E. C. No. 257

ESTIMATES COMMITTEE
1961-62

HUNDRED AND FIFTY-SECOND REPORT

(SECOND LOK SABHA)

MINISTRY OF STEEL, MINES AND FUEL

Action taken by Government on the recommendations contained in the Ninety-third Report of the Estimates Committee (Second Lok Sabha)

NATIONAL COAL DEVELOPMENT CORPORATION LTD., RANCHI

सत्यमेव जयते

LOK SABHA SECRETARIAT

NEW DELHI

March, 1962/Phalguna, 1883 (Saka)

Price : 0.40 nP.

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(1961-62)

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INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this Hundred and Fifty-Second Report of the Estimates Committee on the action taken by Government on the recommendations contained in the Ninety-Third Report of the Estimates Committee (Second Lok Sabha) on the Ministry of Steel, Mines and Fuel—National Coal Development Corporation Ltd., Ranchi.

2. The Ninety-Third Report of the Estimates Committee was presented to the Lok Sabha on the 27th April, 1960. Government furnished their replies indicating the action taken on the recommendations contained in this Report on the 17th September, 1960. Government were requested thereafter to furnish further information on points arising out of their replies to certain recommendations. The replies were examined by the Study Group 'F' of the Estimates Committee (1961-62) on the 21st November and 8th December, 1961. The draft Report was adopted by the Committee on the 22nd February, 1962.

3. The Report has been divided into the following four Chapters:—

I—Report.

II—Recommendations that have been accepted by Government.

III—Replies of Government that have been accepted by the Committee.

IV—Replies of Government that have not been accepted by the Committee.

4. An analysis of the action taken by Government on the recommendations contained in the Ninety-Third Report of the Estimates Committee (Second Lok Sabha) is given in Appendix III. It would be observed therefrom that out of 17 recommendations made in the Report, 53% have been accepted by Government and replies in respect of 23.5% of the recommendations have been accepted by the Committee. Replies of Government in respect of the remaining 23.5% of the recommendations have not been accepted by the Committee.

NEW DELHI;
March 1, 1962
Phalguna 10, 1883 (*S*)

H. C. DASAPPA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

Execution of Deed:

In para 22 of their 93rd Report, the Estimates Committee had commented upon the delay in the execution of the formal deed transferring all assets and liabilities of the ex-State collieries to the National Coal Development Corporation and suggested that the matter might be expedited without any further delay. Although in the reply furnished in September, 1960 Government had stated that efforts were being made to expedite the execution of the formal deed, the Committee regret to observe that this has not been done so far—though five years have elapsed after the setting up of the Corporation in September, 1956. The Committee trust that the matter would receive attention of the Government.

Separate Accounts for each Colliery:

2. In para 8 of their Report, the Committee observed that for a proper appreciation of the results of operation of the Corporation, it would be desirable to maintain and publish the accounts of each colliery separately on a commercial basis and recommended that if it was not possible to do so, the accounts of old collieries should at least be separated from the accounts of the new mines, and published as such. Government in reply stated that individual revenue accounts were being maintained for the collieries of the N.C.D.C. which revealed the annual profit and loss of the colliery concerned clearly. But the preparation of accounts of each colliery on 'commercial basis' would be misleading especially in the case of new collieries which would be in different stages of development. Government added that commercial accounts could be maintained for old State collieries as a whole as they had already been fully developed, but even that did not appear necessary as the respective revenue accounts gave a clear enough picture of the financial results of the working of each colliery. The Committee, however, feel that it would be desirable to maintain the accounts of old collieries on a commercial basis and publish them in the reports of the Corporation. They would suggest that the revenue accounts of the collieries of the NCDC, which are being maintained, might also be published in its annual reports. The Committee trust that that would be done.

Production Account:

3. In para 13 of their Report, the Committee had recommended that action might be taken to include a production account in the next annual report of the Corporation. Government, however, considered it unnecessary to include such an account in the reports of the Corporation for the following reasons:—

(a) the revenue accounts of the individual collieries gave all the details as to the expenses incurred by the Corporation in the actual production of coal; and

(b) the overall profit or loss on the working of the collieries was available from the profit and loss accounts appearing in the Annual Report.

The Committee appreciate that the provisions of the Companies Act do not specifically require such an account to be prepared but, as stated earlier, in the absence of such an account, it is not possible to work out the cost of production. They feel that a split-up of the omnibus profit and loss account into manufacturing account, trading account, etc. would be in conformity with the best accounting practices in the country or abroad, as stated by the Department of Company Law Administration in para 157 of its Annual Report (1959). The Committee, therefore, trust that necessary action would be taken to include such an account in the next annual report of the Corporation.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

S. No. (as in the Appendix to the Report)	Reference to para No. of the Report	Summary of Recommendations/Conclusions	Reply of the Government
(1)	(2)	(3)	(4)
4	10	It would be desirable to give details of at least the major items falling under the heads 'Miscellaneous Receipts' and 'Miscellaneous Expenses' in the annual reports of the Public Undertakings.	This recommendation has been noted. The details of the major items falling under the heads : "Miscellaneous Receipts" and "Miscellaneous Expenses" will be furnished by the N.C.D.C. in future annual reports. [*Deptt. of Mines & Fuel* O.M. *No.* C2-10(5)/60 *dt.* 17-9-1960].
5	11	Certain expenditure of the Corporation which was purely of a revenue nature has been treated as capital expenditure. The Committee suggest that necessary re-adjustments should be made in the accounts in accordance with the usual commercial practice.	This recommendation is accepted and will be implemented by the Corporation. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960.]

(1)	(2)	(3)	(4)
7	15	Out of deferred liabilities of the Corporation amounting to Rs. 557 lakhs, Rs . 210 lakhs have been invested in short-term deposit with Banks. The Committee feel that such substantial advance drawal of loans and keeping them in Banks for future utilisation involves unnecessary locking up of funds. The Committee were informed that the procedure for drawal of funds by the Corporation had been amended recently according to which it would be able to draw funds as and when required without having to resort to depositing them as short-term deposit with Banks. The Committee commend this procedure for adoption by all Public Undertakings.	All the Public Undertakings in this Ministry have been asked to follow the procedure evolved recently for the drawal of funds. A copy of office order No. G.1(4)/60 dt. 25-1-60 is given in Appendix I. *[Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960.]
		Further information desired by the Study Group :	
		• Has this recommendation been brought to the notice of the Ministry of Commerce & Industry, who coordinate in such matters, for adoption by all Public Undertakings as stated in para 15 of the Report? *(L.S.S. O.M. No.* 33(1)-*PU*/60 *dt.* 14-10-1960.)	This recommendation has been brought to the notice of the Ministry of Commerce & Industry, *vide* this Ministry's U.O. No. C2-10(5)/60 dt. 22-10-1960, copy endorsed to Lok Sabha Secretariat. *[Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 19-12-60.]
9	20	It is desirable to write off the deferred revenue expenditure of the Corporation within a reasonable time.	Different types of expenditure are booked under the head "Deferred Revenue Expenditure", *e.g.* expenditure on removal of over burden with ma-

			chines, expenditure on coal raisings before the opening of the revenue account for the Colliery, interest on the cost of machinery purchased under deferred payment terms, etc. On each of these items, a separate decision of the Board has to be taken to write down the expenditure to Revenue over a certain number of years. It is ensured in each case that the deferred revenue expenditure is written down within the period of time over which the benefits of the expenditure would extend. [*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960].
12	24	The Committee feel that more details of facilities offered to the employees, *e. g.* the number of employees in each category, the number of employees provided with housing facility etc. should be given in the annual reports of Public Undertakings.	This recommendation has been noted and will be kept in view by the N.C.D.C. at the time of framing their next Annual Report. [*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960].
13	25	The annual reports of the Corporation for the year 1957-58 and 1958-59 were laid before Parliament after the presentation of the General Budget for the next financial year. In this connection, the Committee would invite a reference to paragraph 22 of their 73rd Report (2nd Lok Sabha).	This recommendation in Para 22 of the 73rd Report of the Estimates Committee to the effect that the annual report should be laid before Parliament prior to the presentation of the General Budget, is accepted. [*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960].

(1)	(2)	(3)	(4)
14	27	The Committee need hardly suggest that the Corporation should take necessary action to remove the procedural defects and improve its accounting organisation as early as possible.	The Corporation has taken suitable steps in the recent past, within the limitations of availability of suitable trained personnel, to effect improvements in its accounting organisation. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960].
15	28	It would be useful if statistical information on some of the important points indicated in paragraph 28 of the Report is included in the Annual Reports of the Corporation.	This recommendation has been noted and will be kept in view by the Corporation while framing their next annual report. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960].
16	29	The Committee suggest that the Reports of the Corporation should also briefly describe the achievements during the year under report and its programme for the next year.	This recommendation has been noted and will be kept in view by the Corporation while framing the next Annual Report. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960].

CHAPTER III

REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

S. No. (as in the Appendix to the Report)	Reference to paragraph No. of the Report	Summary of Recommendations/Conclusions	Reply of the Government
1	2	3	4
1	5	A target of annual production of 10 million tons has been fixed for achievement by the end of the Second Plan period from the nine new collieries. The Committee trust that every effort would be made to achieve the target.	A target of an annual production of 10 million tons has been fixed for achievement by the end of the Second Plan Period from the new collieries. Every effort is being made and will continue to be made to achieve this target. The achievement of the target level of production will depend substantially on (i) the availability of the necessary rail transport to lift the coal raised by the N.C.D.C. collieries and (ii) the completion of the necessary railway sidings and other loading facilities. *(Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt. 17-9-60).*

1	2	3	4
3	9	The policy of the Board with regard to depreciation is not known. The Committee suggest that it should be included in the next Annual Report of the Corporation.	It would not be in the best interest of the National Coal Development Corporation to publish the policy of the Board in regard to Depreciation in the Annual Report. It is not also the usual practice in commercial undertakings to publish their depreciation policy in the Annual Reports. The information will be furnished to the Estimates Committee for their use, if so desired.
			(*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960).
		Further information desired by the Study Group	
		A note indicating the policy of the N.C.D.C. on depreciation together with the reasons in support of the reply that 'it would not be in the best interest of the Corporation to publish the policy of the Board in regard to depreciation in the annual report'.	A note indicating the current depreciation policy as approved by the National Coal Development Corporation Board from time to time is given in Appendix II for the use of the Estimates Committee.
		(*L.S.S. O.M. No.* 33(1)-*PU*/60 *dt.* 14-10-1960).	As regards the reasons in support of our reply the Project Coordination Committee of the Ministry of Commerce and Industry are being consulted and a further communication will follow.
			(*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 19-12-1960).

			The Commercial Undertakings do not ordinarily comment upon their policy with regard to depreciation provision in their Annual Reports. The provisions for depreciation made by the Boards are audited by the Commercial Auditors, and in the case of Government undertakings both by the Statutory auditors and by the Comptroller and Auditor General. Many rates of depreciation are applicable to the same type of assets, *e.g.*, machinery, buildings, etc. There are also many varieties of machinery in different industries and depreciation rates vary *inter-se* although these assets may be shown in the balance-sheet under a single heading called "Plant and Machinery". Similarly, depreciation rates of First Class and Second Class Buildings and temporary buildings vary, although they are classified under the Head 'Buildings'. It will not therefore be practicable to discuss the policy of the Board in regard to depreciation provision in the Annual Report or in the Balance Sheet. (*Deptt. of Mines & Fuel O. M. No. C* 2-10(5)/60 *dt.* 10-1-61).
10	21	The adjustments made on account of write off of expenditure on the removal of overburden during the years 1956-57, and 1957-58, have not been shown in the Profit & Loss Accounts of the Corporation. The Committee feel that the cost of removal of overburden cannot be taken to represent the value of the coal exposed. It is admittedly a revenue expenditure and should be	Expenditure on the removal of overburden initially booked under "Deferred Revenue Expenditure" has in fact been written down to the profit and loss Accounts during 1956-57 and 1957-58 as follows:— Rs. 1956-57 (1-10-56 to 31-3-57) . 39,07,867 1957-58 37,63,442

1	2	3	4
		written off by adjustments in the Profit and Loss account over a course of time before arriving at the net profit in order to exhibit the net profits earned more realistically. It is not enough if the adjustment on this account is shown only in the balance-sheet.	These amounts have been included on the expenditure side of the Profit and Loss Account under the head : Salaries, wages, bonus etc. and other allowances (1956-57 A/cs) (1-10-56 to 31-3-57) . . Rs. 2,12,83,597 Salaries, wages, bonus and other allowances etc. (1957-58 A/cs) . 4,66,90,722 The expenditure on removal of overburden which is initially booked under "Deferred Revenue Expenditure" is written down to the profit and loss account every year on the following basis. Firstly the total expenditure to be incurred in removing overburden is estimated for a quarry where overburden is removed by the machine method. Secondly the quantity of coal that would become available from such quarry is estimated. Thereafter the expenditure of overburden per ton of coal is calculated from the above two figures. Having arrived at this rate the actual quantity of coal raised and despatched during a year from the quarry is multi-

			plied by this rate and the amount so arrived at represents the amount to be written down during that year from "Deferred Revenue" to "Profit and Loss Account". During 1956-57 and 1957-58 the quarries were at Kargali and Bokaro and based on different rates estimated for these two collieries multiplied by the quantity of coal raised and despatched from each colliery during each of these two years, the amounts of Rs. 39,07,867 and Rs. 37,63,442 were written down. (*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960).
17	30	In the circumstances described in paragraph 30 of the Report, no adequate assessment could be made of the state of affairs of the Corporation from its published annual reports and accounts.	This does not call for any comment. (*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960).

CHAPTER IV

REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Sl. No. (as in the Appendix to the Report)	Reference to para. No. of the Report	Summary of Recommendations/ Conclusions	Reply of the Government	Remarks
(1)	(2)	(3)	(4)	(5)
2	8	The Committee feel that for a proper appreciation of the results of operations of the Corporation it would be desirable to maintain and publish the accounts of each colliery separately on a commercial basis. The Committee would recommend that if it is not possible to publish the accounts of each colliery separately, the accounts of old collieries should at least be separated from the accounts of the new mines and published as such.	Individual revenue accounts are being maintained for the collieries of the NCDC. These reveal the annual profit and loss of the colliery concerned clearly. If by "commercial basis", the Estimates Committee means that the accounts of each colliery should be maintained in the form that besides the exhibition of the profit and loss, a separate balance sheet is also given for each colliery, then the preparation of such commercial accounts would be misleading, and especially so in the case of new collieries, which would be in different stages of development. Commercial accounts on the pattern mentioned above could be maintained for the old	

			State Collieries as a whole, as they have already been fully developed but even this does not appear necessary as the respective revenue accounts give a clear enough picture of the financial results of the working of each colliery. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960].	
6	13	The Committee recommend that necessary action may be taken to include a production account in the next annual report of the Corporation.	It is considered unnecessary to include a production account in the Annual Report of the Corporation for the following reasons: (*a*) The revenue accounts of the individual Collieries give all the details as to the expenses incurred by the Corporation in the actual production of coal; and (*b*) The overall profit or loss on the working of the collieries is available from the profit and loss accounts appearing in the Annual Report. [*Deptt. of Mines & Fuel O.M. No.* C2-10 (5)/60 *dt.* 17-9-1960].	
8	16	The Committee suggest that effective steps should be taken to realise the amount of Sundry Debtors and Bills Receivable amounting to Rs. 229·65 lakhs.	Out of the total figures of "sundry debtors and bills receivable" amounting to Rs. 229·65 lakhs, there are certain sums which were included in the figure of "assets" transferred from the former State Collieries to the NCDC	Please *see* remarks against S. No. 11.

(1)	(2)	(3)	(4)	(5)
			on its formation. Some very old outstandings from these would finally have to be treated as "ineffective assets", since at this distance of time they are nearly irrecoverable. For example, certain private firms against whom bills to the extent of Rs. 1·47 lakhs for sale of coal are pending from as far back as 1944-45, have gone into liquidation; the whereabouts of certain other debtors are not known, while yet others have demanded documentary proof of despatch of coal before admitting the dues shown as outstanding against them. The National Coal Development Corporation has been following up these claims wherever possible by instituting legal proceedings for the recovery of the amounts.	
			Another category of debtors is that of foreign Governments/other Government Departments —for instance Rs. 4·31 lakhs are outstanding from the Nepal Government, Rs. 5·90 lakhs from the Railways (including the pre-partition Railways, now in Pakistan), Rs. 0·60 lakhs from the Railways in the former princely States, etc. A sum of Rs. 42,966 has already been recovered from the Nepal Government. The outstanding amount from the Nepal Government earlier stood at Rs. 4·74 lakhs. The amount due from the pre-partition Rail-	

			ways now in Pakistan is to be dealt with under the overall financial settlement between the Government of India and the Govt. of Pakistan as and when it is reached. The out-standings in this category will probably have to be included in the assets transferred to the Corporation, with adjustments to be made later on to the extent they may have to be treated as finally irrecoverable. Government expect to take a decision on this, among others, in the context of the deed of transfer of assets and liabilities, referred to in paragraph 22 of the Estimates Committee's present report.	
			[*Deptt. of Mines & Fuel O.M. No. C2-10(5)/60 dt.* 17-9-1960].	
		Further information desired by the Study Group The Committee may be informed as soon as a decision is taken in the matter.	This has been noted for compliance as soon as a decision is reached in this matter.	
		(*L.S.S. O.M. No.* 33 (1)-*PU*/60 *dt.* 14-10-1960).	[*Deptt. of Mines & Fuel O. M. No. C* 2-10(5)/60 *dt.* 19-12-1960].	
11	22	The Committee consider it regrettable that the execution of the formal deed transferring all the Assets and Liabilities of the ex-State collieries to the Corporation should have taken so long and suggest that the matter may be expedited without any further delay.	All possible efforts are being made to expedite the execution of the formal deed. Two of the four draft schedules to the deed have been prepared by the NCDC and are awaiting certification by Audit. The other two are under preparation and will be sent to Audit shortly. As soon as these are received from Audit Government will take the necessary	Please *see* para 1 of Chapter I.

(1)	(2)	(3)	(4)	(5)
			decisions in consultation, where necessary, with the Comptroller & Auditor General of India. [*Deptt. of Mines & Fuel O.M. No.* C2-10(5)/60 *dt.* 17-9-1960].	

H. C. DASAPPA,
Chairman,
Estimates Committee.

NEW DELHI;
March 1, 1962
Phalguna 10, 1883(*S*).

APPENDIX I

(*Vide* S. No. 7 of Ch. II)

GOVERNMENT OF INDIA

DEPARTMENT OF MINES & FUEL

(*Ministry of Steel, Mines and Fuel*)

No. G-1(4) 60

New Delhi, the $\frac{\textit{25th January 1960}}{\textit{5th Magha, 1881}}$

OFFICE ORDER

SUBJECT:—*Procedure regarding drawal of funds by Corporation/Companies under this Department.*

An instance has come to the notice of Government wherein a Government undertaking obtained a loan from Government @4½ per cent in two instalments at short intervals, and as the whole amount was not immediately required, the bulk of it was invested as 'call deposits' at 2½ per cent per annum with the undertaking's bankers. This premature drawal of the loan proceeds from Government has resulted in an avoidable loss to the undertaking, on account of the difference of 2 per cent between the rate of interest payable to Government on the loan and the rate of interest on the call deposits.

With a view to avoiding recurrence of such instances, it has been decided to adopt the following procedure in the matter of drawal of funds by Government undertakings under the Department of Mines and Fuel:—

(*i*) Actual drawal against the overall sanction will be made as and when necessary by presenting bills signed by the Managing Director of the undertaking to the Audit Officer concerned.

(*ii*) Action for drawal will be taken when the balance in the Bank Accounts of the undertakings as a whole falls below a specified minimum limit to be fixed for each undertaking.

(*iii*) The drawal at a time will be limited to one month's estimated requirements of capital expenditure of the Corporation/Company.

(*iv*) The Audit Officer will honour such bills preferred by the Company/Corporation upto the extent of about 80 per cent of the total budget allocation in any particular year.

(*v*) Duplicate copies, which should also indicate the progressive expenditure, of the bills on which the amounts are to be drawn from time to time by the Managing Director from the Audit Officer, should be sent to Government in order to watch the progress of expenditure against the total budget provision.

and (*vi*) The drawal of loans should have the specific approval of the Board of Directors of the Corporation/Company.

Sd/- N. S. MANI,

Joint Secy. to the Govt. of India.

APPENDIX II

(*Vide* S No. 3 of Ch. III)

SUBJECT.—*Depreciation of Assets—Policy and Method*

The method of depreciation adopted by the Corporation can be divided into two parts. The first part is regarding the computation of depreciation of assets acquired before 1st October, 1956, the date this Corporation came into existence. The assets which were acquired after that date are to be depreciated on a different basis. The two methods of depreciation are indicated below.

A. *Assets acquired before* 1-10-56

The depreciation on these assets is based on the Sinking Fund Methods as given below

1. *Sinking Fund on Railway Assets upto* 31*st March,* 1944

The capital at charge of each colliery as on 31st March, 1944, less the estimated residual value of the assets, when they are scrapped, divided by the estimated quantity of recoverable coal in the colliery upto the assumed period of its life or 100 years, whichever is less, gives the rate per ton of coal for the calculation of Sinking Fund Contribution.

2. *Sinking Fund on further Capital Outlay since* 1*st April,* 1944

Under this method the contribution is not based on the tonnage of coal raised in the year, but is calculated under the formulae laid down for depreciation by the Central Board of Revenue *vide* Article 8 of the Income Tax Manual. The life of each type of wasting assets has been fixed and the percentage of depreciation so arrived at is the basis of calculation of contribution in each year. The written down balance of a particular class of asset lying at the beginning of a financial year is taken and then half of the capital expenditure during the financial year under consideration against each type of asset is added to that and the prescribed percentage of depreciation is applied to the amount so arrived at and this gives the Sinking Fund contribution for that class of asset. The total of such amounts for all the assets gives the total amount of contribution to be debited to the Working Account of the Colliery by Credit to Block Account in the shape of Sinking Fund Contribution on depreciation basis.

The total Sinking Fund Contribution for the year thus debited to the Working Expenses account is the total of the amounts under 1 and 2 above.

B. *Assets acquired on or after* 1-10-56

3. The computation of depreciation of assets acquired by the Corporation on or after 1-10-56 is based on the following principles.

(1) The straight line method of charging depreciation is used.

(2) The recommended life of the various class of assets has been shown in the Annexure. Except for heavy earthmoving equipments and the motor

vehicles the life of all other assets has been expressed in years. For earth-moving equipments the life is shown in working hours and for motor vehicles mileage has been adopted.

(3) In case of land, which includes the acquisition expenses, it has been decided to adopt the same life as that of the colliery. This is necessary because land gets damaged by underground or quarry working.

(4) For buildings, railway sidings, tramways and surface roadways, the life has been prescribed as shown in the Annexure. If these figures are higher than the life of the colliery, then colliery's life will be taken as the life of the assets.

(5) Depreciation on items like coal tubs, safety lamps, coal drills, trailing cables may be charged directly to cost or on the principle of revaluation. Under the latter method each year the value of these items will be assessed and the difference between the last year's and this year's values should be charged as depreciation for the year. For the purpose of preparing project estimates life for these items may be taken at 3 years.

(6) Where a second hand asset is acquired, the life of such asset will be assessed having regard to the nature, age and condition of the equipment by the Chief Engineer (Excavating) and or Senior Electrical and Mechanical Engineer and information will be given to all concerned.

(7) The balance sheet should indicate the depreciated or net written down value of the assets.

(8) The principles of depreciation to be adopted for specialised items like machineries to be purchased by the Corporation in future should be referred to the Board of Directors for their approval.

4. The question of simplifying the depreciation system for the Corporation has been brought under consideration in consultation with the Comptroller and Auditor General at a meeting held in New Delhi in September 1960. Arising out of this discussion a Technical Committee has been appointed by the Managing Director to go into this matter further. The recommendation of this Committee will be placed before the Board of Directors in due course for their consideration.

ANNEXURE

Schedule of Depreciation

A.—GENERAL ASSETS (*Other than Heavy Earthmoving Machinery*)

Class of Asset	Life in years	Remarks
1. Land	*	*Life of the colliery will be taken.
2. Building	40	If life of colliery is less than 40 years estimated life may be taken.
3. Machinery, Surface and Underground (Except electrical machinery), including locomotives, weighbridge and workshop equipments	15	
4. Portable underground machinery *e.g.*, coal cutters, loaders, conveyors, booster pumps, dip pumps, auxiliary fan, generating set	8	
5. Boiler and Headgear . .	25	
6. Electrical Machinery including telephone system . . .	20	
Mine Cars	5	
8. Miscellaneous, *e.g.*, coal tubs, sand tubs, safety lamps including cap lamps, coal drills, trailing cables, flood lights .	3**	**The life of 3 years may be taken only for project estimates. In actual accounting these items may be charged to cost or revaluation method of depreciation as detailed in para (5) at page 20 may be used.
9. Bunker, Reinforced concrete .	*	*Life of the colliery will be taken.
10 Bunker, steel . . .	25	

Class of Asset	Life in years	Remarks
11. Railway siding, Tramways and Surface roadways. . . .	20	
12. Furniture & Fittings .	15	
13. Office machinery including typewriting, calculating accounting and post franking machines	10	
14. General Development including shafts and inclines. Prospecting & Boring.	20	
15. *Ropeways*		
(*a*) Trestles & Station steel .	30	
(*b*) Driving & Tension Geers .	20	
(*c*) Carriers (Tubs) . . .	16	
(*d*) Ropes and Trestle sheavers and parts	6	
16. *Washery*		
(*a*) Ropeways (*b*) Buildings	*	*As shown in items 15 and 2 above.
(*c*) Machinery (except electrical)	15	
(*d*) Machinery, Electrical .	10	
17. Motor Vehicles	4 years or 80,000 miles	For estimating 4 years life may be taken.

B.—HEAVY EARTHMOVING MACHINERY

Class of Machinery	Life in working hours	Remarks
1. Dumpers	12,000	
2. Scrapers	12,000	
3. Graders	10,000	
4. Tractor	10,000	
5. Shovel 2½ cyd. Diesel . .	16,000	
6. Shovel 4½ cyd. Electric . .	30,000	
7. Crane, Wheel type . . .	18,000	
8. Blast Hole Drills		
(*i*) Rotary, Diesel . . .	16,000	
(*ii*) Rotary, Electric . . .	20,000	
(*iii*) Percussive, Diesel . .	16,000	
(*iv*) Percussive, Electric . .	30,000	
9. Coal Augur Drills . . .	20,000	
10. Road Rollers . . .	12,000	
11. Tank Wagons . . .	12,000	
12. Compressors, Diesel . . .	16,000	
13. Welding sets, portable .	16,000	
14. Motor Vehicles . . .	4 years or 80,000 miles	For estimating 4 yrs. life may be taken.

APPENDIX III

Analysis of the action taken by Government on the recommendations contained in the Ninety-Third Report of the Estimates Committee (Second Lok Sabha).

1.	Total number of Recommendations made .	17
2.	Recommendations that have been accepted by Government (*Vide* recommendation Nos. 4, 5, 7, 9, 12, 13, 14, 15 and 16, referred to in Chapter II)	
	Number	9
	Percentage to Total	53%
3.	Recommendations not accepted by Government but replies in respect of which have been accepted by the Committee (*Vide* recommendation Nos. 1, 3, 10 & 17, referred to in Chapter III)	
	Number	4
	Percentage to Total	23·5%
4.	Recommendations in respect of which replies of Government have not been accepted by the Committee (*Vide* recommendation Nos. 2, 6, 8 and 11, referred to in Chapter IV)	
	Number	4
	Percentage to Total	23·5%

GMGIPND—LSI—1659(Aii) LS—3-3-62—1215

LIST OF AUTHORISED AGENTS OF LOK SABHA SECRETARIAT

ANDHRA PRADESH

1. G. R. Lakshmipathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh).
2. Hindustan Diary Publishers, Market Street, Secunderabad.
3. Hyderabad Book Depot, Abid Road (Gun Foundry), Hyderabad.
4. International Consultants Corporation, 48 C. Marredpally, (East), Secunderabad-3.
5. K. J. Asservadam and Sons, Cloughpet, P. O. Ongole, Guntur District (Andhra Pradesh).
6. M. S. R. Murthy & Company, Visakhapatnam.
7. People's Book House, B. 2-829/1, Nizam Shahi Road, Hyderabad-1.
8. The Triveni Publishers, Masulipatnam.

BIHAR

9. Amar Kitab Ghar, Diagonal Road, Jamshedpur-1.
10. Book Centre, Opposite Patna College, Patna.
11. 'Jagriti', Bhagalpur-2.

GUJARAT

12. Chanderkant Chiman Lal Vora, Law Publishers and Law Book Sellers, P. B. No. 163, 57/2, Ghandi Road, Ahmedabad.
13. Gandhi Samiriti Trust, Bhavnagar.
14. Lok Milap, District Court Road, Bhavnagar.
15. The New Order Book Company, Ellis Bridge, Ahmedabad-6.
16. Swadeshi Vastu Bhandar, Booksellers etc., Jamnagar.

KERALA

17. C. V. Venkitachala Iyer, Near Railway Station, Chalakudi.
18. International Book House, Main Road, Trivandrum.

18a. M. Mukanda Krishna Nayak, Manjeshwar S. K. Cannore Distt., Kerala State.

MADHYA PRADESH

19. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.
20. The National Law House, Near Indore Library, Opposite Old High Court Building, Indore.

MADRAS

21. E. M. Gopalkrishna Kone, (Shri Gopal Mahal), North Chitrai Street, Madura.
22. The Kalpana Publishers, Booksellers, Trichinopoly-3.
23. The Presidency Book Supplies, 8-C, Pycroft's Rd., Triplicane, Madras-5.
24. S. Krishnaswami & Company, P. O. Teppakulam, Tiruchirapalli-2.
25. (Vacant)

MAHARASHTRA

26. Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.
27. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.
28. D. B. Taraporevala & Sons, Co., (P) Limited, 210, Dr. Naoroji Road, Bombay-1.
29. Deccan Book Stall, Fergusson College Road, Poona-4.
30. The Good Companions, Raspura, Baroda.
31. The Imperial Book Depot, 266, Mahatma Gandhi Road, Poona.
32. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.
33. The International Book Service, Deccan Gymkhana, Poona-4.
34. Minerva Book Shop, Shop No. 1/80, Netaji Subhash Road, Marine Drive, Bombay-2.
35. The New Book Company (P), Limited, Kitab Mahal, 188-90, Dr. Dadabhai Naoroji Road, Bombay.
36. The New Book Depot, Modi No. 3, Nagpur.
37. The Popular Book Depot (Registered), Lamington Road, Bombay-7.
38. Sahitya Sangam, Booksellers, 44, Lok Manya Vastu Bhandar, Dadar, Bombay-28.

MYSORE

39. H. Venkataramiah & Sons, Vidyanidhi Book Depot, New Statue Circle, Mysore.
40. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.
41. People's Book House, Opp. Jaganmohan Palace, Mysore-1.
42. Pervaje's Book House, Koppikar Road, Hubli.

43. The S. S. Book Emporium, 'Mount-Joy' Road, Basavangudi, Bangalore-4.

ORISSA

44. The Cuttack Law Times Office, Cuttack-2.

44a. Ekamra Vidyabhaban, Eastern Tower Room No.3, Bhuvaneshwar-3, Orissa.

PUNJAB

45. The English Book Depot, 78, Jhoke Road, Ferozepore Cantt.

46. The Krishna Book Depot, Publishers, Booksellers, Stationery and News Agents, Main Bazar, Pathankot.

47. Minerva Book Shop, The Mall, Simla-1.

48. The New Book Depot, 76, The Mall, Simla-1.

49. (Vacant)

RAJASTHAN

50. 'Bookland', 663, Madar Gate, Ajmer (Rajasthan).

51. K. M. Agarwal & Sons, Railway Book Stall, Udaipur.

51a. Information Centre, Govt. of Rajasthan, Tripolia, Jaipur City, Rajasthan.

UTTAR PRADESH

52. A.H. Wheeler & Company, Private Limited, 15, Elgin Road, Allahabad.

53. British Book Depot, 84, Hazaratganj, Lucknow.

54. B. S. Jain & Company, 71, Abupura, Muzaffarnagar.

55. Friends Book House, M. U., Aligarh.

56. Goel Traders, 100-C, New Mandi, Muzaffarnagar.

57. Kitabistan, 17-A, Kamla Nehru Road, Allahabad.

58. Law Book Company, Sardar Patel Marg, Allahabad.

59. Laxmi Narain Agarwal, Hospital Road, Agra.

60. The Loyal Book Depot, Chhipi Tank, Meerut.

61. Mittal & Companyy, 85-C, New Mandi, Mazaffarnagar.

62. Shalig Ram & Sons, Booksellers, Madar Gate, Aligarh.

63. Universal Book Company, 20, Mahatma Gandhi Marg, Allahabad.

WEST BENGAL

64. Firma K. L. Mukhopadhyay, 6/IA, Banchharam Akrur Lane, Calcutta-12.

65. M. C. Sarkar & Sons (Private) Limited, 14, Bankim Chatterjee Street, Calcutta-12.

66. Thacker Spink & Company (1933) Private Ltd., 3, Esplanade East, Calcutta-1.

67. W. Newman & Company Limited, 3, Old Court House Street, Calcutta.

JAMMU AND KASHMIR

68. The Kashmir Book Shop, Residency Road, Srinagar, Kashmir.

69. Students Stores, Raghunath Bazar, Jammu-Tawi.

DELHI

70. Atma Ram & Sons, Kashmere Gate, Delhi-6.

71. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.

72. Bookwell, 4, Sant Narankari Colony, Kingsway Camp, Delhi-9.

73. The Central News Agency, 23/90, Connaught Circus, New Delhi.

74. City Book Sellers, Sohanganj Street, Delhi.

75. Dhanwantra Medical & Law Book House, 1522, Lajpat Rai Market, Delhi-6.

76. The English Book Shop, 7-L, Connaught Circus, New Delhi.

77. Freeland Publications Private Limited, II-A/16, Lajpat Nagar, New Delhi.

78. Hind Book House, 82 Jan Path, New Delhi.

79. The Imperial Publishing Company, 3, Faiz Bazar, Daryaganj, Delhi-6.

80. Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.

81. Jain Book Agency, Connaught Place, New Delhi.

82. J. M. Jaina & Brothers, Mori Gate, Delhi-6.

83. Lakshmi Book Store, 42, M.M. Janpath, New Delhi.

84. Mehra Brothers, 50-G, Kalkaji, New Delhi-19.

85. M. Gulab Singh & Sons Private Limited, Press Area, Mathura Road, New Delhi.

86. The New Book Depot, P. O. Box No. 96, Connaught Place, New Delhi.

87. Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.

88. People's Publishing House, Rani Jhansi Road, New Delhi-1.

89. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.

90. Sikh Publishing House Private Limited, 7-C, Connaught Place, New Delhi.

91. The United Book Agency, 48, Amrit Kaur Market, Paharganj, New Delhi.

91a. Kitab Mahal (W.D.) Private Ltd. 28, Faiz Bazar, Delhi.

MANIPUR

92. Shri N. Chaoba Singh, Newspaper Agent, Ramlal Paul High School, Annexe, Imphal, Manipur.

AGENTS IN FOREIGN COUNTRIES

U.K.

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