63, 2-1-64, 25-1-64, 13-2-64, 13-14-3-64 and 7-4-64. In his letter dated 17th April, 1964, (copy enclosed) the Dy. Director of Geodetic and Research Branch of Survey of India intimated that he had discussion with Director, Indian Ocean Expedition on the question of purchase of the Boehnecke current meter and Director, Indian Ocean Expedition had approved the purchase by his organisation. The Dy. of Geodetic and Research Branch of Survey of India, therefore, suggested that the Port may contact the Director, Indian Ocean Expedition communicating to him the cost so that he could make necessary arrangement for purchase of the current meter and its payment. Accordingly Director, Indian Ocean Expedition was addressed on 29th April, 1964 (copy enclosed) by a D.O. giving him the required information. However, a reply was received from the Indian Ocean Expedition on 18th August, 1964 (copy enclosed) that in view of the rather high cost of the equipment they were then not in a position to go in for that. The Dy. Director of Geodetic & Research Branch of Survey of India was therefore, addressed by a D.O. dated 28th August, 1964 (copy enclosed).

ed) informing him that Indian Ocean Expedition did not want to purchase the meter then due to high cost and requesting him to clarify as to how the purchase of Boehnecke current meter was recommended for acquisition by the Survey of India Department.

Though reminded frequently on 22-10-64, 16-12-64, 7-1-65, and 21-1-65 no reply from the Deputy Director, Geodetic and Research Branch of Survey of India was received. On 21st January, 1965 his attention was invited (copy enclosed) to previous reference and as the Indian Ocean Expedition did not want to purchase the meter, he was requested to intimate if some other organisation would be interested in the purchase of the meter. He was also requested to clarify the point regarding the recommendation by the Survey of India Department for the purchase of this meter.

The Cochin Port showed interest in the purchase of the Current Meter in 1963 but finally they informed that in view of the high cost involved and in view of emergency the question was deferred, *vide* their letter No. S4 CM 63 dated 15th October, 1963 (copy enclosed).

The Chief Engineer and Administrator, Mangalore Harbour Project, also referred for a current meter suitable for observation of velocity and direction of currents there, in 1963. We supplied him details of both the Current meters (Boehnecke and Robert's) available with us, informing that Boehnecke meter was for sale. However, the Chief Engineer and Administrator, Mangalore Harbour Project, intimated that they had decided to take Robert's current meter on hire in their letter No. DTO 223/64-B2, dated 5th March, 1964 (copy enclosed).

As no reply was received from the Deputy Director, Geodetic and Research Branch of Survey of India regarding any other organisation being interested in the purchase of the meter, it was felt that the Director General of Supplies and Disposals, through whom the meter was purchased, might be asked to arrange for its disposal and also to find out from Director General, Indian Stores Deptt. London, whether any foreign agency would be interested in acquiring the meter. Accordingly, the Director General of Supplies and Disposals was addressed under our letter of 9th February, 1965, sending full specifications of the meter. The Director General of Supplies and Disposals desired that the particulars be sent in his standard form and further asked for an authorisation letter in the prescribed form duly signed by competent authority. This was furnished to him and he is taking further action.

In spite of series of D.O. reminders, telegrams and telephones from January, 1965 (on 16-2-65, 15-3-65, 20-4-65, 15-5-65, 15-6-65, 13-7-65, 27-7-65, 14-8-65, 3-9-65, 25-9-65, 21/22-10-65, 26/27-10-65, Tgm. 6-11-65, Tgm. 22-11-65, 24-11-65 and 17-12-65) no reply

was forthcoming from the Deputy Director, Geodetic and Research Branch of Survey of India, until 7th January, 1966. In his D.O. letter dated 7th January, 1966 (copy enclosed) Director, Survey of India, clarified the position as under :—

"On going through the case, it is found that none of the officers, who were then concerned with this aspect, are at present with us and that they have been transferred several years ago to other Directorates. However, it is found from the records that the literature on the Boehnecke Current Meter was received in our office and that a copy was also available with you. This literature mentions as follows:—

'It is used for investigating the direction and velocity of sea currents at little or great depths. Where measurements are made at a great depth the instrument is suspended by a wire-rope (unifilar suspension) while for recordings in shallow waters or close to the surveying ship the instrument is fastened to two wire-ropes (bifilar suspension) by means of a frame of 4 m. in length.' Nowhere does it mention that it cannot be used in creeks. The literature on Askania Bifilar Current meter says that, 'It is used for indicating and recording direction and velocity of sea currents', 'in seas, river estuaries and harbours at a depth *not exceeding* 50 meters.'

When our officers gave their recommendations to you, they had thought, according to their best knowledge and information, gained from the literature etc. that Boehnecke Current Meter, which is known for its robustness and accuracy, would be better suited for the purpose and for future use as well, without limitations regarding its use below depths of 50 meters and more."

The meter was purchased on the specific recommendation given by the Survey of India, after their officers inspected and studied the site conditions for 3 days, in October 1959, and the quotations with the literature were scrutinised by them before the orders were placed. The recommendation by the Survey of India for the purchase of this particular meter was based on considerations as clarified in the D.O. letter of 7th February, 1966, as mentioned above.

GOVERNMENT OF INDIA
MINISTRY OF TRANSPORT & COMMUNICATIONS
Kandla Port Project.

Office of the Development
Commissioner, Kandla.

Post Box No.-50,
Gandhidham (Kutch).

Dated the 28th Aug., 1959.

No. 17E(60)/59.

The Deputy Director,
Survey of India,
Geodetic and Research Branch,
Post Box No. 77,
DEHRADUN (U.P.).

SUBJECT:—*Current Observations in Kandla Creek.*

Sir,

Some modifications are to be effected to the existing new oil jetty at Kandla and these are to be based on accurate measurements of maximum velocities and directions of current in Kandla Creek. In this connection, it has been recommended that the above mentioned observations can best be arranged to be taken by your department, who, we understand possess a pendulum type of current meter which will record both the velocities and directions simultaneously and which will give more accurate data. The observations will last for a minimum period of three months and this period will have to be extended if consistent results are not obtained.

Perhaps, it may be desirable to indicate, here, the extent of observations to be conducted and the nature of currents encountered with a view to facilitate adequate preparation for the future observations. So far, the maximum velocities have been measured with the aid of a watts current meter at regular intervals of time before and after the high tide and plotting the same to determine the maximum values. The directions of current were measured by the help of a sextant and float. The maximum observed ebb velocity is 9.2' / sec. and the maximum observed flood velocity is 5.5 ft./sec. Maximum deviation of ebb has been observed to be 13° to the Oil Jetty and the minimum deviation of flood as 0°. Future observations of maximum velocities

and directions of current have to be taken in a region of 1000'×200' around the jetty at 30 locations at different depths (Viz. 10', 20', 30' etc.).

Since collection of the above data forms the first step towards implementing the modifications and the works have to be taken up with least delay, I request you to let me know early whether you are in a position to undertake these observations. Also please state your terms for undertaking this job.

If you need any further information regarding the creek or any other matter pertaining to this subject, I shall be glad to supply the same.

Hoping for your co-operation and early reply.

Yours Sincerely,

Sd./-

CHIEF ENGINEER
KANDLA PORT.

Survey of India
GEODETIC & RESEARCH BRANCH,
Post Box No. 77,
DEHRADUN (U.P.).

Dated the 3rd October, 1959.
11 Asvina 1881 (*Saka*).

No. T-17411/42-E-10.

From,

The Dy. DIRECTOR, GEODETIC & RESEARCH BRANCH,
SURVEY OF INDIA.

To,

The Chief Engineer,
Kandla Port, Post Box No. 50,
Gandhidham (Kutch).

SUBJECT:—Current Observations in Kandla Creek.

REFERENCE:—Your letter No. 17E(60)/59, dated 28-8-1959.

Sir,

Normally tidal current observations are taken round the clock at half-hourly or hourly intervals for which we utilise an officer and

four observers. Short period observations may be enough for navigational purposes but for engineering requirements, at least one month's observations at one representative site in the area will be necessary to be able to analyse them and to predict maximum possible velocities as it will be realised that the currents depend on tides. There will still be some uncertain elements like non-tidal current and wind effects left out which may be different at different periods. The ideal is to have one current station permanently functioning during the period of survey and to take short period observations at other subsidiary stations. This will require two sets of good vessels with a minimum of two anchors for each boat. Since the area of survey is very limited and you require data for about 30 sites in that area it will be necessary to be able to make point-anchorage at each site by use of more than one anchor. The boats for this purpose will have to be provided by you.

2. We have one set of pendulum current meter which can measure velocity and direction at different depths of 10, 20 and 30 ft. Though this can record surface currents up to 10' Se. yet it cannot record currents at depths of 30 ft. greater than 7.6'/Se. due to wire bending effects. There are two sets more of these current meters available at present in the country and could be requisitioned for this task perhaps, but they all have this limitation. Pendulum current meter gives velocities at different depths by means of integration. It may be necessary and possible to buy or loan suitable current meters to measure greater velocities in deep waters.

3. I will like personally to come over and have an on-the-spot study of the site, requirements and resources available. Considering my other commitments at the moment, it will be possible for me to visit Kandla during the third week of October and the exact date shall be communicated to you telegraphically. Will you, therefore, kindly confirm that this programme will suit you for holding necessary discussions.

4. One detachment for three months will cost you approximately Rs. 12,000/-.

Yours faithfully,

Sd./-

Lt. Col. Engrs.,

DEPUTY DIRECTOR,
 GEODETIC & RESEARCH BRANCH,

A note of discussions on 26-10-59 about the current observations at the New Oil Jetty with Deputy Director Geodetic and Research Branch, Survey of India, Dehradun.

A note detailing out the scope of work to be done was given to Dy. Director, Geodetic and Research Branch, Survey of India by

Executive Engineer (H) in connection with the current observations at the New Oil Jetty.

2. The salient feature of the scope of work to be carried out are detailed as under:

- (a) to find maximum velocities of flood and ebb having the maximum diversions between them.
- (b) observations to be conducted for a maximum period of 3 months and if consistent results are not obtained, the period to be extended.
- (c) observations to be taken at different depths 10', 20' and 30' etc. at 30 locations covering an area of 1000'X200' (500' North of the northern caisson and 500' south of the caisson). On each cross section observations were to be taken at 4 sides.

3. After going into the details the Deputy Director expressed the view that a more accurate current meter than the one with them at Dehradun, would be required. The accuracy required will not be obtained with the current meter with them. Besides this the pendulum type current meter with the Deputy Director was capable of recording velocities up to a maximum of 4 knots. These observations are based on the experience gained in the work in the Gulf of Con- bay. The maximum velocity at the oil jetty is of an order of above 6 knots.

4. The Deputy Director therefore made the following suggestions:

(i) Direct reading radio current meter may be imported. This will give very accurate results which are required for this purpose. The approximate cost would be about Rs. 50,000. This current meter would record the velocity of the directions of the current at permanent stations. A mechanical type of current meter (available in India) would be required for observing velocity of directions at other stages. The cost of mechanical current meter would be about Rs. 5,000. Details of this current meter will be furnished by the Deputy Director Geodetic of the Research Branch on his return to Dehradun.

(ii) For taking observations, a detachment consisting of 9 technical observers and 6 attendants (class IV staff) will be required and approximate charges for a period of 3 months would be Rs. 25,000/-.

(iii) It will be necessary to have 2 stable vessels to accommodate about 8 persons with necessary arrangement for the operation of the current meters. In addition to the 2 stable vessels, a motor launch will be required to get the essential meter and men shifted from site to site.

(iv) Some shore points will have to be installed for taking observations at night time.

(v) Sufficient transit lines to be marked at suitable places.

(vi) The wind recording apparatus would be required to function continuously during the observations. (The wind recording apparatus is available at observatory at Old Kandla).

Sd./-

SUPERINTENDING ENGINEER.

Copy to Deputy Director.

17E(60)/59 Engineering Branch dated 1-11-1959.

Copy to XEN(H)/Deputy Conservator/F.A. & C.A.O./Development Commissioner.

No. 20056/42E10.

Survey of India
Geodetic & Research Branch,
Post Box No. 77,
DEHRA DUN(U.P.)
Dated the 12 November, 1959.
21 Kartik 1881 (Saka).

From,

The Dy. Director, Geodetic & Research Branch,
SURVEY OF INDIA

To,

The Development Commissioner, Kandla Gandhidham.

SUB:—*Current observations at Kandla.*

REF:—Your No. 17-E(60)/59 dated 30-10-59.

Dear Sir,

I have the following observations to make on the scope of work and method of calculating pressures on ship as recommended by the Committee:—

- (a) The total pressure on ship will be proportional to square of the component of the average velocity perpendicular to the ship. This will agree with Capt. Piggott's solution.

- (b) For calculating the pressure on ship it is the average velocity which should enter in the formula and not spot velocities at 10, 20, 30-ft. If spot velocities are observed, eventually average velocities have to be obtained from these. This may be brought to the notice of the Committee.

2. We have made inquiries and find that no current meter of the required specifications are available at present in India. Detailed specifications of the following two current meters which would meet our requirements are attached and these are for import:—

- (a) Boeckes current meter available from Askania-Werke A. G. Berlin—Friedenan.
- (b) Roberts current meter for Boat work No. 6 available from Kelvin and Hughes (Marine) Ltd., 99 Benchurch Street, London, E.C.3.

3. It is considered that the best season for observation will be December, 1959 to March, 1960.

4. If delay is likely to occur in procurement of current meters, we suggest that with some modifications of our methods e.g. observations for 3 months now between December 1959 to March 1960 with existing instruments and logship and for a further month or so during the peak period of the monsoons with imported current meters, we will be able to give the results which can be used for the design.

Yours faithfully,

Sd./-

Lt. Col. Engrs.,

Deputy Director, Geodetic & Research Branch.

Current Meter after BOHNECKE

1. design, technical data and scope of delivery acc. to descr E 6432a, equipment consisting of:

(6432/1)

1. *Current Meter.*

made of corrosion-resisting and non-magnetic material, with double spring work for strip transport gear, and single spring work for stamping mechanism, with compass system, cassette and counter—with propeller and propeller and propeller shaft, inc. transport cases; current velocity from 4 to 400 cms/second.

(6432/2)

1. *Frame for Bifilar Suspension.*

demountable—including case:

with two cable winches each with 55 m of cable
and 2 clamping devices, cable guide rollers, out
board projecting frame.

(6432/3)

1. *Accessories Case, Incl. Tool Case*
Containing

Tin-Foil Strips—Sufficient to take one year's records.

2 rewinding reels.

2 Screw drivers.

1 cassette.

1 rewinding crank

2 spanners

1 hammer.

1 rewinding device.

1 filling funnel.

1 hook spanner;

1 Booklet giving complete instructions.

1 Spare propeller and spare propeller bearings.

(6432/4)

1. *Calibration Certificate.*

For propeller.

D.M.

Price 46,000/00.

*For the Supply of Roberts Current Meter for Boat Work**Outfit No. 6.*—Current meter designed for suspension from a boat and recording direction and velocity.*Comprising.*—One Current Meter complete with one spare impeller. N.P.L. calibration charts for impeller and Kelvin and Hughes deviation card for compass.

100 ft. electric cable and 100 ft. suspension cord for
Meter together with 20 ft. suspension plus hanger and
heads (enough cable for suspending upto a depth of
60 ft.) .

Spare impeller bearing.

Necessary Tools—One single pen recorder with 1 second time making.

Power unit for recorder and meter to operate off 12 volt accumulator.

One 12 volt 94 ampere hours accumulator.

One tape scaling board with one small and one large tape scaling templates.

Sufficient rolls 16 m. Teledeltos recording paper for recording for one year.

Price £1135-000

No. 17-E(60)/59

21st Nov. 1959.

From

The Development Commissioner,
Kandla.

To

The Secretary to the Government of India,
Ministry of Transport & Communications,
Department of Transport (Transport Wing),
Central Secretariat, North Block,
NEW DELHI.

SUB.—*Modifications to the Oil Jetty.*

Sir,

I have to refer to the correspondence resting with this office letter No. 17-E(60)/59, dated 13th October, 1959 under which it was intimated that the Deputy Director, Geodetic and Research Branch, Survey of India, has proposed an on-the-spot study of the requirements and the sources available with his department before undertaking the work.

2. The Deputy Director visited this place and was here from the 23rd to 26th October, 1959. He had stated that the pendulum type current meter with the Geodetic and Research Branch was not capable of recording as accurate observations of the directions of the currents and the velocity as our problem would warrant. He has suggested that a Radio type current meter should be imported from abroad which would be the most appropriate instrument for finding out the data. A copy of the note of discussions with him is attached.

3. Details have since been received from the Deputy Director, Geodetic and Research Branch, Survey of India under his letter No. 20056/42-E/10, dated 12th November, 1959 (copy attached). It will be seen that two current meters to meet with the requirements of the Geodetic and Research Branch, Survey of India, would have to be imported. The purchase of these current meters involves foreign exchange and the order will have to be placed on the Director General of Supplies and Disposal with 'No availability' certificate from the indigenous sources from the Development Wing of the Ministry of Commerce and Industries.

4. I am, therefore, forwarding herewith a formal indent on the Director General of Supplies and Disposals for the current meters to be imported which may be sent to him with a request to take an immediate procurement action and get the current meters by air.

5. It is also requested that the 'No objection' certificate may be obtained by the Ministry direct from the Development Wing of the Ministry of Commerce and Industries.

6. It has been suggested by the Deputy Director that pending receipt of these current meters they would be able to carry out the observations with some modifications to their existing instruments from December 1959 to March 1960. But the final observations will be taken with the imported meters. As the matter is urgent, I am, authorizing him to start the observations from December onwards. Final observation with the imported meters will be carried out in monsoon.

7. As regards financial implications, it was indicated in the note of discussions that an expenditure of approximately Rs. 25,000/- would be involved in payment to the Geodetic and Research Branch of Survey of India for taking the observations and some expenditure will be involved in providing shore points, launch and boats alongwith necessary crew. An expenditure of approximately Rs. 70,000/- will be required for the purchase of current meters. The exact figure would be known after the supply is arranged by the Director General of Supplies and Disposals. All this amount will be chargeable to the proposals for modifications to the oil jetty for which the estimate will be prepared and sent to Government after sufficient information about liabilities is available with the Organisation. In the meantime the expenditure is being authorized by me under para 58 of the Central Public Works Department code.

This issues with the concurrence of my Financial Adviser and Chief Accounts Officer.

Yours faithfully,

Sd/-

Development Commissioner, Kandla.

Copy to:—

F.A. & C.A.O./S.E./Dy. Conservator.

XEN (H)/R.A.O.

The Dy. Director, Geodetic and Research Branch, Survey of
India, P.B. No. 77, Dehra Dun (U.P.).

Kandla Port Project

Superintending Engineer.

Post Box No. 50,

Gandhidham (Kutch).

D.O. No. 17E(60)/60

Dated the 21st July, 1960.

Dear ,

Please refer to your letter No. 20056/42-E-10, dated 12th November, 1959 to the Development Commissioner, Kandla, forwarding the specifications of the current meter.

The indent for the current meter based on the specifications supplied by you was sent to the Director General of Supplies and Disposal, who counter-mandated the same to the India Store Department, London, who called for global tenders.

I am enclosing herewith a copy of letter No. 1146/60/EWB/MIS. 3 dated the 1st July, 1960 from the Director General, India Store Department, London, alongwith two pamphlets Bifilar Current Meter and Boehnecke Current Meter in original, with a request that the points may be clarified and the case returned with the least possible delay. It is requested that the pamphlets may be returned in original as these are to be sent back to India Store Department, London.

I would suggest that a copy of your clarification may be sent direct to the India Store Department, London.

I shall be grateful for an immediate action in the matter.

Yours Sincerely,

Sd/- 21/7

Deputy Director, Geodetic and Research Branch,
Survey of India, DEHRADUN (U.P.)

Copy with a copy of letter under reference to be sent to H.D. & S.O.

No. 11887/42-E-10.

IMMEDIATE

Survey of India
Geodetic & Research Branch,
 Post Box No. 77,
DEHRA DUN (U.P.)
Dated the 5th August, 1960.
 14 Sravan 1882 (Saka).

From

The Dy. Director, Geodetic & Research Branch,
 Survey of India.

To

Superintending Engineer,
 Kandla Port Project,
GANDHIDHAM.

SUB:—*Specifications of the current meters.***REF:—***Your letter No. 17E(60)/60-II, dated 21st July, 1960.*

Clarifications on the various points raised in D.G.I.S.D.'s letter No. 11460/60/EWB/MISC-3, dated 1st July, 1960 are given as follows:—

1. *Boehnecke Current Meter*

Item 1(b)—Frame for Bifilar Suspension.—Requirements are for Boehnecke current Meter (E-6432-A) and NOT for the Bifilar Current Meter (E-6437-a). In the pamphlet full details of the outfit of the suspension frame as per fig. 2 of the pamphlet 6432-a are not given. These were given by us in full details. Outboard projecting frame is required for mounting the Bifilar Frame on the deck of the ship. Plain wire rope (and NOT electrical cable), winches, guide rollers and clamping devices are required for lowering the current meter to the required depth and also for hoisting it up. In case these accessories are provided with the Boehnecke's Current Meter, as the usual outfit of the suspension frame as per fig. 2 of pamphlet E-6432-a, nothing more is required.

Item 1(c)—Tin foil strips.—Sufficient tin foil strips are required for continuous use of the instrument for one year, both during day and night recordings being done at a 10 minute rate.

Calibration Range.—Calibration of the instrument upto 350 cms/sec. will be sufficient.

2. Roberts current meter for Boat Work

Recording papers for 200 recording houses in a year will not be sufficient. Enough paper is required for continuous use of the instrument for one year, both during day and night.

Sd/-

Lt. Col. Engrs.,
Deputy Director,
Geodetic and Research Branch.

Copy to the Director General India Store Department Government Building Bromyard Avenue, Act on, London W-3 with reference to his letter No. 1146/60/EWB/MISC 3 dated 1st July, 1960 to the Development Commissioner, Kandla (By Air Mail).

GOVERNMENT OF INDIA
MINISTRY OF TRANSPORT AND COMMUNICATIONS

Kandla Port Project

*Office of the Development
Commissioner, Kandla,
Post Box No. 50,
Gandhidham—Kutch.
Dated the 10th August, 1960.*

No. 17-E(60)/60.
The Director General,
India Store Deptt.,
Govt. Building,
Bromyard Avenue,
Acton, LONDON W.3.

SUB.—Specifications of the Current Meters.

Sir,

I have to refer to your letter No. 1146/60/EWB/MISC./3, dated the 1st July, 1960 and to invite your attention to the Deputy Director, Geodetic and Research Branch, Dehara Dun's letter No. 11887, of 5th August, 1960 copy already furnished to your office by him, wherein the points raised by you have been clarified.

In case the accessories required by the Deputy Director in his above letter of 5th August, 1960 are provided the current meters may be despatched at an early date.

An extract giving the customs duty, as required under clause IV of Annexure 'A' forwarded along with the copy of indent, is attached herewith. The insurance charges will be intimated to you directly by Director General of Supplies and Disposals, New Delhi. As regards clause vi, it is confirmed that the description, specification and quantities of the stores and also name of the consignee as given in the cross-mandate are in order.

Yours faithfully,

Sd/-

Superintending Engineer,

Kandla Port.

Copy to the Director General of Supplies and Disposals, Supply Department, New Delhi, with a copy of an extract giving the customs duties of electrical and non-electrical appliances. The insurance charges may be intimated to the D.G.I.S.D., London directly under intimation to this office.

Copy to.—1. The Director Geodetic and Research Branch, P.B. No. 77, DEHRA DUN (U.P.) Pamphlets may please be returned to this office at an early date as asked for in this office letter of 27th July, 1960 as these are to be sent back to London.

2. X.E.N. (H).
3. S.O. Incharge. } Along with a copy under ref.

No. T.E/12 62.

From.

I c. Tidal Stream Deptt.

To

O.C. Tidal Party.

SUB.—*Boehneck's current meter.*

REF.—*My telegram dated 28th July, 1962.*

The Boehneck's current meter clock has not been working at all. Test observations were taken on 25th July, 1962 for the first time from a wooden barge. That day the clock stopped functioning after recording for about 10 hours. This was noticed on the morning of 26th July, 1962. When it was heaved up on board, for putting fresh oil and for cleaning. Very large quantities of sediments had been

deposited on the mechanism inside during the previous 20 hours. It was thoroughly cleaned and the current meter was studied by Shri Rangan (on Inspection).

On 27th July, 1962 (on the day of departure of Shri) the current meter clock was apparently in working order and it was lowered again in water (at station No. 1) at 11.37 hrs. At 17-00 hrs, when I heaved it up for checking it was found that the clock mechanism had stopped. Immediately after it was lowered; no recording was done by the meter since 11.37 hrs. at all. However not much sediment was found at 17.00 hrs. After cleaning also the clock has not started. Sometimes it runs for a few minutes and then stops.

Observations at No. 1 are held up due to this unfortunate trouble. O.C. while inspection has studied this difficulty.

Observations with roberts C.M. have been progressing satisfactorily at station 5, and is being shifted loading to station 4 as per programme.

The inspection and overhauling of the clock mechanism, by one of our own mechanics is imperative and I request you to do the needful forthwith.

Sd/-

28th July, 1962.

Survey of India

From

Survey Officer.

To

Executive Engineer (Harbour),
Kandla Port.

Dated the 13th August, 1962.

Place Old Kandla.

Sir,

The Boehneck's Current Meter has again turned out to be unusable. The clock has been set right by the Mechanic from Dehra Dun. Now the defect appears to be in the Stamping mechanism which stops very frequently, making the work impossible. The mechanic

is of opinion that the mechanism can be used again only after making some alterations in it. But I have instructed him not to tamper with it, as desired by you. It is better to contact the makers as early as possible and ask them to do the needful immediately. In the meantime I am continuing the observations with Roberts Current Meter and different stations.

Yours faithfully,
Sd/-

Suptd. Surveyor.

Copy for information to the Incharge, Tidal Party, Survey of India.

CABLE

STATE

EXPRESS

INDIAMEN

LONDON

BOEHNECKS CURRENT METER CLOCK STOPPED FUNCTIONING AFTER WORKING 10 HOURS (.) ACTION BE TAKEN AGAINST SUPPLIER UNDER CONTRACT CONDITIONS (.) LETTER FOLLOWS
DEVELOP.

Not to be telegraphed.

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT AND COMMUNICATIONS

Kandla Port Project

Office of the Development
Commissioner, Kandla,
Post Box No. 50,
Gandhidham, (Kutch).

No. 17-E(60)-1/62.

Dated the 7th August, 1962.

Copy by post by air in confirmation to the Director General India Stores Department, Government Building, Bromyard Avenue Action, London W-3.

Sd/-

*Superintending Engineer,
Kandla Port.*

Copy 1. XEN(H) with ref. to his endorsement No. 3465, dated 1st August, 1962. He may please refer to clause 18 of conditions of the contract governing the contracts placed by the central purchase organi-

sation of Ministry of Works, Housing and Supply at P. 24 of the book. Repairs may be taken only after we hear from the D.G.I.S.D. London.

2. F.A. & C.A.O.

By Air

Superintending Engineer.

D.O. No. 17-E(60)-1/61/21611. Dated the 14 August, 1962.

Dear Shri,

Kindly refer to your letter No. 1146/60/KC/Misc-2, dated the 4th April, 1962 regarding shipment of Boehnecke's water current meter.

As already informed to you on 7th June, 1962 telegraphically, the clock of Boehnecke's current meter has stopped functioning after working for 10 hours only. The first test observations with this current meter were taken from a wooden barge on 25th July, 1962. On 26th morning, when the current meter was heaved up on board for putting fresh foil and for cleaning, it was noticed that the clock of the current meter had stopped functioning after recording the observations for about 10 hours. It was also found that large quantities of sediments had deposited on the mechanism inside during the previous 20 hrs. The arrangements were therefore made to clean the current meter, and after having this done on 27th July, the clock was found in working order and the same was lowered again in water at 11.37 hours. At about 17.00 hours on the same day the meter was heaved up for checking and it was found that the clock mechanism had again stopped immediately after it was lowered, as no recording was done by the meter since 11.37 hours. The meter was cleaned again, though at that time there was not much sediment, but the clock did not start working.

I would, therefore, request you to take up the matter with the concerned firm in accordance with the provision of guarantee clause incorporated in the contract. I would also request you to send one copy of the "Revised Standard conditions of the contract" referred to in your contract No. M-10124/1146/60 of 14th October, 1960 at your earliest.

Yours Sincerely,
Sd./-

Directorate General,
India Store Department,
Government Building,
Bromyard Avenue, Acton,
LONDON, W-3.

Copy to the Director General of Supplies and Disposals (Imports and Shipping), N.I. Building, Parliament Street, New Delhi with reference to Indent No. 2416-LX-mandate No. IS-2/3(4382)/2416/60, dated 17th May, 1960.

Copy to.—1. XEN(H).
2. F.A. & C.A.O.

BY AIR

KANDLA PORT

Superintending Engineer

P. B. No. 50,

Gandhidham (Kutch)

D.O. No. 17-E(60)-1/62/21994 dated the 18th August, 1962.

Dear Shri

Kindly refer to my d.o. letter of even number dated the 14th August, 1962 regarding the Boehneck's current meter.

The defects noticed are as under:

- (1) The clock mechanism stopped functioning after working for about ten hours.
- (2) The embossing mechanism has totally failed to function after it had worked for a few hours. The embossing hammer gets stuck up sometimes and is not possible to find the defect.
- (3) The embossing interval of 10, 5 and 2 minutes does not bear relationship.
- (4) Part No. 45 is not found on the instrument which has been indicated as figure 6. on page 18 of the supplier's instructions manual. The supplier should clarify whether providing of this part will improve the working of the instrument.
- (5) The supplier should intimate whether the oil supplied with the current meter, viz., Methylsalicylat DAB-6, can be replaced by any other equally thin oil.

The work has been held up and I shall be grateful if immediate action is taken to contact the supplier, who should make early arrangements to get the current meter repaired.

Yours Sincerely
Sd/-

**Director General,
India Stores Department,
Government Building,
Bromyard Avenue,
Acton,
LONDON-3.**

Copy to:—(1) The D.G.S. & D., N. 1. Building, Parliament St., New Delhi, with reference to your letter No. SR-10/STV6/Misc/I/Water Meters/62, dated 1-2-1962.

(2) F.A. & C.A.O.

(3) (XEN'H) w.r.t. his note No. 2-HC(15)/62/3702, dated 14-8-1962.

THE HIGH COMMISSION OF INDIA

Extension 297

1146/60/KC/MIS.2.

**The Director-General,
India Store Department,
Government Building,
Bromyard Avenue,
Acton, London, W.3
21st August 1962.**

Dear Shri

Your Indent No. 17-E(60)/59. dated 21-11-1959 Item No. 1.—Water Current Meter.

I am to thank you for your letter dated 14th August, 1962, in regard to the unfortunate non-functioning of the clock of the Boehneck's current meter.

2. I am approaching the firm on this matter with a view to rendering all possible assistance and will advise you as soon as a reply has been received from them.

3. To expedite matters, however, it is pointed out that the German firm do have Agents in India. Your attention is directed to paragraph 21 of the contract in which the Agents' name and address is given and also the fact that the Agent will render services. As previously stated, therefore, it may be more expeditious for you to contact the Agent in India and request his assistance in restoring the clock to its full working capacity. To assist in your approach to the Agents, it is pointed out that he is being paid commission to the extent of £461 and, as

such, it is considered that he should and will render every service possible. When approaching the German firm on your behalf, I will request that they also approach their Agents asking that every assistance may be given to you in the matter.

4. A copy of this department's revised Standard Conditions of Contract will be forwarded to you together with details of the firm's reply at a later date.

Yours Sincerely,
Sd./

Superintending Engineer,
Kandla Port Project, P.O. Box No. 50,
Gandhidham (Kutch).

CABLE	STATE	EXPRESS
CHADWICK INDIAMEN LONDON	REYOULET 24TH AUGUST	(.) FIRMS (.) NO ACTION (.) WORK DEVELOP
AGENTS IN INDIA TAKEN BY THEM HELDUP (.)	APPROACHED (.) EXPEDITE FIRM	

Government of India
Ministry of Transport and Communications,
Kandla Port Project

Office of the Development
Commissioner, Kandla,
Post Box No. 50,
Gandhidham (Kutch).

No. 17-E(60)-1/62/23687 dated the 6th September, 1962.

Copy by post in confirmation to the Director General, India Store Department, Government Building, Bromyard Avenue, Acton London W-3. As desired in your letter No. 1146/60/KC/Mis.2, dated the 21st August, 1962 the firm's Agents in India have been requested on 28th August, 1962 for carrying out early repairs but so far no step has been taken by them. Telegram is being sent to them again. You may expedite the firm also.

Sd./
Superintending Engineer,
Kandla Port.

Mr.
Superintending Engineer,
Kandla Port Project,
Office of the Development Commissioner,
Kandla, P.B. No. 50,
Gandhidham (Kutch),
India.

Contract No. M. 10124/1146/60
Bohneck's Current Meter

September, 1962

Dear Sir,

We have been informed by the High Commission of India, London, that the Bohneck's Water Meter we despatched under your Contract No. M. 10124/1146/60 has suffered a defect when putting into operation. Please note that we deplore the fact that this has caused you inconveniences and that we will make all possible efforts to help you out of this situation. We have already advised our Agents, Messrs. SICO, B-7 Ajmeri Gate Extn., New Delhi-1, to give you necessary assistance.

The pending questions we answer as follows:

- (1) Only Methyl-Salicylat DAB-6 can be used as filling liquid. Only when this oil is used perfect operation of the Current Meter can be granted.
- (2) The part No. 45 you could not find on the instrument is the take-up arrangement for tin-foil strip, which can be seen on picture 8 of the Instruction Manual and which has been delivered together with the instrument.

We hope the information given to you will contribute to get the instrument working again. In addition, please find enclosed a copy of a letter which our main supplier in Berlin sent to the Deputy Director, Survey of India, Dehra Dun, together with our catalog E 6432a.

Hoping to have been of service we remain at your further disposal.

Yours Faithfully,
ASKANIA—WERKE GMBH

Encl :

1 copy of a letter dated August 17, 1962.

1 catalog E6432a u. sep. cover.

Copy: The High Commission of India.

Airmail/Express

The Deputy Director
 Geodetic & Research Branch,
 Survey of India.
 Post Box No. 77
 Dehra Dun (U.P.)/India

August 17, 1962
 WP-Lb/KV-Gp
 Br/Gr/Va

Ref. Boehnecke Current Meter recently procured by the Development
 Commissioner, Kandla Port our order 6432.O.4403/59 (88-
 1673)

Dear Sirs,

We have received your letter (No. 2463/42-E-10 Tidal) dated
 August 2, 1962, from which we have learned to our regret that the
 Boehnecke Current Meter we have delivered through the

ASKANIA—WERKE GMBH

Offenbach/Main

Taunusstr. 47

at the beginning of this year has stopped working already after a short
 period of use.

The Boehnecke Current Meter is an instrument especially developed
 for investigating the direction and velocity of sea currents in
 great depth. It is not suitable for measurements in waters respectively
 river estuaries with a heavy siltation. Under separate cover as
 printed matter airmail we have sent you today a pamphlet on our
 Boehnecke Current Meter, which we had already submitted together
 with our offer before receiving the order. You will learn from this
 pamphlet that the Boehnecke Current Meter is not provided with pressure
 tight seals and that the sea water flows through the entire instrument
 including the recording mechanics. It is quite clear that the
 stamping mechanism as well as the gear and worm wheel-transmissions
 block up when silt is intruding.

When receiving the order we did not know for which purpose the
 instrument should be used. Otherwise we would have recommended
 to you our

Bifilar Current Meter

which serves for measuring and recording the direction and velocity
 of water currents in seas, river estuaries and harbours at a depth not
 exceeding 50 m. This instrument is considerably cheaper than the

Boehnecke Current Meter. Separate we will also send you one pamphlet on this instrument and are quite ready to submit to you, if requested, a detailed offer.

We regret very much that our Boehnecke Current Meter evidently does not suit measurements in the Kandla Creek. Thus we can only recommend to you to clean the instrument thoroughly (the stamping mechanism and the movement should be washed out with alcohol) and to refrain from measurements where a muddy sea water and a heavy siltation are suspected. We are so sorry to be able to give you any better assistance in this matter, and remain.

Yours faithfully,

Continental Elektroindustries Aktiengesellschaft,

Askania-Werke.

gez. Dr. Kirsten

I. A. Griesbach.

Under separate cover

1 X E 6432a

No. 17-E(60)-1/61/26099

24th September, 1962.

The Deputy Director,

Survey of India,

Geodetic and Research Branch,

Post Box No. 77,

Dehra Dun (U.P.).

Sub.—Repairs to Boehneck's Water Current Meter.

Sir,

I have to refer to the express letter of Messrs. Askania Werke G.M.B.H., Suppliers of the Boehneck's Current Meter, dated 17th August, 1962 addressed to you and copy sent to this office, and to say that the firm is of the opinion that the Boehneck's Current Meter is an instrument especially developed for investigating the direction and velocity of sea currents in great depths and that it is not suitable for measurements in water in river estuaries with a heavy siltation.

2. In this connection I have to refer to the visit of Deputy Director, to Kandla on 26th October, 1959 who after inspecting the site suggested for importing Radio Type Current Meters to have accurate results of the observations. The detailed specifications were then received from you for the following two current meters proposed to be imported, under your letter number 20056/42-E/10, dated 12th November, 1959 stating that these current meters will meet your requirements.

- (a) Boehneck's Current Meter/available from Askania Werke A. G. Berlin.

(b) Roberts Current Meter for Boat work No. 6, available from Kelvin Hughes Limited, London.

3. The indent for the above two current meters based on the specifications prepared by you, was placed with the Director General of Supplies and Disposals and later on two pamphlets for Bifilar and Boehneckes Current Meters, received from the Director General, India Store Department, London, were forwarded to you in original for clarifying certain points raised by them, *vide* my D.O. letter No. 17-E(60)/60, dated 21st July, 1960. In reply to this communication also you desired procurement of the Boehneck's Current Meter stating that the requirements are not for the Bifilers Current Meters.

4. It will thus be seen that the Boehneck's Current Meter have been procured as per your recommendation. As the firm have now stated that this meter is not suitable for measurements in Kandla creek as it is not provided with the facilities required for heavy silting water it is requested that the meter may please be examined in your department. Simultaneously, the circumstances under which the current mete of the specifications which do not meet your requirements, were recommended at the initial stage may also please be reviewed and position clarified at your earliest.

5. It is evident from the firm's letter referred to in paragraph above that the Bilfilar Current Meter for which the pamphlet was originally sent to you, would be useful for our purpose and is also considerably cheaper.

6. You may therefore examine this point also and let me have your views at your earliest.

Yours faithfully,
Sd./-

THE HIGH COMMISSION OF INDIA

Extension 297. 1146/60/KO/MIS. 2.

17-E(60)-1/62.

The Director-General,
India Store Department,
Government Building,
Bromyard Avenue,
Acton, LONDON, W-3.
30th September, 1962.

AIR FREIGHT.

Sir,

Indent 17-E(60)/59 dated 21-11-59. DGS&D INDENT
2416L. X mandate IS-2/3 (4382)/24 6-E60
dated 17-5-60. Depth Indicators & Current Meter.

With reference to previous correspondence on the subject, please find enclosed as required a copy of this department's Standard Conditions of Contract.

It is assumed that by now you have received a letter dated the 12th of September, 1962, from the firm in regard to the non functioning of the Boehnecke's Current Meter. It is also assumed that you have also received a copy of letter reference WP-LB/KV/GP/BR/GR/VA, dated 17th of August, 1962 from Continental Elektro-industries Aktiengesellschaft Askania-Werke, which was addressed to the Deputy Director, Geodetic & Research Branch, Survey of India, in which the whole question of the current meter as supplied was taken up.

In view of the remarks contained in the above two quoted letters, please note that this department cannot take any further action in the matter pending further advice from your good selves.

Yours faithfully,
Sd./-
for Director General,
India Store Department.

Superintending Engineer,
Kandla Port Project,
Office of the Development Commission, Kandla, P.O. Box No. 50.
Gandhidhan (Kutch).

No. 4705/42-E-10 (Tidal)

SURVEY OF INDIA
GEODETIC & RESEARCH BRANCH
Post Box No. 77
DEHRA DUN (U.P.)-INDIA
Dated the 8th November, 1962.
17 Kartika 1884 (Saka).

From

The DEPUTY DIRECTOR, GEODETIC & RESEARCH
BRANCH, SURVEY OF INDIA.

To,

M/s. Askania Werke,
Berlin—Mariendorf., Berlin,
(West GERMANY).

SUB :—Boehnecke Current Meter,

REF —Your No. WP-LB/KV/GP. B2/Gr./VA dated 17-8-1962.

Dear Sir,

You have mentioned in your above quoted letter that the Boehnecke current meter is not suitable for measurement of currents in shallow waters, while your descriptive pamphlet concerning the

instruments states otherwise, wide extracts below :—

- (i) "The Askania Current Meter after Dr. Boehnecke is used for measuring currents at little or great depths".
- (ii) ".....while for recordings in shallow water or close to the Surveying ship the Instrument is fastened.....".

2. It will be obvious that your descriptive literature has been somewhat misleading. The Boehnecke current meter was procured by the Kandla Port Authorities under this impression that the instrument was capable of being used both in deep and in shallow waters and in doing from this and other aspects, this instrument appeared to be the best in the market for the purpose.

3. Now that you have advised that this instrument cannot be modified so as to serve the purpose for which it was obtained and that the Bifilar current meter would be the more suitable instrument for the work. We are wondering if you will very kindly consider the exchange of the Boehnecke current meter already supplied to Kandla Port for a Bifilar meter. In view of the later being considerably cheaper than the former we are sure that you will in that case also consider any reasonable financial adjustment that may be required in the transaction by supplying additional spares and accessories or alternatively a second Bifilar meter as found convenient.

Yours faithfully,

Sd./-

Suptdg. Surveyor
for Dy. Director,

Geodetic and Research Branch.

Copy to:—M/s. The Scientific Instrument Co., Ltd., B-7, Ajmeri gate, Extn., New Delhi for information with reference to their letter No. ED/3029/62 dated 12th October, 1962. The current meter (stamping mechanism and the movement) has already been duly washed and cleaned in alcohol and kept in proper condition. Kindly let us have the price of Bifilar current meter as requested earlier.

Superintending Engineer.

D.O. No. 17-EDW(60)-1/62/25540.

Dated 6th August, 1963.

Dear Shri

Kindly refer to the correspondence resting with my D.O. letter of even No. dated the 20th June, 1963, regarding the purchase of Boehneck's water current meter. In this connection I would once again request you to kindly examine the case as already requested in para 4 of my office letter No. 17-E(60)-1/61/260, dated 24-9-62

considering the views of the firm M/s. Askania Werke, that the Boehneck's current meter is not suitable for Kandla creek as there is heavy situation.

I would appreciate your early reply as the matter is pending with you since long and the Ministry is reminding for early decision in the matter to avoid unnecessary blockage of finance. I would also feel obliged if you please let me know if there is any other organisation who will be wanting this meter.

Yours sincerely,

Sd./-

6/8

Superintending Surveyor,
Geodetic and Research Branch,
Survey of India,
Post Box No. 77,
DEHRA DUN (U.P.).

Copy of D.O. Letter No. 5115/42-E-10 (Tindal) dated 21st Aug. 1965 received from Supdtg. Surveyor, Geodetic & Research Branch, Dehra Dun (U.P.) to Supdt. Engineer, Kandla Port Project, P.O. Box No. 50, Gandhidham, Kutch.

Kindly refer to the correspondence resting with your D.O. letter No. 17-EDW(60)-1/62/255-40, dated 6th Aug. 1965.

The matter is being looked into and efforts are being made to have the Boehneck's current meter acquired for the International Indian Ocean Expedition. I shall be writing to you when the matter gets finalised.

D.O. Letter No. T-7434/14-C-6/1.

SURVEY OF INDIA
Dehra Dun,

Dated the 17th April, 1964.
28 Chaitra, 1886 (Saka).

From:

Deputy Surveyor General II and Deputy Director,
Geodetic & Research Branch.

Dear Shri

I had again discussed on 3-4-64 the question of purchase of Boehneck's Current Meter with Director, Indian Ocean Expedition and he has approved the purchase by his organisation.

Therefore could you kindly get in touch direct with under intimation to me mentioning to him the amount involved so that he could make necessary arrangements for purchase of the current meter and its payment.

With kind regards,

Yours Sincerely,

Sd/-

Superintending Engineer,
Kandla Port Project,
P.O. Box No. 50,
Gandhidham (Kutch).
Copy to:

D.Sc.F.N.I.
Director, Indian Ocean Expedition
C.S.I.R. Building, Rafi Marg,
New Delhi-1.

The current meter in question is suitable for observations in deep sea.

The Kandla Port authorities would like to go in for one which is suitable for work in shallow waters.

Superintending Engineer,

Kandla Port Trust,
P.O. Box No. 50,
Gandhidham (Kutch)

D.O. No. 17-E(60)1/63/873

dated the 28th April, 1964

Dear

Kindly refer to D.O. No. T.7434/14-C-6/1, dated the 17th April, 1964 from Deputy Surveyor General-II and Deputy Director, Geodetic & Research Branch, Survey of India, to my address, copy endorsed to you.

The cost of the Boehnecke's current meter will be about Rs. 80,000/-. It is presumed all the details of the Boehnecke's current meter must have been given to you by.

If any further details are required, we will be glad to supply the same.

Please confirm that you will purchase the Boehnecke's current meter at the approximate cost shown above, which is subject to check by our Finance.

Yours Sincerely,

Sd/-

Director, Indian Ocean Expedition,
C.S.I.R. Building,
Rafi Marg,
New Delhi-1.

Copy to Deputy Surveyor General-II and Deputy Director,
Geodetic & Research Branch, Survey of India, Dehra Dun.

Senior Scientific Officer,

Indian Ocean Expedition
(Council of Scientific and
Industrial Research)
Rafi Marg.

No. DPA/64-787.

New Delhi, 18th August, 1964.

Dear Shri

Please refer to your D.O. No. 17E(60)-1/63/893, dated the 30th July, 1964 regarding the Boehnecke Current meter. I am to inform you that in view of the rather high cost of the equipment, we are at present not in a position to go in for the same.

Wishes to convey his apologies to you for not replying to you himself. He has been extremely busy these days organizing the research cruises of INS KISTNA in connection with our participation in the Expedition and he is at present away leading a cruise to Singapore.

With best regards,

Yours Sincerely,

Sd/-

Superintending Engineer,
Kandla Port Trust,
P.B. No. 50,
GANDHIDHAM (Kutch).

Superintending Engineer

**Kandla Port Trust,
P.B. No. 50,
Gandhidham (Kutch).**

D.O. No. 17-E(60)1/63/909.

Dated 28th August, 1964.

Kindly refer to the correspondence resting with my D.O. letter of even number dated 30th July, 1964 addressed to Director, Indian Ocean Expedition, New Delhi and copy endorsed to you, regarding purchase of Boehnecke's water current meter.

The Senior Scientific Officer, Indian Ocean Expedition, has now intimated *vide* his letter No. DPA/64-787, dated 18th August, 1964 (Copy enclosed) that they are not in a position to purchase the meter at present due to the high cost.

I would, therefore, request you to kindly examine the case as requested in my office letter of even number dated 24th September, 1962, considering the views of the firm M/s. Askania Werke, that the Boehnecke's current meter is not suitable for Kandla Creek as there is heavy siltation, and furnish your reply at your earliest, as the Ministry of Transport is reminding for early finalisation of the matter.

Yours Sincerely,
Sd/-

Dy. Surveyor General II and
Dy. Director of Geodetic and Research Branch,
Survey of India, Post Box No. 77,
DEHRA DUN (U.P.).

Superintending Engineer.

Kandla Port Trust,
P.B. No. 50,
Gandhidham (Kutch).

D.O. No. 17-E(60)/64/752.

Dated the 21st January, 1965.

Dear,

Please refer to my D.O. No. 17-E(60)/1063/909, dated the 28th August, 1964 under which you were informed that the Senior Scientific Officer, Indian Ocean Expedition had intimated that their organisation was not in a position to purchase the Boehnecke current meter at present, due to high cost.

I shall be obliged if you intimate some other organisation who will be interested in the purchase of this equipment.

In this connection, your final reply as to how the ~~meter~~ of the current meter was recommended by you (though it was known that the current meter was to work in Kandla Creek where the tidal water was silty) is awaited.

Yours Sincerely,
Sd/- 22/1

Dy. Surveyor General II and
Dy. Director of Geodetic and Research Branch,
Survey of India, Post Box No. 77,
DEHRA DUN (U.P.).

PORT OF COCHIN

No. S4/CM/63.

Chief Engineer's Office,
Cochin—3.
Dated the 15th October, 1963.

To

The Superintending Engineer,
Kandla Port Project,
Gandhidham, Kutch.

Sir,

REF.—Your D.O. No. 17-E(60)-1/63/4877, dated 7th October, 1963.

Though the Port is interested in purchasing the meter, in view of the high cost involved and in view of the present state of emergency, the question is deferred for the time being.

Yours faithfully,
Sd/-
Chief Engineer.

No. 17-E(60)-1/63/312

10th December, 1963.
11th

Executive Engineer (Construction),
Manglore Port Harbour Project,
Manglore S. K.

REG. Requirement of current meter for Manglore Port

Sir,

I have to refer to your letter No. DTO/ 223/63-B2(3519), dated the 18th November, 1963, on the above subject and to say that the Pamphlets of both the current meter viz. Boehnecke's and Roberts.

available with this port have been sent to Chief Engineer and Administrator, Mangalore Port under d.o. letter No. 17-E(60)-1/63/428 dated the 14th November, 1963.

From the above two meters, we are prepared to sell the Boehnecke's water current meter and the approximate cost thereof is Rs. 87,031.07. The Roberts current meter can, however be spared on hire basis.

You may now kindly study the pamphlet and let us know your final decision about your requirements.

Yours faithfully,

Sd/- 9/12

For Development Commissioner, Kandla

GOVERNMENT OF INDIA

Office of the

Chief Engineer & Administrator,
Mangalore Harbour Project,
Mangalore.

No. DTO 223/64. B2.

To

Superintending Engineer,
Kandla Port, *Gandhidham (Kutch)*.

Sir,

SUB:—Requirement of current meter for Mangalore Port

Please refer to your letter No. 17-E(60)-1/63/28 dated 1/3 February, 1964. It has been decided to take the Roberts current meter for use on the Mangalore Harbour Project. I am therefore request you to intimate the terms and conditions for hiring out the Roberts current meter to this Project at a very early date.

Yours faithfully,

Sd/- 5-3-64

*For Chief Engineer & Administrator,
Mangalore Harbour Project.*

D.O. LETTER No. E-446/42-E-10 SURVEY OF INDIA,
GEODETIC AND RESEARCH BRANCH,
POST BOX NO. 77,
DEHRA DUN (U.P.).

Dated the 7th January, 1966.

From

Director, Survey of India.

Dear,

Kindly refer to the correspondence resting with my No. T-175/42-E-10 dated 4-1-66.

"On going through the case, it is found that none of the officers, who were then concerned with this aspect, are at present with us and that they have been transferred several years ago to other Directorates. However, it is found from the records that the literature on the Boehnecke Current Meter was received in our office and that a copy was also available with you. This literature mentions as follows:—

It is used for investigating the direction and velocity of sea currents at little or great depths. Where measurements are made at a great depth the instrument is suspended by a wire-rope (unifilar suspension), while for recordings in shallow waters or close to the surveying ship the instrument is fastened to two wire-ropes (bifilar suspension) by means of a frame of 4m. in length. "Nowhere does it mention that it cannot be used in creeks. The literature on Askania Bifilar Current Meter says that 'It is used for indicating and recording direction and velocity of sea currents', 'in seas, river estuaries and harbours at a depth *not exceeding* 50 meter.'

When our officers gave their recommendations to you, they had thought, according to their best knowledge and information, gained from the literature etc. that Boehnecke Current Meter, which is known for its robustness and accuracy, would be better suited for the purpose and for future use as well, without limitations regarding its use below depths of 50 meters and more.

"It appears that their knowledge of local conditions was not that much as of the Kandla authorities with whom the above literature was also available prior to the final clarifications in July/August 1960 for purposes of procurement.

With kind regards and best wishes for the New Year.

Yours Sincerely,

Sd/-

Superintending Engineer,
Kandla Port Trust,
P. O. Box No. 50,
GANDHIDHAM (KUTCH).

APPENDIX XXXIV

(Para 12.123 of this Report)

*Audit Report (Commercial), 1965, Para 'XL—Government of India
Press Nasik.*

Delay in installation of machinery

Point No. 9.

(i) A statement showing the particulars of the machines, the number and date of the order placed for the purchase of the machines and the dates on which the machines were received is enclosed. Under Col. 4 of the Statement the dates of indents placed by this Department of the dates of the orders placed by the purchase Organisation on the firms has been mentioned. This information in respect of the machines mentioned at items Nos. 6, 15 and 16 is lacking for want of old records which are not readily available. Efforts are being made to collect the information.

The circumstances in which some of the machinery was ordered even before the Press was planned need explanation. In pursuance of the decision of the Partition Council of the Viceroy of India, the Govt. of India decided in August, 1947 to order plant and equipment for two new printing presses—one for India and the other for Pakistan. Accordingly, a list of equipment for the new press was drawn up and was forwarded to the Ministry of Works, Mines and Power on 18-7-1947 for procurement action. The Ministry placed a formal indent on the Director General, I.S.D., London on 1-8-1947. As the factories in England had not by then recovered from the after-effect of World War II, the machinery ordered was not expected to be received much earlier than 4 to 5 years. Due to these circumstances, an order for machinery was placed even in advance of selection of a site for the press.

(ii) The Nasik Press project as finally approved by the Standing Finance Committee and administratively approved and finally sanctioned by the Ministry of Works, Production and Supply, in consultation with the Ministry of Finance, in January, 1952, envisaged the construction of the following buildings:—

- (i) Press buildings.
- (ii) Labour Welfare Club.
- (iii) Dispensary.
- (iv) Primary School.
- (v) Cycle shed.
- (vi) Garage.

- (vii) Incinerator.
- (viii) 'B' type flats.
- (ix) 'C' type flats.
- (x) 'H' type quarters.
- (xi) 'G' type quarters.
- (xii) All-external and internal services connected with the project, e.g. power and water supply, roads, drains, culverts, sewage disposal plant and other engineering services etc. etc.
- (xiii) Acquisition of 100 acres of land. It would, therefore, be seen that the entire set up of the press was conceived at one time only and not piecemeal.

The construction of a building for the Rotary (Forms) Wing was, however, thought of later, as this was mooted in October 1953 and Government approval obtained in August, 1954. The reasons for contemplating the establishment of this wing at a subsequent date were that owing to expansion of the activities of the Government as a result of the First Five Year Plan there had been all-round increase in the demand for forms and it was difficult to cope with these increased and still increasing demands with the existing forms printing capacity of Government. The Expert Committee on printing and the Technical Adviser had already gone into the question and had not approved of printing of Government work in private presses which, apart from the administrative problems entailed delay and financial burdens on Government. Therefore, the time was then opportune to think of starting a Forms printing unit and since the Nasik press was in the making it was considered that a Forms Wing could also be added to this press.

(iii) The objective of the expansion programme of the Department, involving the expansion of the existing units and establishment of new presses, alongwith a systematic re-organisation to improve the quality of printing in all Government presses, is to make Government printing self-sufficient and to reduce progressively the number of printing jobs farmed out to private printers. Each job is examined to see whether the work can be executed in one of the Government of India presses. It is only where the work cannot be executed in a Government of India Press either due to lack of equipment or to the presses already having their hands full that the job is farmed out to private printers. It is not possible to extract figures depicting the cost of printing incurred by farming out jobs to private printers on account of machines which could not be put to commission in the Government of India Press, Nasik.

List of Auxiliary & Productive Machines

S. No.	Nomenclature	Quantity	Dates when order placed	Date of receipt
1	2	3	4	5
<i>List of Auxiliary Machines</i>				
1.	Metal Guillotine	1	Indent No. Dy. 7467(A) dt. 12-8-1947	15-12-49
2.	Etching Machine	2	Do.	20-6-50
3.	Process Model Printing Frame	3	Do.	20-6-50
4.	Super Block Gauge	1	P/26/6/19/55/34 dt. 4-7-56.	6-2-57
5.	Nickel Facing Plant	1	P/20/6/19/55(Expn.)/40 dt. 30-7-56	5-7-58
6.	Camera 16x16	1	Information not readily available.	28-7-52
7.	Camera 80x80	1	P/55/129/55(EXPN)/401 dt. 16-3-54	23-9-54
8.	(Rotary Touter) Printing Machine	2	Indent dated 22-8-47	20-6-50
9.	Jigsaw Drilling Machine	1	Indent dated 22-8-47 (ordered by I.S.D. London on 11-2-48)	20-6-50
10.	Pollar Cutting Machine	1	P/470/6/58/35 dt. 28-11-58	23-2-59
11.	Radial Arm Router	1	CSO Cal. Order No. P/26/6/19/55(EXPN.)/6 dt. 10-4-56.	26-7-56
12.	Vacuum Printing Frame	1	22-8-47 (ordered by I.S.D., London on 26-10-48)	20-6-49
13.	Damping Roller Washing Machine	1	P/26/6/16/56/34 dt. 15-10-57	30-5-58
14.	Inking Roller Washing Machine	1	P/26/6/16/56/34 dt. 15-10-57	16-8-58
15.	Plate Coating Machine	1	Information not readily available.	15-7-52

List of Productive Machines

16.	3 Colour Rolled Offset Machine	1	Information not readily available	21-12-58	
17.	High Speed Merceus Ptg. Machine	1	C.S.O. Calcutta Order No. P/26/6/19/55 (EXPN)/20 dt. 16-5-56.	5-6-58	
18.	Do.	1		Do.	
19.	Do.	1		Do.	
20.	Do.	1		Do.	
21.	Timson Rotary Machine	1		Supply order No. P/26/6/19/55 (EXPN)/14 dated 16-5-56.	8-11-57
22.	Do.	1			Do.
23.	Do.	1	Do.		
24.	Do.	1	5-2-58		
25.	Do.	1	5-2-58		
26.	Do.	1	7-4-58		
27.	Vorwärts Cylinder Machine	5	P/26/6/19/55 (EXPN)/106 dt. 6-2-57	5-2-58	
28.	Do.	1	Do.	7-4-58	
29.	Rhenus Printing Machine	1	P/26/6/19/56 (EXPN)/106 dt. 6-2-57	7-4-58	
30.	Do.	1	Do.	25-4-58	
31.	Furnival Two Reel Machine	1	Received from I.S.P., Nasik Issue voucher No. 3 dt. 7/13/3-52	19-9-58	
32.	Tag Ticket & Label Machine	1	P-26/18/55 (EXPN)/54 dt. 13-2-56	29-2-59	
33.	Single Colour Offset	1	Indent dated 22-8-47 (ordered by D.G.I.S.D., London on 8-10-47)	4-6-49	

