

**COMMITTEE ON PUBLIC
UNDERTAKINGS
(1977-78)**

(SIXTH LOK SABHA)

SECOND REPORT

ON

**CENTRAL INLAND WATER TRANSPORT CORPORA-
TION-RECKLESS AND FRAUDULENT SALE OF
NUMEROUS VESSELS**

(MINISTRY OF SHIPPING AND TRANSPORT)

Presented to Lok Sabha on 11th April, 1978



**LOK SABHA SECRETARIAT
NEW DELHI**

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95	-	1	APPENDIX III	ANNEXURE III
95	17		Under Column 1(S.No.), insert (from bottom) the figure 2 against the figure 150	
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(1977-78)

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*Ceased to be a member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 2-4-1978.

**Ceased to be a member of the Committee consequent on his retirement from Rajya Sabha w.e.f. 9-4-1978.

INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to present the report on their behalf, present this Second Report on "Central Inland Water Transport Corporation Limited—Reckless and Fraudulent Sale of Numerous Vessels".

2. The Committee took the evidence of the representatives of Central Inland Water Transport Corporation Limited for a number of days in November, 1977 (November, 3-5 and 7-8), December, 1977 (December, 16-17, 19-20 and 22-23), January, 1978 (10th) and of the representatives of the Ministry of Shipping and Transport and of the Ministry of Finance (Bureau of Public Enterprises) on 5th and 6th January, 1978. The Committee also took evidence of the former Secretary of the Ministry of Shipping and Transport on 10th January, 1978 and representatives of Messrs Norman Stewart & Company, Calcutta (a surveyors firm) on 5th and 9th January, 1978, besides hearing a number of officers of the Central Inland Water Transport Corporation and other officials/non-officials on different dates.

3. The Committee held 32 sittings in all to examine the various aspects of the functioning of the C.I.W.T.C. The verbatim record of evidence ran into about 1500 pages and the written material received from the C.I.W.T.C. and the Ministry, memoranda and representations received from the officers, employees' Unions etc. of C.I.W.T.C. and others covered more than 6,000 pages.

THE PRESENT REPORT RELATES TO THE "SALE OF VESSELS" OF C.I.W.T.C. WHICH ACCORDING TO THE COMMITTEE WAS "RECKLESS AND FRAUDULENT": REPORTS ON OTHER ASPECTS OF C.I.W.T.C. ARE BEING PRESENTED SEPARATELY.

IN MY INTRODUCTION TO THE FIRST REPORT OF THE COMMITTEE ON EXTRAVAGANT AND INFRUCTUOUS EXPENDITURE PRESENTED TO LOK SABHA ON 3RD APRIL, 1978, I DESCRIBED SOME OF THE MANAGERIAL STAFF AS "DIS-INTERESTED, UNSCRUPULOUS, INCONSIDERATE MERCENARIES". THE PRESENT REPORT PROVIDE AMPLE CORROBORATION OF MY ABOVE OBSERVATION. IN FACT WHILE I WAS DRAFTING MY INTRODUCTION TO THE FIRST REPORT, THE SALE OF VESSELS WAS ALSO VERY MUCH IN MY MIND.

EXACT FIGURES ARE GIVEN IN THE REPORT ITSELF, BUT BY AND LARGE IT COULD BE TAKEN THAT NO LESS THAN 50 VESSELS (STEAMERS ETC.) MANY OF WHICH WERE MUCH

WATERWORTHY, WERE SOLD FOR A FRACTION OF THEIR VALUE. IN ONE CASE OF A VESSEL, OVER RS. 13 LAKHS WERE SPENT ON ITS REPAIRS AND THE SAME VESSEL WAS SOLD AFTER 2-3 SAILINGS FOR RS. 3,07,000/-. IT WAS STATED THAT THE REPLACEMENT VALUE OF THIS VESSEL WAS AROUND RS. 80 LAKHS.

THE TOPMOST EXECUTIVES OF THE C.I.W.T.C. PRACTICALLY WITHOUT ANY EXCEPTION, ENTERED INTO A CRIMINAL CONSPIRACY WITH THE BUYERS AND THE SURVEYORS. THE ENTIRE SURVEY VALUATION BUSINESS SEEMED TO BE A FACADE CREATED BY OFFICERS OF THE CORPORATION TO DEFRAUD C.I.W.T.C. AND TO BENEFIT THE BUYERS AND THEMSELVES INDIVIDUALLY. A SENIOR PARTNER OF THE SURVEYORS IN HIS EVIDENCE CONFESSED IN CLEAR LANGUAGE THAT THEY HAD LENT THEIR LETTERHEADS FOR MONETARY CONSIDERATION TO BE USED FOR GIVING VALUATION WHICH ENABLED THE OFFICERS OF C.I.W.T.C. TO MISREPRESENT THE FACTS BEFORE THE BOARD AND THE GOVERNMENT AND GIVE AWAY THE VESSELS AT THROWAWAY PRICES.

THIS CORPORATION HAS NOT ONLY LOST OVER RS. 2143 LAKHS DURING LAST FEW YEARS BELONGING TO THE PEOPLE OF INDIA BUT HAVE COMPLETELY TORPEDOED THE INLAND WATER TRANSPORT SERVICE FOR THE NAVIGABLE AREAS, ESPECIALLY IN THE NORTH-EASTERN REGION WHERE IT IS AN INDISPENSABLE MODE OF TRANSPORT.

TO MY MIND PERSONS INVOLVED IN THIS AFFAIR AND WHO ARE FOUND GUILTY ON AN ENQUIRY, WHICH SHOULD BE CONDUCTED BY A SITTING OR RETIRED SUPREME COURT JUDGE, SHOULD BE GIVEN EXEMPLARY PUNISHMENT SO AS TO SERVE AS AN EXAMPLE FOR THOSE WHO MIGHT CHOOSE TO FOLLOW THIS PATH AND DESTROY THE ECONOMY OF THE COUNTRY.

ONE OF THE GLARING CASES OF CRIMINAL CONSPIRACY, MALPRACTICES AND FRAUD WAS THE SUBSTITUTION OF VESSEL 'PALLORA' IN PLACE OF VESSEL 'RAJNAGAR'. THE FORMER WAS MUCH MORE EXPENSIVE VESSEL WHILE THE LATTER WAS DILAPIDATED AND IN RUNDOWN CONDITION.

THE COMMITTEE ALSO FOUND THAT DURING THE COURSE OF EVIDENCE, THE REPRESENTATIVES OF C.I.W.T.C. HAD MADE FALSE AND MISLEADING STATEMENTS REPEATEDLY IT WAS AN EXTREMELY DIFFICULT TASK FOR THE COMMITTEE TO TAKE OUT THE TRUTH FROM THE WITNESSES WHO HAD

APPEARED BEFORE THE COMMITTEE ON BEHALF OF THE CORPORATION. NEVERTHELESS THE COMMITTEE HAVE BEEN ABLE TO UNEARTH THE SHADY TRANSACTIONS GOVERNING THE SALE OF VESSELS.

The Committee considered and adopted the Report at their sitting held on the 5th April, 1978.

NEW DELHI;
The 10th April, 1978.

JYOTIRMOY BOSU,
*Chairman,
Committee on Public Undertakings.*

RECKLESS AND FRAUDULENT SALE OF NUMEROUS VESSELS

A—FLEET STRENGTH AND YEAR-WISE SALE OF VESSELS

The River Steam Navigation Company, whose assets and certain liabilities were taken over by the Central Inland Water Transport Corporation in May, 1967, had a fleet strength of 289 vessels (excluding the 55 vessels which went into the hands of Pakistan Government in the 1965 Indo-Pakistan conflict). Subsequently, there had been a net addition of 13 vessels to CIWIC's fleet strength. Since then the Central Inland Water Transport Corporation has sold a number of vessels as indicated below:—

Year	No. of vessels sold
1967	9
1968	28
1969	38
1970	18
1971	2
1972 . . . . .	..
1973	1
1974 . . . . .	..
1975	20
(January to June 1976)	11
(August, 1976 to February, 1977)	46
TOTAL	173

Out of these 173 vessels, delivery of 17 vessels which were recently sold, has been withheld at the instance of the Committee on Public Undertakings, as discussed later in the Report. Thus the number of vessels actually sold and delivered is 156, thereby leaving the present fleet strength of the Corporation as 146 vessels. Details of the sale of all the 156 vessels, as furnished by the Corporation are given in Annexure (1).

B—NO GOVERNMENT SANCTION OBTAINED FOR SALE OF VESSELS

2. As the subsequent paragraphs would reveal, the Corporation went about the disposal of 72 vessels in August, 1976, i.e. even earlier than the

Ministry's approval "in principle" on 20-11-1976, what to speak of seeking specific prior Government sanction therefor. In this connection the following extract from the Ministry's letter dated 1-2-1977 addressed by Shri R. K. Bhuchar, Under Secretary to the then Chairman-cum-Managing Director is noteworthy:—

"...it has been stated that the company has yet to dispose of 60 vessels. As the original proposal was for scrapping/disposal of 72 vessels as communicated in your letter No. A/FA/ANNUAL PLAN dated 22-9-76, it is presumed that the Company has since disposed of 12 vessels. This presumption may kindly be confirmed. As all these vessels are mortgaged to the President of India, prior approval of this Ministry is necessary before they are disposed of. The number and date of the letter in which the required approval for 12 vessels has been taken may kindly be indicated."

3. During evidence of the representatives of the Corporation, the Committee enquired as to who was the final authority for allowing disposal of vessels, the Financial Adviser & Chief Accounts Officer (Shri Biswas) stated "we got the approval of the Ministry before disposal".

4. On being enquired whether they obtained specific Government sanction for disposal of the vessels, the Secretary (Shri Sarkar) stated that the "vessels are included in the list of 72 vessels we have submitted to Government" WHEN PRESSED TO SHOW GOVERNMENT SANCTION FOR EVERY VESSEL'S DISPOSAL, HE AID, "IN THAT WAY, FORMAL SANCTION HAS NOT BEEN RECEIVED."

C—APPROVAL OF BOARD OF DIRECTORS SOUGHT ON INADEQUATE PREMISES

5. The Committee noted that the Board of Directors of the Corporation at their 63rd meeting held on 21-9-1976 approved the disposal of 47 vessels "as surplus to requirements". FULL FACTS ABOUT THE VALUATION OF VESSELS, EXPENDITURE INCURRED ON THEIR REPAIRS, ETC. WERE NOT BROUGHT TO THE NOTICE OF THE BOARD AS SUBSEQUENT PARAGRAPHS WOULD REVEAL.

6. In this connection during the evidence of representatives of the Ministry of Shipping and Transport, THE COMMITTEE ENQUIRED FROM THE CHIEF ENGINEER-CUM-ADMINISTRATOR (SHRI DIKSHIT) WHO WAS PRESENT IN THE ABOVE BOARD MEETING AS GOVERNMENT DIRECTOR, WHETHER HE KNEW THAT RS. 13 LAKHS HAD BEEN SPENT ON REPAIR OF VESSEL "GALIANA" (INCLUDED IN THE ABOVE LIST OF VESSELS) AND OF THE SURVEY VALUE GIVEN BY THE SURVEYORS, HE SAID "WHEN THIS WAS PUT UP, THE FIGURES OF REPAIRS WERE NOT PUT UP".

7. When asked whether he bothered about the value and if not on what basis did he approve the disposal of vessels, he said:

"I HAD NO EXPERIENCE OF BEING ON THE BOARD OF DIRECTORS; THAT WAS THE SECOND MEETING WHICH I HAD ATTENDED. IN THE EARLIER APPROVALS ALSO, GIVEN A FEW YEARS PREVIOUSLY, VALUES HAVE NOT BEEN GIVEN; MERE DECISIONS HAD BEEN TAKEN."

WHEN FURTHER ASKED WHETHER THE BOARD EVER WANTED TO SEE THE VALUATION, HE SAID "NO SIR".

8. IN THE ABOVE BOARD MEETING THE BOARD ALSO DESIRED THAT "PROCEDURE SHOULD BE LAID DOWN FOR DECLARING VESSELS FOR PURPOSE OF SCRAPPING AND FOR THE SALE OF SUCH VESSELS (VESSELS DECLARED AS SCRAP NOT THE OTHER ONE)" AND LEFT IT TO THE CHAIRMAN TO LAY DOWN THE PROCEDURE IN THIS REGARD.

9. The Board saddled the then Chairman-cum-Managing Director to lay down the procedure for declaring the vessels for purpose of scrapping and for the sale of such junk vessels only. Throughout the extensive evidence that we have taken nowhere we have come across that any fresh foolproof procedure was laid down by the then Chairman-cum-Managing Director for the exercise of scrapping of vessels. They were following the drill of the existing procedure. Numerous water-worthy vessels were disposed of as scrap and for this they took the help and assistance of outside survey firm who were asked to do different types of valuations for the same vessel at the same time to suit the convenience of certain unscrupulous persons in authority in Central Inland Water Transport Corporation.

10. When enquired from Shri Dikshit how did he agree with this decision of the Board *i.e.* to leave the matter of laying down procedure for sale of vessels to the then Chairman-cum-Managing Director especially when in the same meeting the Board considered the procedure followed by the then Chairman-cum-Managing Director for sale of vessels "Pallora" (discussed later in the Report) as irregular; he said:

"For executive purposes, somebody has to be authorised and the best man was CMD."

11. On this, the Joint Secretary (Shri Mahajan) said:

"I THINK IT IS NOT CORRECT. IT WAS CORRECT TO HAVE ASKED FOR A PROCEDURE TO BE LAID DOWN. BUT THEN THE PROCEDURE SHOULD HAVE COME TO THE BOARD AND IT SHOULD NOT HAVE BEEN DONE LIKE THIS. THIS IS A WRONG DECISION BY THE BOARD."

12. THE COMMITTEE THEN ENQUIRED FROM THE REPRESENTATIVES OF THE BUREAU OF PUBLIC ENTERPRISES AS TO WHAT THEY HAD TO SAY, THE ADVISER (PRODUCTION) OF THE BUREAU (SHRI BAZIE KARIM) SAID "WE ARE SURPRISED". THE DIRECTOR GENERAL OF THE BUREAU (SHRI BAVEJA) SAID "WE HAVE TO TAKE SERIOUS NOTICE OF THESE THINGS".

13. Enquired whether any guidelines were issued by the Ministry for the sale of vessels. the Ministry in a written note stated:

"NO GUIDELINES IN THE MATTER WERE ISSUED BY THE MINISTRY BUT THE CIWTC HAD ITSELF MENTIONED IN ITS LETTER NO. FA/ANNUAL PLAN/5/468 DATED 19-1-77 THAT THE DISPOSAL OF VESSELS WAS SUBJECT TO THEIR NORMAL TENDER PROCEDURE".

D—SURVEY VALUATION

14. Out of 76 vessels advertised between the period from August, 1976 to February, 1977, 46 vessels were sold by the Corporation. Statement below shows the valuation position *i.e.* survey values* and sale value of the vessels as per details furnished by the Corporation:—

Sl. No.	Name of vessel	Survey Valuation		Sale value	Difference between Columns 3 & 5
		As is value	Scrap value		
1	2	3	4	5	6
<i>1st Batch (advertised on 29-8-1976)</i>					
1	Taimani .	Not available	150,000	364,554	
2	Tibetan .	Do.	150,000	500,952	
3	Malini .	Do.	100,000	59,022	
<i>2nd Batch (advertised on 21-11-1976).</i>					
4	Jamtara .	Not available	77,500	107,111	
5	Ragha .	Do.	80,000	91,000	
6	Dhalkisor .	Do.	125,000	147,200	
7	Sagauli .	Do.	109,000	147,200	

*THE SURVEYORS WERE ASKED TO GIVE MORE THAN ONE VALUATION IN ORDER TO SUIT THE CONVENIENCE OF THE PERSONS IN AUTHORITY IN C.I.W.T.C.

1	2	3	4	5	6
8	Towkok . .	Not available	88,000	122,000	
9	Tundla . .	Do.	106,000	122,000	
10	Salmara . .	Do.	109,000	147,200	
11	Bale . .	Do.	119,000	147,200	
12	Barcherra . .	Do.	105,000	147,200	
13	Tyroon . .	Do.	94,000	122,000	
<i>3rd Batch (advertised on 28-11-1976)</i>					
14	Ardfin . .	1,50,000	75,000	97,000	(—) 53,000
15	Ardlamnt . .	2,20,000	115,000	151,887	(—) 68,113
16	Ardmarnock . .	3,85,000	140,000	193,396	(—) 1,91,604
17	Rajnagar . .	280,000	120,000	141,509	(—) 138,491
18	Roorki . .	115,000	72,000	104,070	(—) 10,300
19	Ramganga . .	127,000	55,000	90,094	(—) 36,906
20	Retain . .	90,600	55,000	78,500	(—) 12,100
21	Pakoko . .	115,000	70,500	113,868	(—) 1,132
22	Mahseer . .	Do.	12,000	12,424	
23	Stream . .	Do.	12,000	12,000	
24	Rutlam . .	120,000	72,000	114,245	(—) 5,755
25	Purley . .	165,000	72,500	105,660	(—) 59,340
26	Pakshan . .	Do.	72,500	113,208	
27	Purneah . .	165,000	72,500	105,660	(—) 59,340
28	Jet . .	Do.	30,000	85,849	
<i>4th batch (advertised on 7-2-1977)</i>					
29	Barge 160 . .	Do.	10,500	11,121	
30	Barge 188 . .	Do.	15,000	15,251	
31	Barge 445 . .	Do.	12,000	12,000	
32	Barge 20 . .	Do.	9,000	9,101	
33	Barge 33 (embedded)	Do.	..	10,500	
34	Welding Barge 4 . .	Do.	4,000	7,001	
35	Store Boat 5 . .	Do.	4,000	7,501	
36	Galiana . .	500,000	160,000	307,611	(—) 192,389

1	2	3	4	5	6
37	Uzbek . .	450,000	160,000	307,611	(—) 142,389
38	Tarcha . .	Not available	106,000	110,211	
39	Hijili* . .	Do.	85,000	96,000	
40	Sanga (embedded) .	Do.	Not available	4,700	
41	Rejang . .	Do.	100,000	76,000	
42	Polwheel (embedded)	Do.	Not available	15,000	
43	Akbar .	200,000	70,000	91,000	(—) 109,000
44	Wave . .	Not available	21,000	30,000	
5th batch (advertised on 28-2-1977)					
45	Dhankuta . .	170,000	110,000	162,000	(—) 8,000
46	Harauli . .	Not available	75,000	115,060	

*At the time of factual verification, C.I.W.T.C. indicated (*vide* letter No. CMD/C-79/8 dated 8-4-1978) that for vessel 'Hijili' (at serial No. 39) vessel 'Barcherra' may be substituted and also change figures accordingly (as shown at item 12 of this statement)

The Committee have no time to verify the facts. They, however, hope that it is not a fraud case similar to that of the replacement of 'Pallora' for 'Rajnagar'.

(a) Serious Fraud in recording valuations of the vessels

15. Interestingly enough, the survey valuation of all the vessels advertised and sold upto August, 1976 had been done by the Marine Superintendent alone of the Corporation. Thereafter the Corporation entrusted this work to M/s. Norman Stewart, a surveyors firm of Calcutta. The survey value of all the 43 vessels advertised/sold from November, 1976 onwards was given by M/s. Norman Stewart, excepting 4 vessels (Mahsur, Stream, Jet and Rajang) in which case it was given by the Marine Superintendent along of the Corporation. For obvious reasons the surveyors were asked to give more than one valuation for the same vessel which they gave.

16. The Committee examined at length the representatives of M/s. Norman Stewart regarding the mode of their appointment, manner of valuation, their charges etc. It transpired that although their firm first came in the records of Central Inland Water Transport Corporation in 1970, they did not do any valuation till 1976 except assessment of damage work of certain vessels for purpose of insurance claims etc. It was from November, 1976 that they got bulk of CIWTC's valuation business.

17. It has been revealed during the evidence that Central Inland Water Transport Corporation did not ask for quotations for such services from other firms of surveyors and it was also established that the partners of the firm of M/s. Norman Stewart were familiar with the then Chairman-cum-Managing Director as well as the Marine Superintendent prior to their getting the monopoly business of survey work in November, 1976. The then Chairman-cum-Managing Director had known these people when he was in the Shipping Corporation of India prior to his joining the Central Inland Water Transport Corporation.

18. NOT ONLY NO TENDERS OR ENQUIRIES WERE MADE BUT THE CORPORATION DID NOT EVEN GIVE ANY LETTER OF APPOINTMENT OR INSTRUCTIONS TO THE SURVEYORS M/S. NORMAN STEWART.

19. Asked whether any letter was written by the Corporation when they give the business of valuation to the firm in November, 1976, the representative of the firm (Shri S. J. Choksi, Senior partner) stated during evidence that "there is no written order. The call to do the work was given on the telephone to my partner (Capt. Antia)".

20. When enquired from his junior partner (Capt. Antia), who appeared before the Committee separately, whether the Corporation advertised in the newspapers or called for rates, he stated:—

"NO SIR. THEY DID NOT ADVERTISE IN THE PAPERS. NEITHER ANY ADVERTISEMENT WAS GIVEN NOR WERE ANY TENDERS CALLED FOR. I GOT VERBAL MESSAGE FROM MARINE SUPERINTENDENT OR HIS ASSISTANT, SHRI S. K. ROY."

21. WHEN ASKED WAS IT NOT THE NORMAL PRACTICE TO CONFIRM TELEPHONE CONVERSATIONS IN WRITING WHILE DEALING WITH GOVERNMENT ORGANISATIONS AND IF SO, WHY WAS THIS NOT DONE IN THIS CASE, CAPTAIN ANTIA STATED "NORMALLY THE PRACTICE IS ALWAYS TO CONFIRM TELEPHONIC CONVERSATION IN WRITING. I DO NOT KNOW HOW THEIR (CIWTC) MIND WORKED". THE WHOLE OPERATION LOOKED FISHY.

22. Asked what were their terms and conditions, Shri Choksi stated that their normal valuation charges, which were intimated to the Central Inland Water Transport Corporation in 1970 and had remained the same since then (strangely enough), were Rs. 96 per launch (paddle boat) and Rs. 49 per barge (cargo boat) and if four or more vessels were attended to on the same occasion, they charged a concession rate of 75 per cent of normal charges i.e. Rs. 72 in lieu of Rs. 96 per launch.

When asked to what extent had their establishment costs gone up since 1970 and how could their rates remain constant, he said that their costs had gone up "by 300 per cent" and the rates to other clients had been increased by 100 per cent but Central Inland Water Transport Corporation was objecting to such an increase. In this context Captain Antia said:—

"We were trying to attract business because they (CIWTC) were having a large fleet."

23. Asked how much time their surveyor devoted to survey a vessel and whether he examined the hull, engine, super-structure, etc. in a minute manner, Shri Choksi stated:

"Between half-an-hour to two hours. He goes round and examines it just like a doctor examines the pulse."

24. Asked at what price did they value vessels 'Uzbek' and 'Galiana', Shri Choksi said:—

"WE ESTIMATED THE PRESENT SCRAP VALUE OF UZBEG AT RUPEES 1,60,000 AND ITS 'AS IS' VALUE AT RS. 4,50,000." FOR GALIANA, "HE HAS GIVEN 'AS IS' VALUE RS. 5 LAKHS AND SCRAP VALUE RS. 1,60,000."

25. When enquired whether they gave two valuations for every vessel elsewhere, he said: "NORMALLY WE VALUE ONLY FOR 'AS IS' CONDITION". WHEN PRESSED HE STATED "IN THIS CASE, THEY (CIWTC) THEMSELVES ASKED US".

26. ASKED HOW WERE INSTRUCTIONS TO GIVE BOTH THE VALUE CONVEYED TO THEM, HE SAID "ONLY OVER THE TELEPHONE AND THAT TOO NOT PERSONALLY TO ME BUT TO MY PARTNER, CAPTAIN ANTIA". HE ALSO ADDED THAT "PRACTICALLY IN EVERY REPORT (SURVE REPORT) WE HAVE GIVEN BOTH THE VALUES. AS A MATTER OF FACT, WE HAVE GIVEN 3 VALUES TO SOME CLIENTS."

27. In this connection, Captain Antia stated:—

"FIRST, THEY TOLD ME TO DO THE SCRAP VALUE. WHEN I FOUND THEM TO BE IN A RUNNING CONDITION, I IMMEDIATELY TOLD THEM THAT THEY WERE IN A RUNNING CONDITION. THEY TOLD ME TO GIVE THE SCRAP VALUE, THAT IS READY VALUE IF IT IS SOLD IN THAT CONDITION AVAILABLE IN THE BUYERS' MARKET. I ADVISED THEM THAT I COULD NOT JUST GIVE THE SCRAP VALUE BECAUSE I WAS GIVING 'AS IS' VALUE AND THEY WERE NOT SO BAD TO SCARP THEM. THEN I REPORTED BOTH THE VALUES INSIDE MOST OF THE REPORTS."

28. When pointed out that they gave two values because otherwise they would have lost the business, Captain Antia stated:—

“I GAVE TWO VALUES JUST TO PROTECT THE GOVERNMENT SO THAT THEY WOULD GET THE PROPER MONEY. THEY WERE TRYING TO SELL AS SCRAP. THE VESSELS WHICH AS FAR AS I COULD SEE, WERE IN A RUNNING CONDITION, WHICH ONLY REQUIRED A FEW MINOR REPAIRS”.

29. Asked what was the difference between ‘as is’ value and market value, Shri Choksi said:—

“THE ‘AS IS’ VALUE IS SUPPOSED TO BE THE MARKET VALUE OR PRE-INSURANCE VALUE.”

30. He also stated that in one report given on the vessels of the Corporation he had called the scrap value as ‘enforced sale’ i.e. “the vessel is not rejected as a sea-worthy vessel or river-worthy vessel but it is lying up unused, un-saleable for the present. If it is to be sold it is enforced sale”. He added that another category was ‘distress sale’, which meant that unless one sold a commodity he could not meet very important unavoidable commitments.

31. WHEN POINTED OUT THAT THEY WERE HAVING FOUR CATEGORIES OF VALUATION, i.e. ‘AS IS VALUE’, ‘SCRAP VALUE’, ‘DISTRESS SALE’ AND ‘ENFORCED SALE’, THE WITNESS SAID: “YES SIR. ONE MORE THING. ONE MAY SAY ‘DISTRESS SALE’ FOR SCRAP VALUE. THUS, TO SUIT THE REQUIREMENT OF PARTIES, THE SURVEYORS GAVE FOUR VALUATIONS AND HERE THE CENTRAL INLAND WATER TRANSPORT CORPORATION USED THE LOWEST VALUATION FOR DEFRAUDING THE CORPORATION. THE GOVERNMENT OF INDIA OWNED CENTRAL INLAND WATER TRANSPORT CORPORATION COULD NOT POSSIBLY GO IN FOR A ‘DISTRESS SALE’. IT IS VERY IMPORTANT TO NOTE THAT DURING THE TOUR OF THE COMMITTEE TO RAJABAGAN DOCKYARD, A SENIOR ENGINEER WHO WAS ASKED AS TO WHAT WOULD BE THE PRESENT REPLACEMENT COST OF VESSEL ‘GALIANA’ WHICH THE CORPORATION HAD SOLD FOR RS. 3.07 LAKHS. HE SAID: “RUPEES 80 LAKHS”. IF THIS IS ANY INDICATION, THE AMOUNT OF LOSS INCURRED CAN VERY WELL BE IMAGINED. FURTHER, THE ARBITRARY METHOD OF VALUATION IS TOTALLY UN-ACCEPTABLE.

32. ASKED WHETHER AT THE TIME OF SURVEY OF A VESSEL, THEY KNEW WHAT EXACTLY THE CLIENT WANTED—OVER VALUATION OR UNDER-VALUATION—AND TO REMAIN

IN PROFESSION THEY HAD TO OBLIGE HIM, SHRI CHOKSI SAID, "YES."

33. In this connection the Committee noted from the documents given by Shri Choksi during evidence that in respect of some vessels surveyed by them, values had been given as under in the survey reports:—

Name of vessel	'As is'/Present Value	Scrap Value	Sale Value
	Rs.	Rs.	Rs.
1. Ardlamont	2,20,000	1,15,000	1,51,887
2. Ardmarnock	3,85,00	1,40,000	1,93,396
3. Ardfin	1,50,000	75,000	97,000
4. Pakoko	1,15,000	70,500	1,13,869
5. Purley	1,65,000	72,500	1,05,660
6. Purneah	1,65,000	72,500	1,05,660
7. Rajnagar	2,80,000	1,20,000	1,41,509
8. Ramganga	1,27,000	55,000	90,094
9. Retam	90,600	55,000	78,500
10. Roorki	1,15,000	72,000	1,04,700
11. Rutlam	1,20,000	72,000	1,14,245
12. Galiana	5,00,000	1,60,000	3,07,611
13. Dhankuta	1,70,000	1,10,000	1,62,000
14. Uzbekg	4,50,000	1,60,000	3,07,611
15. Akbar	2,00,000	70,000	91,000
	32,18,000	14,18,000	21,64,742

34. Asked whether they knew that on vessel 'Galiana', for which they had given 'As is' value Rs. 5 lakhs but which was sold for Rs. 3.07 lakhs, the Corporation had spent Rs. 13 lakhs on repairs, Shri Chokai said:—

"That is also a thing to be considered, Sir, you have referred to payment over the table and under the table. If you say Rs. 13 lakhs were spent on repairs, there must be something wrong some where. But the surveyor is a good judge to say these things."

35. In this context Captain Antia said:—

"I ASKED MR. S. K. ROY OVER THE TELEPHONE WHETHER, AFTER MY INSPECTION OR DURING ANY RECENT PERIOD, ANY EXTENSIVE REPAIRS HAD BEEN

DONE, AND HE REPLIED IN THE NEGATIVE AND SAID THAT, AS FAR AS HIS KNOWLEDGE WENT, NO EXTENSIVE REPAIRS WERE DONE BUT JUST NORMAL ROUTINE REPAIRS TO KEEP THE SHIP RUNNING IN THE HOOGHLY RIVER. THIS WAS DONE AFTER MR. CHOKSY RETURNED FROM HERE: IT WAS ON SATURDAY MORNING (ON 7-1-78). HE ALSO ADMITTED THAT CENTRAL INLAND WATER TRANSPORT CORPORATION INSISTED ON THEM TO GIVE THE SCRAP VALUE (RS. 1.60 LAKHS) FOR THIS VESSEL WHICH WAS THE LOWEST VALUE."

If this is correct then Central Inland Water Transport Corporation was concealing facts for getting as low as possible valuation.

36. WHEN POINTED OUT THAT VALUATION GIVEN BY THEM HAD BEEN MISUSED BY THE CENTRAL INLAND WATER TRANSPORT CORPORATION IN CHEATING THE CORPORATION THROUGH A CONSPIRACY WITH A SET OF PERSONS LIKE KHAN BHAI YUSUF BHAI, MOHD. ALI KHAN BHAI HATHIARI, SHRI RAM NIWAS CHAUDHURY AND MANY VESSELS SOLD WHICH MEANT REDUCTION IN THEIR (SURVEYORS) BUSINESS ALSO, SHRI CHOKSI SAID:

"WHEN I WENT THERE (BANGLADESH), TEARS CAME INTO MY EYES: I WAS MOVED WHEN I SAW THAT THE FIRST VESSEL WAS GIVEN TO BANGLADESH BY THE EX-CHIEF MINISTER.... YOU KNOW THAT BOATS ARE VALUABLE ASSETS OF THIS COUNTRY."

37. ON BEING POINTED OUT THAT BY MAKING USE OF THEIR LETTERHEAD A SET OF PEOPLE HAD DEFRAUDED THE EXCHEQUER HE SAID:

"I AM SORRY, OUR LETTER-HEAD HAD BEEN USED."

(b) False and misleading Statements by Representatives of Corporation during evidence

38. During evidence of representatives of the Corporation, the Committee enquired as to when M/s. Norman Stewart were appointed as their surveyors and whether prior to that the Corporation had any dealings with them, the Marine Superintendent (Capt. Khatri) (since dismissed on charges of corruption after Committee on Public Undertakings took up the examination) stated that they were appointed in October, 1976 and prior to that they were looking after "accidents on the river".

39. Asked as to how were M/s. Norman Stewart appointed and whether any tenders were called or advertisement given, the Marine Superintendent

(Capt. Khatri) said, "they have been carrying out surveys. NO TENDERS WERE CALLED." The then Chairman-cum-Managing Director (Shri Chelliah) said: "I left it to the Committee."

40. When pointed out to Shri Chelliah that he was misleading the Committee as on a note put up by the present Chairman-cum-Managing Director (Shri Yusuf Khan) he had recorded as follows:—

"I AGREE, A PARTY SHOULD BE APPOINTED TO FIND OUT THE CORRECT QUANTITY OF STEEL. AS THIS IS NOT THE QUESTION, BECAUSE THE PRICE WILL GO UP. AS A SURVEYOR'S FIRM WHOSE FIGURE SHOULD BE ACCEPTABLE TO BOTH THE PARTIES," HE SAID, "IT SHOULD BE RELATED TO THE NOTE".

41. Enquired as to who were "both the parties" referred to in the above note and why did they not advertise the appointment of surveyors, the then Chairman-cum-Managing Director (Shri Chelliah) said "TO WHOM WE ARE SELLING". REGARDING ADVERTISEMENT, HE SAID, "I WOULD ACCEPT THIS AS A LAPSE".

42. In this connection the Committee took note of a letter dated 22-7-1976 written by the former Secretary, Shri H. K. Sen, of the Corporation to M/s. Norman Stewart which *inter alia* state:

"Dear Sirs,

Flats "Rajanda", "Dhari", "Dholpur", "Dhasam" and "Buns". We have decided to dispose of the above five flats as scrap. In order that we may realise a reasonable price for the vessels, it is necessary for us to know the quantity of steel each flat will yield on breaking up.

(Sd.) H. K. Sen"

43. On being enquired from the former Secretary (Shri H. K. Sen, who retired in December, 1976) as to who told him that the vessels were 'scrap', he said, "I have to go through the records and see how it was decided". He was given sometime to see the files but could not reply. The present Secretary (Shri Sarkar) said:—

"Initially this scrap report use to come from the Marine Departmentthey decided the vessel to be surplus and to be sold as scrap. Thereafter one Committee (Departmental Committee) was formed and this Committee consisted of Marine Supdt., Supdt. Engineer, Financial Adviser & Chief Accounts Officer, Commercial Manager, Principal Adviser."

44. ASKED WHAT WAS THE VALUE GIVEN BY SURVEYORS FOR VESSEL "GALIANA", FINANCIAL ADVISER & CHIEF

ACCOUNTS OFFICERS (SHRI BISWAS) SAID, "RS. 1.60 LAKHS". WHEN POINTED OUT THAT IT WAS NOT CORRECT, HE SAID, "WHAT I AM TELLING YOU IS TRUTH". IN EXTENUATION THE MARINE SUPERINTENDENT (CAPT. KHATRI) AND SECRETARY (SHRI SARKAR) ADMITTED THAT THEY (NORMAN STEWART) HAD GIVEN "BOTH THE VALUES—SCRAP VALUE RS. 1.60 LAKHS: 'AS IS' VALUE RS. 5 LAKHS".

45. On being enquired from Marine Superintendent (Capt. Khatri) to whom did he tell on telephone for survey work in Norman Stewart, he said, "Mr. Choksy". When pointed out that Mr. Choksy had said during evidence that the work was passed on over the telephone to his junior partner (Capt. Antia), he said "whoever is in office, we speak to him".

46. Asked what rate per vessel they paid to M/s. Norman Stewart and how much time did they take to survey a vessel, the Marine Superintendent. (Capt. Khatri) said that the rate of Rs. 72 per vessel, even for a single vessel. Regarding time, he said "minimum two hours". When pointed out that representative of Norman Stewart had stated that they devoted half-an-hour on an average, he stated, in order to escape the embarrassment, that his River Transport Officer (Shri Roy) who normally accompanied the surveyors might be asked. Thereupon the River Transport Officer Shri Roy stated that they devoted "about half-an-hour for a flat and about an hour for a steamer". When enquired from the Marine Superintendent (Capt. Khatri), why did he say 'two hours', he said "that includes the time taken for coming to the shed and going round". The Committee then enquired whether they (Norman Stewart) really went every time to survey the vessels, Shri Roy said, "Yes Sir, I am definite about it". The Committee have serious doubts about the veracity of the Statement.

47. When the Committee enquired from the Secretary (Shri Sarkar) what valuation was given for vessel 'Uzbek' he said "the scrap value was Rs. 1,60,000". When pointed out that M/s. Norman Stewart had given one other value also and why did he not indicate that, he said "yes, there is another valuation. This is a misunderstanding." In fact he was trying to conceal facts most of the time.

48. Asked how many types of valuation reports did they get from M/s. Norman Stewart, the Marine Superintendent (Capt. Khatri) when pressed, admitted that they got two types, viz. "scrap value and 'as is' value". Secretary (Shri Sarkar) also said that "In one case initially, we got one valuation and then I got 'enforced' valuation. I could not understand and I have written to Marine Superintendent for that."

49. ASKED WHETHER 'AS IS' VALUE GIVEN BY SURVEYORS WAS SHOWN IN THE COMPARATIVE CHART PUT UP TO THE DEPARTMENTAL COMMITTEE OF TECHNICAL OFFICERS AND IF

NOT FOR WHAT REASONS, THE SECRETARY (SHRI SARKAR) SAID, "I DO NOT THINK IT IS SHOWN. WE WERE SELLING THEM (VESSELS) AS SCRAP ONLY". (REGARDING REASONS HE GAVE NO REPLY. WHEN ASKED WHETHER THE BOARD OF DIRECTORS APPROVED THE VESSELS AS SCRAP? HE (SHRI SARKAR) SAID, "THE BOARD APPROVED OF THE DISPOSAL AS SURPLUS THE REQUIREMENT".

50. A VESSEL WHICH TOTALLY CEASED TO BE WATER WORTHLY COULD ONLY BE CALLED A SCRAPPED VESSEL. THE COMMITTEE FAILS TO UNDERSTAND, UNLESS THERE WAS PECUNIARY GAINS FOR INDIVIDUAL OFFICERS OF CENTRAL INLAND WATER TRANSPORT CORPORATION AS TO WHY SURPLUS WATER WORTH-VESSELS WERE SOLD AS JUNKS.

The Committee then enquired from the then Chairman-cum-Managing Director (Shri Chelliah) whether he saw all the various types of valuations given by the surveyors, he said, "I have only given sanction if the Committee (departmental Committee) had recommended for very special reasons. If the Committee thought that "there was no other buyer, only then I approved it". When pointed out that they forced the surveyors to give scrap value for the vessels, he said, "I am prepared to accept the responsibility".

(c) Survey of Vessels by Marine Superintendent

(THIS OFFICER HAS BEEN DISMISSED ON CHARGES OF CORRUPTION AFTER COMMITTEE ON PUBLIC UNDERTAKINGS TOOK UP THE EXAMINATION OF CIWTC).

51. As indicated in the details of sale of vessels (Annexure I) all the vessels advertised/sold upto August, 1976 were surveyed by the Marine Superintendent. Thereafter out of the 43 vessels advertised/sold, bulk of the vessels (39) were surveyed by M/s. Norman Stewart but 4 vessels viz., Mahsur, Stream, Jet and Rajnag were surveyed by the Marine Superintendent, and he gave the survey value which in the case of former 3 vessels was even less than the book value.

52. The Committee enquired during evidence from the Marine Superintendent as to how many vessels did he survey after August, 1976 and what were the reasons for the same, he said, "Most of the vessels were surveyed by them (i.e. M/s. Norman Steawart). Only one vessel which was sunk was surveyed by me". On being again asked to answer the question precisely, he said, "I have nothing to hide. May be one or two, but nothing more than that".

53. When questioned whether he had surveyed vessels Mahsur, stream and Jet, he said "I did not survey, I might have given there weight".

54. The Committee then enquired from the present Chairman-cum-Managing Director (Shri Yusuf Khan) whether the information regarding details of vessels given to the Committee was correct or wrong, he stated, "It is correct. The Secretariat Department has prepared this document."

On being again asked to tell the correct position regarding the vessels surveyed by him, the Marine Supdt. (Capt. Khatri) said, "Three of them. They have not been surveyed but I have given the value."

55. When asked how many vessels did he survey from the date he had been Marine Superintendent (i.e. February, 1974 onwards), he said, "I will not be able to give the number. Mostly they are surveyed by Norman Stewart. I might have given the valuation." Subsequently HE STATED THAT "FROM THE RECORDS IT IS SEEN THAT WE (MARINE SUPERINTENDENT WITH HIS DEPARTMENT) HAVE CONDUCTED SURVEYS FOR ABOUT 36 VESSELS."

THIS OFFICER, HAD BEEN TELLING THINGS BEFORE THE COMMITTEE WHICH ARE FAR FROM TRUE.

E. THE FALSE DRILL OF GIVING ADVERTISEMENT AND CALLING TENDERS

(a) Advertisement Position

56. Table below shows the position regarding advertisement and finalisation of tenders in regard to 72 vessels which were declared for sale from August 1976 onwards;

Sl. No.	Date of Advertisement		Vessels		Advertisement position		Traders position Date				
	No.	Adv.	No.	No. sold	No. of papers Adver-tised	Name of papers	No. of tender paper sold	No. recd.	Tender last date	Date of finalisa-tion	Date of approval and date
1	29-8-76	.	14	3	4	(1) Amrit Bazar Patrika (2) Viswanitra (3) Times of India, Bombay	30	10	20-9-76	6-10-76	12-10-76
2	21-11-76	.	10	10	3	4. Assam Tribune 1) to (3) above and Calcutta Exch. Gazette *Times of India	18	4	7-12-76	7-2-77	7-2-77
3	28-11-76	.	18	15	4	(1) to (3) above and Calcutta Exch. Gazette *Assam Tribune	18	6	14-12-76	26-4-77	26-4-77
4	7-2-77	.	20	16	3	(2) and (3) above and Econ. Times, Calcutta and Bombay	10	7	22-2-77	13-4-77	13-4-77
5	28-2-77	.	10	2	3	(1) and (2) above and Econ. Times, Calcutta and Bombay	25	11	22-3-77	2-4-77	4-4-77

*Although shown in the statement to mislead the Committee, the advertisement actually did not appear in these papers.

57. It will be seen that the advertisement has been given in 3-4 papers only and that too in Calcutta-based papers mainly. In February 1977, for sale of 10 vessels, advertisement was given in three papers and for sale of 20 vessels also, advertisement was confined to three papers only. Only one insertion was given. The purpose, it is clear, was more to hide than to publicise.

58. Asked why advertisement was not given in Madras papers and Urdu language papers, the Secretary (Shri Sarkar—who was wholly responsible for the job) stated "I do not know." Regarding giving advertisement in Urdu Language papers, he said, "This is also not the practice' though many of the buyers were urdu reading.

58A. Enquired why the advertisement was not given in the *Statesman*, the Secretary stated that "At that time the *Statesman* was banned for advertisements by the public sector." A copy of the Government order issued in this regard which was given to the Committee, is reproduced below :—

**"DIRECTORATE OF ADVERTISING AND VISUAL PUBLICITY
MINISTRY OF INFORMATION AND BROADCASTING 3RD FLOOR,
PTI BUILDING, NEW DELHI**

No. Dr|9957|76

Dated the 5th August, 76

Subject: The *Statesman*, Calcutta/Delhi

Dear Chief Executive,

D.A.V.P. is not releasing advertisement to Calcutta and Delhi editors of the *Statesman*. I am desired to advise you not to release advertisements to either edition of the paper.

Yours sincerely,

Sd|—

(N. SETHI)."

59. When asked for how many days the advertisements were given and what was their budget for advertisement, he stated that "The advertisements were given for one day". As regards budget, he stated that "On one occasion we spent Rs. 1054."

60. In this connection, the Committee observed from the clippings of advertisements that in most cases these were given in an inconspicuous places as not to catch the eyes of prospective buyers. Asked whether they had issued any instructions to advertise in an inconspicuous place, the Secretary stated that "Advertisements are generally placed in a prominent place" which was again untrue.

(b) Exercise of calling tenders through mutual arrangements

(i) Time given for receipt of Tenders:

61. It will be seen from the statement given in para 56 that the time given for receipt of tenders from the date of advertisements varies from 15 to 24 days.

62. THE COMMITTEE ENQUIRED AS TO HOW MUCH TIME DID THE CORPORATION GIVE FOR RECEIPT OF TENDERS AFTER ADVERTISEMENT, THE SECRETARY (SHRI SARKAR) STATED THAT "GENERALLY IT IS FORTNIGHT AND SOMETIMES 20 DAYS." WHEN ASKED WHETHER IN ANY CASE, THEY GAVE LESS TIME, HE STATED "I CANNOT REMEMBER."

63. WHEN POINTED OUT THAT IN THE CASE OF SALE OF 10 VESSELS, THEY GIVE 24 DAYS BUT IN CASE OF SALE OF 20 VESSELS, IT WAS ONLY 15 DAYS AND ASKED HOW WAS IT JUSTIFIED, HE STATED THAT "I DO NOT HAVE THAT EXPERIENCE."

THIS IS HOW HE AVOIDED GIVING FACTS BEFORE THE COMMITTEE.

(ii) Finalisation of Tenders:

64. They went through a drill and for that the then Chairman-cum-Managing Director with the help of his trusted henchmen created a facade of the Tender Committee consisting of the following:—

1. Shri Yusuf Khan, Principal Adviser (now Chairman-cum-Managing Director from November, 1977).
2. Shri P. G. Biswas, FA & CAO
3. Shri M. D. Khatri, Marine Superintendent
4. Shri N. K. Sarkar, Secretary (from November 1976 onwards).

65. It will be seen from the statement given in para 56 that the dates of finalisation of the tenders by the Tender Committee and their approval by the then Chairman-cum-Managing Director (Shri Chelliah) are the same. EVIDENTLY, THE CHAIRMAN-CUM-MANAGING DIRECTOR WAS 'WAITING IN THE WINGS' TO ACCORD FINAL APPROVAL TO THE SALE OF VESSELS WITH ALACRITY. When asked how was it that the then Chairman-cum-Managing Director approved and signed the papers on the same day and who took the papers to Chairman-cum-Managing Director for his signature, whether by the Secretary himself or by an messenger, the Secretary (Shri Sarkar) stated as was usual with him "That is difficult to say".

66. It will also be seen from the aforesaid statement that the number of tender papers sold varied from 10 to 30 and the number of tenders received varied from 4 to 11. What is noteworthy in this connection is that in the case of sale of 10 vessels (Sl. No. 5), 25 tender papers were sold and 11 tenders were received but in the case of sale of 20 vessels (Sl. No. 4), only 10 tender papers were sold and 7 tenders were received. Furthermore, there is a wide disparity in the time taken between the date of receipt of tenders and their finalisation. For example, in the case of two vessels sold (Sl. No. 5), it was 11 days while in the case of 15 vessels sold (Sl. No. 3) it was 133 days.

67. Asked what were the reasons for this timelag of 4-1/2 months, the Secretary (Shri Sarkar) stated "AFTER NEGOTIATIONS, IT WAS FINALISED. REPEATED NEGOTIATIONS." WHEN ASKED WHAT WERE THE NEGOTIATIONS AND UNDER WHAT RULE WERE THESE ALLOWED, HE SAID "TO INCREASE THE PRICE. THAT NEGOTIATION IS AN OPEN NEGOTIATION."

From actual study of facts it was difficult for the Committee to accept the above statement on its face value.

68. WHEN ENQUIRED WHETHER THEY INDICATED IN THE ADVERTISEMENT THAT AFTER RECEIPT OF TENDERS THEY WOULD NEGOTIATE, THE PRESENT CHAIRMAN-CUM-MANAGING DIRECTOR STATED, "NO SIR".

F BLATANT FLOUTING OF TERMS AND CONDITIONS OF SALE

69. The General conditions of sale vessels (Annexure II) formulated by the Corporation stipulated as follows in regard to payment of sale value and taking possession of the sold vessels by the buyers:

"9. The party whose offer is acceptable shall arrange to deposit the full amount of the purchase value *within 15 days* from acceptance of the offer. Such payment shall either be made *in cash or by a Bank Draft* at the owner's office at 4, Fairlie Place, Calcutta-700001. In default of such payment by the accepted tenderer/tenderers the vessels shall be sold to the next higher bidder at the entire risk of the defaulting tenderer/tenderers and the earnest money deposited by him|them shall be liable to be forfeited or adjusted accordingly.

10. Possession of the vessels immediately after payment of purchase consideration shall be delivered to the purchaser by issue of an order by the owner of the property and the vessels shall thereafter be deemed to remain solely at the entire risk of the purchaser. The purchaser shall take physical delivery of the vessel within 7 (seven) days from the date of issue of

aforesaid order by the owner of the property and also shall remove the vessels within 30 (thirty) days from the date of payment of purchase consideration failing which the purchaser shall be liable to pay wharfage, ground rent, crews wages and/or any other levies as may be determined by the owners of the vessels selling authority, who will also be at liberty to remove the vessels at the entire risk and expense of the purchaser."

70. A statement showing the actual position of payment and delivery and names of buyers in respect of the five lots of vessels sold from August 1976 onwards is given below:

.No.	Name of Vessel	Offer acceptance date	Payment		Position	Delivery		Name of Buyer	Remarks
			Payment date	Mode of payment		Date of Delivery Order	Date of Physical Delivery		
1	2	3	4	5	6	7	8	9	
<i>1st batch (advertised on 29-8-1976)</i>									
1	Taimani	.	.	.	12-10-76	5-11-76	Cheque*	18-11-76	M/s. Assam Udyog
2	Tabetan	.	.	.	12-10-76	24-11-76	Do.]	29-11-76	} and Co., Dibrugarh
3	Malini	.	.	.	12-10-76	5-11-76	Do.]	15-11-76	}
<i>2nd batch (advertised on 21-11-1976)</i>									
4	Jamtara	.	.	.	7-2-77	27-6-77	Cheque	15-7-77	M/s. Bengal Hammer Industries(P) Ltd., Belurmath, Howrah,
5	Ragha	.	.	.	Do.	23-2-77	Do.	2-3-77	8-3-77
6	Dholkisor	.	.	.	Do.	9-3-77	Do.	15-4-77	22-6-77
7	Sagauli	.	.	.	Do.	23-2-77	Do.	2-3-77	2-3-77
8	Towkok	.	.	.	Do.	9-3-77	Do.	15-4-77	16-4-77
9	Tundla	.	.	.	Do.	9-3-77	Do.	15-4-77	16-4-77
10	Salmara	.	.	.	Do.	23-2-77	Do.	2-3-77	8-3-77
11	Fawle	.	.	.	Do.	27-6-77	Do.	15-7-77	Delivery withheld

* At the time of factual verification, the C.I.W.T.C. indicated that the payment was made by "Draft".

1 2 3 4 5 6 7 8 9

12 Barcherra 7-2-77 27-6-77 Cheque 15-7-77 17-8-77 } M/s. Bengal Hammer Industries (P) Ltd., Belurmath, Howrah, 8-3-77 }

3rd batch (advertised on 28-11-76)

14	Ardfin	.	.	.	.	27-4-77	14-5-77	Cheque	19-8-77	Physical delivery withheld
15	Ardlamont	.	.	.	.	26-4-77	19-8-77	Do.	25-8-77	Do.
16	Ardnamock	.	.	.	.	Do.	24-8-77	Do.	Do.	Do.
17	Rajnagar	.	.	.	.	Do.	Do.	Do.	Do.	Do.
18	Roorki	.	.	.	.	Do.	27-7-77	*Do.	Do.	Do.
19	Ramganga	.	.	.	.	Do.	24-8-77	Do.	Do.	Do.
20	Retam	.	.	.	.	Do.	4-8-77	Do.	Do.	Do.
21	Pakako	.	.	.	.	Do.	27-7-77	Do.	Do.	Do.
22	Mahseer	.	.	.	.	Do.	30-6-77	Do.	19-7-77	Do.
23	Stream	.	.	.	.	Do.	30-6-77	Do.	Do.	Do.
24	Rutlam	.	.	.	.	Do.	4-8-77	Do.	Do.	Do.
25	Purely	.	.	.	.	Do.	E. M. adjusted	Do.	7-9-77	Do.
26	Pakshan	.	.	.	.	Do.	24-8-77	Do.	17-8-77	Do.

K. E. Salvage Corporation, Calcutta.

27	Purneah	.	.	26-4-77	E.M. adjusted 30-6-77	Cheque	Not given	Physical delivery withheld	M/s. K. E. Salvage Corporation, Calcutta.
28	Jet	.	.	Do.	Do.	Do.	19-7-77	Do.	
4th batch (advertised on 7-2-1977)									
29	Barge 160	.	.	13-4-77	30-4-77	Cheque	2-5-77	10-5-77	M/s. Bijoy C. Ramesh Chand Howrah.
30	Barge 188	.	.	Do.	Do.	Do.	Do.	Do.	
31	Barge 445	.	.	Do.	Do.	Do.	Do.	Do.	
32	Barge 20	.	.	Do.	Do.	Do.	Do.	Do.	
33	Barge 33 (embedded)	.	.	Do.	27-4-77	Do.	23-5-77	7-6-77	M/s. Sham Steel Co., Calcutta.
34	Welding Barge 4	.	.	Do.	30-4-77	Do.	2-5-77	10-5-77	M/s. Bojoy C. Ramesh Chand Howrah.
35	Store Boat 5	.	.	Do.	30-4-77	Do.	2-5-77	10-5-77	
36	Galiana	.	.	Do.	22-7-77	Do.	22-7-77	25-8-77	M/s. Bengal Indus- tries, Howrah.
37	Uzbeg	.	.	Do.	30-4-77	Do.	14-5-77	25-5-77	
38	Taroba	.	.	Do.	22-7-77	Do.	24-6-77	13-8-77	
39	Hijili	.	.	Do.	7-6-77	Do.	24-6-77	Withheld	
40	Sanga (embedded)	.	.	13-4-77	14-5-77	Do.	26-5-77	27-5-77	M/s. Shree Hanuman Forging Udyog, Howrah.
41	Rajang	.	.	Do.	16-5-77	Do.	25-5-77	27-5-77	
42	Polwheel (embedded)	.	.	Do.	(Adjusted against earnest money deposited earlier)		10-6-77	25-8-77	Clacutta Metal Corporation.

*At the time of factual verification, the CIWTC indicated the payment dates as "30-6-77; 27-7-77; 4-8-77; 19-8-77, 24-8-77 and Earnest Money adjusted".

1	2		3	4	5	6	7	8	9	
43	Akbar	.	.	.	Do.	2-5-77	Cheque	21-5-77	7-6-77	} M/s. K.E. Salvage Corporation, Calcutta.
44	Wave	.	.	.	Do.	2-5-77	Do.	21-5-77	7-6-77	
5th batch (advertised on 28-2-1977)										
45	Dhankuta	.	.	.	4-4-77	20-4-77	Cheque	28-4-77	22-6-77	} M/s. K.E. Salvage and Company Calcutta.
46	Harauli	.	.	.	Do.	Do.	Do.	Do.	Do.	

(a) Payment condition flouted for almost every transaction

71. The general conditions of sale stipulated that the buyer shall arrange to deposit the full amount of purchase value within 15 days from the acceptance of offer. Such payment shall be made in cash or by Bank Draft. It will be seen from the aforesaid statement that this condition has been fulfilled only in one case (*i.e.* Barge 33) out of 46 vessels sold. Further, while the condition of sale provided for payment to be made in cash or by a Bank Draft, actually the payments in all cases were made by individual or private company cheques.

72. ASKED IN HOW MANY CASES PAYMENTS WERE RECEIVED AFTER 15 DAYS AND WHAT WAS THE MODE OF PAYMENT, THE FA & CAO (SHRI BISWAS) WHO ALSO PROVED TO BE UNRELIABLE, STATED:

“EXCLUDING ONE, ALL OTHER WE HAVE RECEIVED IN TIME, SOME IN CASH AND SOME BY CHEQUES.”

73. WHEN POINTED OUT THAT THEY HAD RECEIVED PAYMENT IN TIME ONLY IN ONE CASE AND WHAT HE WAS TELLING WAS FAR FROM TRUTH, HE SAID:

“I AM SORRY, SIR. ONLY ONE WAS RECEIVED IN TIME. I AM EXTREMELY SORRY.”

74. Asked in how many cases did they receive payment by each and in how many cases by cheques. The FA&CAO stated, “Possibly, it is all by cheques.”

75. In this connection, the then Chairman-cum-Managing Director (Shri Chelliah), as usual rendered his lip service and stated:

“I accept the full responsibility because my senior officers did not bring it to my notice. There are certain rules and terms laid down. If there is violation of the terms, then it should be brought to my notice by my junior officers.”

76. When asked which officer should have brought to his notice, it was stated: “Secretary should have brought it to the notice.”

77. Explaining this, the Secretary (Shri Sarkar) stated:

“There were several negotiations with the buyers. Thereafter payments were made. Payment by instalments was also accepted.”

78. THIS WAS REVEALING WHEN ASKED UNDER WHAT RULE DID THEY ALLOW PAYMENTS BY INSTALMENTS, THE SECRETARY STATED THAT “THERE WAS NO RULE”. THE FA&CAO (SHRI BISWAS) STATED THAT “THE COMMITTEE

(TENDER COMMITTEE) RECOMMENDED IT AND IT WAS APPROVED BY THE CHAIRMAN."

79. When the then Chairman-cum-Managing Director (Shri Chelliah) was asked as to how did he allow the payment to be made by instalments and whether this was done on some consideration, he said:

"NO SIR, WE DID NOT GET ANYTHING FROM THEM (BUYERS). BUT I ACCEPT THE FULL RESPONSIBILITY FOR THE LAPSE."

(b) Delivery conditions By-passed

80. The general conditions of sale stipulated that the purchaser shall take delivery of vessels within 7 days from the date of issue of order by the Corporation and also shall remove the vessel within 30 days from date of payment, failing which the purchaser shall be liable to pay wharfage, crew wages, etc. It will be seen from the aforesaid statement that delivery condition of 7 days was fulfilled in the case of 9 vessels out of 29 vessels delivered (excluding 17 vessels delivery of which was withheld). In some cases, the physical delivery has been given after two to five months of issue of order by the Corporation (for example, Barcherra, 5 months; Jamtra 3 months; Dholkisor, Dhankula and Hirai, 2 months).

Asked why did they keep the crew after 30 days since removal of the vessel by the buyers was obligatory within 7 days of delivery and 30 days of payment, the Marine Superintendent (Capt. Khatri) stated "that has been the practice."

81. ASKED HOW MUCH DID THEY REALISE FOR WHARFAGE AND CREW WAGES FROM THE BUYERS ON ACCOUNT OF TAKING DELAYED POSSESSION, THE FA&CAO (SHRI BISWAS) STATED "WE HAVE NOT REALISED ANYTHING AS CREW CHARGES". IT WAS HOWEVER, STATED THAT THE CREW CHARGES ALONE CAME TO ABOUT RS. 10.000 PER MONTH."

82. When asked as to how did they allow these transactions to be finalised when the buyers had failed to comply with the conditions, the Secretary (Shri Sarkar) stated: "They get some modification on payment terms, also in tender negotiations."

83. When enquired whether these modifications were authorised by the Board of Directors, the present Chairman-cum-Managing Director (Shri Yusuf Khan) said "The Management, not the Board of Directors."

84. When asked why crew charges were not realised from buyers, the then Chairman-cum-Managing Director (Shri Chelliah) said "It was not brought to my notice." When pointed out that sales were mostly null and void, he said: "I accept the responsibility for the lapse." as was usual with him.

G. PARTIES TO WHOM VESSELS WERE SOLD

85. Out of 46 vessels sold by CIWTC, as many as 18 vessels were sold to K. E. Salvage Corporation, Calcutta, 14 to M/s. Bengal Hammer Industries, Howrah; 6 to M/s. Bijoy Chand Ramesh Chand, Howrah; 3 to M/s. Assam Udyog & Co. Dibrugarh; 2 each to M/s. Sam Steel Co. Calcutta and M/s. Shree Hanuman Udyog, Howrah and 1 to Calcutta Metal Corporation.

86. The names of the Partners/Directors of the parties to whom the vessels were sold are given below:

S.No.	Name of the Party	Name of the Partners/Directors.
1	M/s. K.E. Salvage Corporation, 47, Rafi Ahmed Kidwai Road, Calcutta-16. (Partnership Firm)	<i>Partners :—</i> <ol style="list-style-type: none"> 1. Asgarali Ebrahimjee 2. Golam Abbas 3. S. Aman Ali 4. Golam Hussain 5. Abbasbhai Khanbhai 6. Asif Taherbhai 7. Mohd. Ali Khanbhai Hathiari 8. Jainuddin H.Savarkundlawala 9. Alibhai Khanbhai Towriwala
2	M/s. Bengal Hammer Industries, 135, Girish Ghosh Road P.O. Belurmath, Howrah. (Private Company)	<i>Directors :—</i> <ol style="list-style-type: none"> 1. Shri Ram Niwas Chaudhary 2. Sri Kamal Kumar Chaudhary 3. Smt. Mira Devi Chaudhary 4. Smt. Anurag Chaudhary
3	M/s. Bijoy Chand Ramesh Chand, 135/35/10A, Girish Ghosh Road, Belur, Howrah (Partnership Firm)	Details not furnished
4	M/s. Assam Udyog and Co. Mancotta Road, Post Box No. 22, Dibrugarh, Assam.	Details not furnished
5	M/s. Sam Steel Co. 15 Zakarie Street Calcutta (Partnership Firm)	<i>Partners :</i> <ol style="list-style-type: none"> 1. K.N. Sam 2. I.K. Sam 3. Gaffar Shakoor Naviwalla 4. Bhagwandas Swaika
6	Shree Hanuman Forging Udyog, 8/3 Duffa Street, Station Rd., Howrah	Details not furnished
7	Calcutta Metal Corpn. 135/35 C Girish Ghosh Road, Belur, Howrah, (Proprietor ship Firm)	Proprietor Jaswant Rai Garg

This shows that all sales have been confined to a very limited circle of buyers.

H. EXPENDITURE SAID TO HAVE BEEN INCURRED ON REPAIRS NOT TAKEN INTO ACCOUNT

87. The Committee noted that in many cases vessels were repaired at a very heavy cost but the expenditure incurred on their repairs has not been taken into account while assessing the value at the time of their sale in April, 1977 as would be apparent from the following table:

(In Rupees)

Vessel	Year when last repaired	Repair cost (Rs.)	Survey Valuation		Sale value/ Date of Sale (Rs)	Party to whom sold
			As is value (Rs.)	Scrap value (Rs.)		
GALIANA	.	.	.	1,60,000	3,07,611 (13-4-77)	M/s. Bengal Hammer Industries, Calcutta.
UZBEG	.	.	4,83,072	1,60,000	3,07,611 (13-4-77)	Do.
AKBAR	.	.	5,01,433	70,000	91,000 (13-4-77)	M/s. K.S. Salvage Corporation Calcutta.
S.L. WAVE	.	2,69,750	Not available	21,000	30,000 (13-4-77)	Do.

88. During the evidence of representatives of CIWTC, the Committee enquired as to how many runs did "Galiana" make after its repair in 1973 till the date of its selling, Commercial Manager (Shri Amrit Rao) stated, "In April, 1973 it made a trip to Bangladesh. In the same month it made another trip to Bangladesh". However, from the details of sailings furnished by the Corporation it is seen that after May, 1975, vessel "Galiana" made 4 runs including two empty runs.

89. In a statement furnished to the Committee during evidence, the repair cost of 'Uzbek' was shown by the Corporation as Rs. 1,92,267 as against Rs. 4,88,072 given in the list furnished earlier. Asked about reasons for this discrepancy, the FA&CAO said, "This is capital repairs, on this basis we get money from the Government".

90. Asked what were the net earnings of vessels—'Galiana', 'Uzbek', and 'S.L. Wave' after their repairs and before their sale, the Corporation stated in a written note that 'Galiana' and 'Uzbek' earned* Rs. 34.15 lakhs and Rs. 21.56 lakhs respectively. Regarding 'SL Wave', it was stated that it was a small launch used only for harbour duties and was not deployed on trunk routes.

(b) Tug 'Yak'—Placing on Scrap List

91. The Committee noted that the tug 'S.L. Yak' was placed in the scrap list despite spending Rs. 16,55,936 on its repairs during the period from 16-11-74 to 25-3-76.

92. Asked about reasons for this, the Marine Superintendent (Capt. Khatri) said "she has a defective engine". When asked who took the decision for its scrapping, he said "I have not done it":

THE GENERAL MANAGER, RAJABAGAN DOCKYARD
(SHRI SANJAY SEN) WHEN ASKED WHETHER HE WAS
CONSULTED IN THE MATTER STATED "NOT FOR
SCRAPPING. I AM NOT IN THE SCRAPPING COM-
MITTEE".

93. The Committee then enquired from the Superintendent Engineer (Shri T. K. Sen Gupta), the reasons for the withdrawal of the vessel from Rajabagan Dockyard where it was again under repair, he stated "There was a defect in the engine alignment.....this could not be done at the Rajabagan Dockyard....It was discussed at a departmental meeting". When the Marine Superintendent was again asked as to who gave the orders for scrapping this vessel, he gave a different version and said "I did not give any decision of my own. This was collective decision".

*These are gross earnings. The C.I.W.T.C. stated that it was not possible to work out vessel-wise net earnings.

94. Asked how were the instructions to return the Tug 'Yak' to Marine Superintendent for scrapping issued, the Corporation in a post-evidence written reply has stated as follows:—

“The decision to stop repairs of 'Yak' at Rajabagan Dockyard and to place it in surplus list was taken in July, '77 in a departmental meeting and in pursuance of that it was returned to the Marine Superintendent.” It is also been stated that “no action has so far been taken in regard to the disposal of the vessel and she is still lying in an immobilised condition.”

I. IRREGULAR SALE OF PALLORA IN LIEU OF RAJNAGAR

95. The Corporation advertised on 28-12-75 for sale of a number of vessels, including vessel 'Rajnagar'. After acceptance of tenders and finalisation of sale, vessel 'Pallora' was sold in lieu of 'Rajnagar' at the same price, i.e. Rs. 85.103 as that of 'Rajnagar'. It was sold to Calcutta Metal Corporation, Calcutta.

96. Asked what consideration led to replacement of 'Rajnagar' by 'Pallora' and whether 'Pallora' was repaired before sale, the Marine Superintendent (Capt. Khatri) as usual gave evasive reply:

“Both of them were in Assam. . . . Possibly there was a plan to repair her (Pallora). My deputy was dealing with”.

97. When enquired whether a list indicating the vessels to be scrapped and the vessels to be used after repair was prepared and in which list vessel 'Pallora' was placed, he said:

“Yes, It (Pallora) was possibly initially in the repair list but, then, we had to reduce the number of vessels and so both the vessels were scrapped and sold”.

98. Asked to explain step by step process about the sale, the present Chairman-cum-Managing Director (Shri Yusuf Khan) stated:—

“It was decided in a Board meeting to sell a number of vessels. One of them was a flat called 'Rajnagar' in Assam. We advertised for the sale of 'Rajnagar' in December, 1975 and later accepted a quotation which was for Rs. 85,103. Subsequently the River Transport Officer (Shri S. K. Roy) who was on visit to Gauhati found that another flat called 'Pallora' which was to come to Calcutta for repairs was in a very bad condition and he proposed that 'Pallora' be sold instead. So we sold 'Pallora' and retained 'Rajnagar' ”.

99. The Secretary (Shri Sarkar) stated that this matter was considered by the Board at their meeting held on 24-9-76 and they passed the following resolution:

“AS REGARDS THE FLAT ‘PALLORA’ WHICH WAS SOLD IN PLACE OF ‘RAJNAGAR’ MENTIONED IN PARA 2 OF THE MEMORANDUM, THE BOARD CONSIDERS THAT THE PROCEDURE FOLLOWED IN THE MATTER WAS NOT REGULAR AND DESIRES THAT AN ENQUIRY SHOULD BE MADE INTO THE CIRCUMSTANCES WHICH LED TO THE SUBSTITUTION OF THE VESSEL ‘PALLORA’ IN PLACE OF ‘RAJNAGAR’ AND A REPORT BE SUBMITTED TO THE BOARD IN THE NEXT MEETING”.

100. He added that at the next meeting held on 23-11-76, a report was submitted by Chairman-cum-Managing Director and on that basis the Board gave its *ex-post-facto* approval to the sale of the vessel. Thus the irregularity was unceremoniously suppressed.

101. Asked how did this change take place, who gave the clearance and on what grounds, the Chairman-cum-Managing Director (Shri Chelliah) stated that the note was put up by the Marine Superintendent (Capt. Khatri) for substitution of the vessel on the grounds that vessel ‘Rajnagar’ was in ‘excellent condition’ and ‘Pallora’ was ‘not in a good condition’. This note was put up to the Secretary (Shri H. K. Sen) who gave orders for substitution. When asked why was vessel ‘Rajnagar’ which was in ‘excellent condition’ also sold later on, the Chairman-cum-Managing Director (Shri Chelliah) said:

“That was on account of the subsequent decision of the Ministry.”

The Committee was unable to accept the contention.

102. ASKED WHETHER ANY SURVEY WAS CONDUCTED AND SURVEY PRICE OBTAINED FOR ‘PALLORA’ BEFORE ITS SALE AS WAS THE NORMAL PRACTICE, THE SECRETARY (SHRI SARKAR) SAID: “NO SIR, THE CHAIRMAN-CUM-MANAGING DIRECTOR SAID: “IT (SURVEY) WAS INTRODUCED BY THE END OF 1976”.

103. ON BEING POINTED OUT THAT SURVEY HAD BEEN DONE EVEN EARLIER, THE SECRETARY STATED:

“THIS SURVEY WHICH STARTED FROM THE END OF 1976 IS BY AN OUTSIDER. PRIOR TO THAT, SURVEY WAS DONE BY THE MARINE SUPRINTENDENT”.

HE ADMITTED THAT FOR 'PALLORA' EVEN THE MARINE DEPARTMENT HAD NOT GIVEN THE SURVEY VALUE.

104. WHEN POINTED OUT THAT IT WAS VERY CLEAR THAT THE MATTER WAS NOT ABOVE BOARD AS THE VESSEL WAS SOLD WITHOUT A SURVEY ORDER AND WITHOUT PRIOR SANCTION OF THE BOARD, THE CHAIRMAN-CUM-MANAGING DIRECTOR (SHRI CHELLIAH) SAID:

"IT WAS SIGNED BY THE SECRETARY WITHOUT MY PERMISSION. WHEN IT WAS BROUGHT TO MY NOTICE, I HAVE INSTITUTED AN ENQUIRY INTO THE MATTER."

105. ASKED WHETHER HE OPPOSED THE MATTER WHEN IT WAS BROUGHT BEFORE THE BOARD FOR *EX-POST-FACTO* SANCTION AND WHETHER ANYBODY WAS PENALISED AFTER THE ENQUIRY, HE SAID THAT HE DID NOT OPPOSE IT AND THAT "NOBODY WAS PENALISED."

106. THIS SMACKS OF SERIOUS CORRUPTION AND MALPRACTICES. DURING THE EVIDENCE OF REPRESENTATIVES OF THE MINISTRY, THE COMMITTEE ENQUIRED FROM THE CHIEF ENGINEER-CUM-ADMINISTRATOR (SHRI DIKSHIT), WHO WAS ON THE BOARD OF DIRECTORS OF THE CORPORATION, AS TO WHY DID HE AGREE TO *EX-POST-FACTO* SANCTION, HE SAID:

"AT THAT TIME (i.e. ON 23-11-1976), I WAS IN FRANCE ATTENDING A SEMINAR AND SO I WAS NOT PRESENT AT THE MEETING."

107. WHEN POINTED OUT THAT MINUTES OF THAT MEETING MUST HAVE COME TO HIM, STILL HE DID NOT TAKE ANY ACTION, HE EVADED BY SAYING "I HAVE TO CHECK THAT UP." THE UNDER SECRETARY (SHRI BHUCHAR) ADMITTED THAT THE SALE "WAS NOT IN ORDER".

108. ASKED WHETHER THE FACTS ABOUT SUBSTITUTION OF 'RAJNAGAR' BY 'PALLORA' WERE BROUGHT TO THE NOTICE OF THE MINISTRY, THE SECRETARY (SHRI RANADE) SAID: "I SHALL LOOK INTO THAT". IN A POST EVIDENCE REPLY, THE MINISTRY STATED THAT "NO REFERENCE FOR APPROVING THE SUBSTITUTION OF VESSEL 'PALLORA' IN PLACE OF 'RAJNAGAR' WAS RECEIVED IN THE MINISTRY".

109. DURING INFORMAL DISCUSSION OF STUDY GROUP OF THE COMMITTEE AT RAJABAGAN DOCKYARD ON THE 18TH JANUARY, 1978, THE SARANG (SHRI M. D. TASLEEM) AND

LASKAR (SHRI ABDUL HAKIM) OF VESSEL 'PALLORAS' INFORMED THE STUDY GROUP THAT 'PALLORA' WAS "IN GOOD CONDITION". THE SARANG (MD. RAOUF) AND ATTENDANT (SHRI K. K. DEY) OF VESSEL 'RAJNAGAR' INFORMED THE STUDY GROUP THAT 'RAJNAGAR' WAS "IN A VERY BAD CONDITION".

J. COMMITTEES' DIRECTIVE FLOUTED

110. On 1st September, 1977 the Lok Sabha Secretariat, in pursuance of directions from the Committee on Public Undertakings, asked the Ministry of Shipping & Transport [*vide* O.M. No. 41|1(i)-PU|77, dated 1-9-1977] to hold up sale of all those vessels which had been declared as scrap pending the presentation of Committee's Report to Parliament.

111. In reply, the Ministry informed the Lok Sabha Secretariat [*vide* their O.M. No. 28-IWT(4)/77-I&W dated 5-9-1977] that the Corporation had intimated that total number of vessels in hand was 144 out of which release order had been issued for 18 against payment received, leaving the present fleet strength as 126 vessels for which no commitments for sale had been made so far. Thereupon the Lok Sabha Secretariat, on the directions of the Committee, asked the Corporation [*vide* O.M. No. 41|1(i)-PU|77 dated 13-9-1977 to the Corporation, copy to the Ministry] to furnish full details of the above mentioned 18 vessels and withhold their release till the presentation of Report of the Committee to Parliament.

112. The Corporation (*vide* their telex dated 20-9-1977 conveyed through their Resident Manager at New Delhi) informed the Lok Sabha Secretariat as follows:

"The position of disposal of our 18 vessels is as follows stop Sale withheld of 3 vessels and of the remaining 15 vessels we have already delivered 10 vessels to the buyers thus leaving 5 vessels for which sale proceeds received but physical delivery not yet given stop."

113. Subsequently on 23-9-1977, the Corporation informed the Lok Sabha Secretariat (*vide* their telex dated 23-9-1977) as follows:—

"Further to our tlx. reg. disposal of 18 crafts, 10 crafts have already been handed over and balance 8 have been withheld although money has been received and delivery order/issued but physical delivery not effected."

114. On 17-10-1977, the Ministry informed the Lok Sabha Secretariat that:—

"The fleet strength of CIWTC as on 2-9-1977 consisted of 144 vessels out of which release orders have already been issued

against payment received. The Chairman-cum-Managing Director, CIWTC has now intimated that one vessel, Jamtara out of 18 has since been delivered and release of 17 vessels has been withheld.

The Chairman-cum-Managing Director has added that despite the fact that formalities of sale had been completed in respect of 18 vessels and the concerned parties had every right to take possession of the crafts, CIWTC has been able to withhold physical possession in respect of 17 vessels by resorting to all sort of intimidation in deference to the wishes of the Committee on Public Undertakings. It has been added that all consequences arising out of this breach of agreement would be known later depending on the course of action the parties choose take.

In deference to the wishes of the Committee, Chairman-cum-Managing Director has been advised by this Ministry also not to dispose of any of the surplus vessels of the CIWTC till the Committee on Public Undertakings has submitted its report to Parliament."

115. On 2nd November, 1977, the Ministry furnished details of 18 vessels in question. Their names are as follows:—

Assam based

5Ip

1. Ardifin, R. Flat.
2. Ardmarnock, Str.
3. Ardlamont, Str.
4. Jet—MV
5. Rutlam, Flat.
6. Stream, M.L.
7. Mahseer, M.L.
8. Rajnagar, Flat.
9. Roorki, Flat.
10. Ramganga, Flat.
11. Retam, Flat.
12. Pakako, Flat.
13. Purley, Flat.
14. Pakshan, Flat.
15. Purneah, Flat.

Calcutta based

16. Bowle, Flat.
17. Barcherra*
18. Jamtara, Flat.

*At the time of factual verification, C.I.W.T.C. indicated that for vessel 'Barcherra' (at Sl. No. 17) vessel 'Hijili' may be substituted.

116. THUS IT WOULD APPEAR THAT FIRST THE CORPORATION INFORMED THE LOK SABHA SECRETARIAT THAT 10 OUT OF 18 VESSELS HAD BEEN DELIVERED AND LATER ON THEY STATED THAT ONLY ONE VESSEL (JAMTARA) HAD BEEN PHYSICALLY DELIVERED AFTER RECEIPT OF COMMITTEE'S DIRECTIONS.

117. In this connection the Committee noted that the Chief Vigilance Officer of the Corporation in a note dated 24.9.1977 to Chairman-cum-Managing Director *inter-alia* stated that:

"IT IS SHOCKING FOR YOU TO HEAR THAT 10 VESSELS WERE HURRIEDLY RELEASED TO THE PARTY (M/S. K. E. SALVAGE CORPORATION) AFTER LOT OF BARGAINING FOR MANY DAYS AND FOR WRONGFUL GAIN, EVEN AFTER THE COPU (COMMITTEE ON PUBLIC UNDERTAKINGS) HAD VISITED PANDU PORT (ON SEPTEMBER 20, 1977) DESPITE YOUR EARLIER SPECIFIC INSTRUCTION (ON 12.9.1977 IN A DEPARTMENTAL MEETING) THAT NO VESSEL, NO MATTER WE HAVE RECEIVED PAYMENT, SHOULD BE RELEASED UNTIL FURTHER ORDERS. THE GREED, RATHER I CALL BOUNDLESS GREED, WHICH AS PROMPTED SOME ONE TO NEGOTIATE OPENLY WITH THE PARTY FOR THE FULFILMENT OF THE DEAL HAS, BY ALL MEANS, TO BE STOPPED....."

118. After approval by the Chairman-cum-Managing Director, the Chief Vigilance Officer conducted an enquiry into this matter and in the evidence tendered before him by various officials of the Corporation and the buyer, the following points were *inter alia* made:

(a) *Regarding delivery of Assam based 9 vessels.*

- (i) THE PERSONNEL MANAGER (SHRI N. K. MUKHERJEE) WHO ALONG WITH OTHER OFFICERS OF THE CORPORATION WENT TO GAUHATI ON 19.9.1977 IN CONNECTION WITH THE VISIT OF COMMITTEE ON PUBLIC UNDERTAKINGS, IN HIS NOTE DATED 27.9.1977 STATED THAT "ON THE MORNING OF 19.9.1977 AT THE GAUHATI AIR PORT, CAPTAIN KHATRI WAS FOUND TALKING TO AN OUTSIDE GENTLEMAN" WHO HE WAS TOLD "WAS A REPRESENTATIVE OF M/S KHAN BHAI YUSUF BHAI WHO HAD PURCHASED SOME OF OUR VESSELS LYING AT ASSAM". HE WAS ALSO TOLD THAT "CAPTAIN KHATRI HAD A CLOSED DOOR CONFERENCE WITH

THE REPRESENTATIVE OF M/S. KHAN BHAI YUSUF BHAI IN THE AFTERNOON ON 19.9.1977 INSIDE THE OFFICE OF THE DEPUTY SUPERINTENDENT FOR ABOUT 2 HOURS. I HEARD ON THE 21ST NIGHT... THAT CAPTAIN KHATRI HAD ISSUED DELIVERY ORDER TO M/S KHAN BHAI YUSUF BHAI TO TAKE PHYSICAL POSSESSION OF 9 VESSELS LYING AT AMINGAON (ASSAM). HE WAS ALSO TOLD THAT CAPTAIN KHATRI WAS "DEMANDING MONEY FROM THE BUYERS WHEN THEY WERE IN DISCUSSION AT GAUHATI OFFICE.....THE BUYER OF THE VESSELS REPLIED THAT 'I HEARD A CBI CASE IS PENDING AGAINST YOU. YOU SHOULD BETTER RECTIFY YOURSELF.' CAPTAIN KHATRI SAID THAT HE WANTS MONEY MORE BECAUSE OF THE CBI CASE AGAINST HIM".

- (ii) THE SECRETARY (SHRI SARKAR) IN HIS NOTE DATED 29.9.1977 *INTER ALIA* RECORDED AS FOLLOWS:—

".....THE TELEX (DATED 20.9.1977 TO LOK SABHA SECRETARIAT) WAS DRAFTED BY PRINCIPAL ADVISER (SHRI YUSUF KHAN) ON THE BASIS OF MY INFORMATION AND COPY OF THE TELEX ALONG WITH COPY OF LOK SABHA SECRETARIAT LETTER WAS FORWARDED TO FINANCIAL ADVISER, MARINE SUPERINTENDENT AND PRINCIPAL ADVISER ON 20.9.1977.....IT WOULD APPEAR THAT DELIVERY INSTRUCTIONS HAD BEEN GIVEN BY MARINE SUPERINTENDENT WHILE HE WAS ON TOUR TO GAUHATI TO ATTEND COPU MEMBERS AND STRANGELY ENOUGH, HE GAVE THE DELIVERY ORDER BEING FULLY AWARE OF THE WHOLE SITUATION.

ONLY IN COURSE OF DISCUSSIONS ON 23.9.1977 I REALISED THAT THE 18 VESSELS IN QUESTION WERE BAWLE, BARCHERRA, JAMTARA (NOT GORAKHPUR, HARYANA AND TORU WHICH HE HAD TAKEN INTO ACCOUNT AT THE TIME OF ABOVE TELEX TO LOK SABHA SECRETARIAT ON THE ADVISE OF RIVER TRANSPORT OFFICER, (SHRI S. K. ROY) AND THE VESSELS MENTIONED AT ITEMS 1 TO 15 (OF LIST GIVEN IN PARA 115).

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In view of the fact that Marine Superintendent was aware of the position, no special effort was taken to inform Marine Superintendent at Gauhati on 20-9-1977, especially when our Chairman-cum-Managing Director went there on 20th morning and he was fully aware of the contents of Lok Sabha Secretariat letter. Perhaps Principal Adviser (Shri Yusuf Khan) also did not visualize that Marine Superintendent would take such hasty steps. Thereafter, the Chairman-cum-Managing Director being appraised by my explanation given above, has kindly sent a revised telex (telex of 23-9-1977) rectified my telex dated 20-9-1977 that 18 vessels sold and received money for all, of which 10 delivered to the buyer. He drafted and sent this telex in consultation with all Departmental Heads such as Principal Adviser, Financial Adviser, Personnel Manager, Marine Superintendent, Chief Medical Officer, Superintending Engineer, Secretary, Chief Vigilance Officer etc.

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On 23rd—*—I came to know that Chairman-cum-Managing Director has ordered that somehow the buyer of Assam based vessels got to be refrained from taking any action on the handed over vessels. Financial Adviser has further informed that he advised Marine Superintendent to go to Assam and withdraw the handing over letter. Marine Superintendent in turn replied that the buyer (Yusuf Bhai Khan Bhai) is in Calcutta and he knows his residence. Marine Superintendent was advised by Financial Adviser to contact the buyer and to arrange withdrawal of handing over letter.———The next day on 24-9-1977—I found one of the representatives of the buyer is waiting and thereafter their senior partner came, who has narrated to me that Marine Superintendent met him last night at his residence for withdrawal.

(b) Delivery of Jamtara

(i) The representative of the buyer Bengal Hammer Industries in his statement made before the Chief Vigilance Officer on 28-9-1977 *inter alia* stated that:—

“On 15-9-77 the Flat Jamtara was handed over and delivered to me and towed to our place at Shalimar by Central Inland Water Transport Corporation. On the same day myself and Mr. Khatri signed the handling over and taking over note of the Jamtara at T.T. sheds. I wanted one copy of the handing over taking over note but Mr. Khatri did not give me the same. I was told to collect the same from his office next day. Next day was Vishkarma Puja so I did not go. After that I went to Marine Superintendent office and found that he was out of Calcutta. The Flat Jamtara has been sold to Bengal Bihar Construction Ltd. (B.B.C.) by my company. . . . This company started work of scrapping the flat after its beaching. But in the meantime Bengal Bihar Construction Co. Ltd. men were

told by the police and Central Inland Water Transport Corporation on 23-9-1977 to stop scrapping. This matter was intimated by BBC Co. to my company over telephone on the next day. They also made a counter diary to the police station. I along with BBC men saw the Chairman, Central Inland Water Transport Corporation and explained the matter to him. The Chairman asked us to see him on 28th instant. In the meantime on 27th instant we received one letter No. SECY/31(5)-160 dated 24th September, 1977 to treat any handing over letter/letters from the Marine Superintendent for Jamtara etc. as cancelled.

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I would like to add further that the party to whom we have sold the flat, told me that they are going to transport one heavy Boiler of 300 M.Ton weight from Haldia to Allahabad for one Government Fertilizer Factory to be installed there, and instead of scrapping here the flat Jamtara will be scrapped at Allahabad. The Boiler is so heavy that the Boiler cannot be transported by the railways and lorries/trailors to the site at Allahabad. It can only be done with the help of this Flat by river transport.'

(ii) The Secretary (Shri N. K. Sarkar) in his above mentioned note dated 29-9-77 stated:

"The delivery order was issued on 15-7-77 for 'Jamtara', 'Bawle' and 'Barcherra'. I had no communication whether Jamtara was delivered or not. On 22nd or 23rd one party met our Chairman-cum-Managing Director and Principal Adviser that they have purchased Jamtara from our buyer, Bengal Hammer Industries (P) Ltd. to carry some machineries to Allahabad after necessary modification to the flat. The party was requesting whether we can obtain the dock permits for Calcutta Port and help the party as if we are the carriers to them. Both Chairman-cum-Managing Director and Principal Adviser asked my opinion whether we can help those gentlemen legally or not. My reply was negative. On 26-9-77 Bengal Hammer and the 3rd party came to our office and had a detailed meeting in Principal Adviser's and thereafter Chairman-cum-Managing Director's room it was known to me that handing over letter of Jamtara was signed by Marine Superintendent and representative of Bengal Hammer Industries (P) Ltd. sometime on 16th or 17th September, 1977 and the 3rd party has already spent a lot of money to renovate the flat to make it suitable to carry their machines to Allahabad though the copy of the handing over letter was not collected by the buyer.

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On 29th September in a special Departmental meeting for Committee on Public Undertakings matters a decision was taken to release "Jamtara" and telex sent to Mr. Mahajan (Jt. Secretary) in the Ministry of Shipping and Transport) by Chairman-cum-Managing Director that 17 vessels out of 18 vessels could be withheld from physical delivery."

(iii) The Chief Vigilance Officer in his note dated 29-9-77 to Chairman-cum-Managing Director *inter alia* observed that:—

"Although there is nothing wrong in releasing Jamtara" to the party by Marine Superintendent when the party made the payment and sale was executed after observing all formalities, as I am reported, yet the striking feature is that Shri Khatri released the vessel Jamtara, before the Committee on Public Undertakings visit, on 15-9-77 despite your briefing that no vessel should be released till the departure of Committee on Public Undertakings. There would be no comment from any corner if he had released earlier to your briefing. Shri Khatri's conduct is suspicious for the following reasons:—

- (1) that he advised his subordinate officer to beach the flat on 15.9.77, but did not part with the handing over taking over note. Possibly he kept it, to put it as an alibi that Jamtara was not physically delivered, in case he is asked to explain.
- (2) On this said note it is he, who put the date of release as "16/17.9.77"
- (3) If it is the case with Mr. Khatri that he did not release the vessel then why did he not lodge complaint to police in time. Instead he reported the matter to Police only on 26th i.e. after a lapse of 11 days."

(c) Misleading and False Statements of Officers of the Corporation during Evidence

119. During evidence of representatives of the Corporation, the Committee enquired when did they receive Lok Sabha Secretariat letter dated 13-9-1977, the then Chairman-cum-Managing Director (Shri Chelliah) stated:—

"We got the letter on the 19th. It was handed over to me and I passed it to Shri Yusuf Khan and Secretary to implement the decision, because I was to leave the office to meet you at Gauhati."

120. The present Chairman-cum-Managing Director (then Principal Adviser) Shri Yusuf Khan stated that he got hold of the Secretary, who was dealing with disposal of vessels and passed on the letter on 19-9-1977 itself. The Secretary (Shri Sarkar) stated:—

“I have sent the reply to the Lok Sabha and forwarded a copy to the Marine Superintendent, Principal Adviser and Financial Adviser on the 20th but I have not communicated this to Assam because the delivery of the vessel was not contemplated at that time.”

121. When the Marine Superintendent (Shri Khatri) was asked as to when did the Lok Sabha Secretariat letter was received, he said “letter of 13th arrived on 17th.”

(a) Gauhati Vessels

122. Asked how many vessels were delivered after receipt of Committee's letter, the Marine Superintendent (Capt. Khatri) said “One vessel was delivered by his Deputy and that was from Gauhati.” When pointed out that actually 10 vessels were delivered, the Secretary (Shri Sarkar) admitted that “on the 23rd September nine vessels were handed over to them (buyer) from Gauhati and one to another buyer”. The Marine Superintendent also admitted that delivery of 10 vessels (9 from Gauhati and one from Calcutta i.e. vessel January was given).

Asked how many vessels were physically delivered, the Marine Superintendent (Capt. Khatri) said, “only one and that is ‘Jamtara’.

123. On being enquired from the Marine Superintendent (Capt. Khatri) whether on 19-9-1977 at Gauhati he met the representatives of the buyers and whether he asked them to pay some money, he admitted that “two representatives from the buyers” visited him there. Regarding payment of money, he replied “No Sir.....my Assistant was also there.”

124. In this connection the Personnel Manager of the Corporation stated during evidence that:—

“One of the supervisors told me that Capt. Khatri was having a meeting with the purchasers of the vessels in a closed room. He also told me that he was standing in the next room and he over-heard certain conversation between Capt. Khatri and that purchaser. Then, he said possibly they were talking about some money.”

125. This was also corroborated by the Chief Vigilance Officer (Shri B. Sarkar) who said:

“That was in evidence. I examined somebody and it was revealed during my inquiry.”

On being enquired from the Marine Superintendent (Capt. Khatri) whether he travelled with the representatives of the buyers (Khanbhai Yusuf Bhai) in the same plane to Gauhati on 19-9-1977 he said "I did not know they were travelling in the same plane. I met them in the airport". When asked whether he knew them before and had been to their residence at Calcutta, he said "The Department asked me to stop the vessel. In that connection, I came to know."

(b) Delivery of Jamtara

126. Asked why the vessel Jamtara was allowed to be occupied by unauthorised persons, Marine Superintendent (Capt. Khatri) stated:—

"This vessel was supposed to be handed over on the 16th|17th but the party did not come to collect the receipt. In the meantime I went away to Assam and the receipt was left in my office. When I came back on the 21st, your order came and I held on to the vessel and did not deliver it. Later on, decision was taken at a Departmental meeting and the vessel was handed over."

127. The Committee pointed out that it has been brought to their notice that the buyers had spent a lot of money to renovate the flat to make it suitable to carry a huge boiler to Allahabad, and asked how the buyers could spend a lot of money unless they were allowed to work on the vessel, Marine Superintendent stated :—

"The receipt was signed by me on 16th|17th. The receipt was not collected by the party. I went to Assam."

128. When further asked whether he got signatures on body of receipt, he stated:

"He signed but I had not signed. My intentions are good. I did not want to give the vessel. I tried to stop the vessel."

129. Asked how did he stop taking delivery till September when the formal delivery order for this vessel was issued in July, 1977, the Marine Superintendent (Capt. Khatri) stated "the deed was signed by me in my hand. I took advantage of it and never moved my crew till I was permitted. When enquired why should the Corporation pay for the crew, he said "That was because there are some stores kept and it takes sometime to remove".

130. Again asked why there was so much time lag between the delivery order and the actual possession taken by the owners and whether it was at the instance of Central Inland Water Transport Corporation or the owners on their own did not take possession of the vessel, FA&CAO (Shri Biswas) said, "The owners on their own did not take possession of

it." When pointed out that there was delaying tactics, he said, "Sir, the delivery is not actually in my possession."

131. ASKED WHERE THE VESSEL 'JAMTARA' WAS AT PRESENT, THE MARINE SUPERINTENDENT (CAPT. KHATRI) SAID "I DO NOT KNOW". THE SECRETARY SHRI SARKAR STATED THAT IT WAS SAILING IN ALLAHABAD BY A NEW NAME "BALAJI".

132. Asked how much would it cost to build 'Jamtara' today, the Marine Superintendent (Capt. Khatri) said, "About Rs. 15 lakhs". His River Transport Officer, however, stated that the "cost of a new vessel will be Rs. 50 lakhs."

133. The Committee found that all the details that they had given were false, the written statements which they had given were also untrue but for a small statement made by a small employee the Committee would have been misled.

134. During evidence of representatives of the Ministry, the Committee enquired why was delivery of Jamtara given despite Committee's instructions, the Under Secretary (Shri Bhucher) stated:—

"On 6th October, the Chairman-cum-Managing Director intimated that he had to dispose of one of the 18 vessels on account of circumstances beyond his control. After the Committee had written to us and when we tried to verify the facts, he (Chairman-cum-Managing Director) said that in between he had already disposed of the vessel."

135. When pointed out that the representatives of the Corporation had stated before the Committee that there was pressure from the Ministry to dispose of the vessels, the Secretary (Shri Ranade) stated that:—

"I will have to investigate this."

136. Asked whether Committee's instructions, which were mandatory, were brought to his notice and notice of the Minister, the Secretary stated that:—

"The instructions not to dispose of the vessels were brought to my notice... The Minister is aware of the instructions. But what I am trying to submit is that we received the instructions and conveyed them to the Central Inland Water Transport Corporation, and now I am given to understand that the position is that after conveying the instructions that the vessels should not be disposed of, people in the Ministry have been pressuring them to see that the vessels were disposed of."

He added: "I must explain one thing. When I asked this question day before yesterday or yesterday I was told that it is a fact

that the Ministry has been writing frequently to dispose of un-serviceable vessels. But there are two different things. What has happened here is something else. I will have to investigate into this."

137. Asked whether the aforesaid Chairman-cum-Managing Director's letter was brought to the notice of the Secretary Shri Bhuchar, stated:—

"This was submitted for the approval of our Chief Engineer (Shri Dikshit). This was not put up to the Secretary."

138. Enquired why did they not bring the whole matter before Secretary when it involved flouting the desire of the Committee, the Secretary (Shri Ranade) stated:—

"These things will have to be investigated."

139. Subsequently, the Ministry after looking into the above aspects stated as follows in a written note:—

"The information so far received from CIWTC indicates that release order for 'Jamtara' the vessel of which delivery was given after COPU's communication, was issued on 15-7-77 on receipt of the full value and on completion of sales tax formalities. The vessel could not, however, be delivered since it had been loaded with marine stores. It was beached on 15-9-77 for the purpose of delivery. The formalities of physical delivery was completed on 16/17-9-77 while the Lok Sabha Secretariat letter No. 41/1 (i)-PU/77 dated 13-9-77 was received by CIWTC on 19.9.77. The Corporation regained physical possession of the vessel through the local police on receipt of letter dated the 13-9-77 referred to above from the Lok Sabha Secretariat. But the person who had brought the vessel further from the purchaser also sought for police intervention. It was, therefore decided in the meeting of the departmental Heads of the Corporation on 29-9-77 to confirm the physical delivery to avoid any litigation. Formal letter of delivery was given on 25-10-1977. THE CIRCUMSTANCES IN WHICH THIS ONE VESSEL OUT OF 19 FOR WHICH SALE PRICE HAD BEEN RECEIVED, WAS DELIVERED ARE NOT FREE FROM SUSPICION. COPY OF THE LOK SABHA SECTT. LETTER WAS RECEIVED IN THIS MINISTRY ON 14-9-77. IT IS NOT CLEAR WHY THIS LETTER TOOK SIX DAYS TO REACH THE CORPORATION AT CALCUTTA. THE VESSEL WAS BEACHED FOR THE PURPOSE OF DELIVERY ON 15-9-77 AND FORMALITIES OF PHYSICAL DELIVERY COMPLETED ON 16/17-9-77 I.E. WITHIN THE PERIOD INTERVENING BETWEEN THE DATE OF ISSUE OF

LOK SABHA SECTT. LETTER DATED 13-9-77. MENTIONED ABOVE AND ITS ALLEGED RECEIPT IN THE CORPORATION ON 19-9-77. MOREOVER, WHILE IN ALL OTHER 17 CASES WHERE THE SALE PRICE HAD BEEN RECEIVED AND DELIVERY ORDER ISSUED, THE CORPORATION WITHHELD DELIVERY IN VIEW OF THE LOK SABHA SECTT. SAID LETTER DATED 13-9-77 IT IS NOT CLEAR WHY IN THE PARTICULAR CASE ALONE THE POSSESSION WAS RETURNED TO THE PURCHASER ON THE PLEA OF AVOIDING CIVIL LITIGATION. SINCE THE MATTER IS NOT FREE FROM SUSPICION, THE CASE IS BEING REFERRED BY THIS MINISTRY TO THE CBI FOR INVESTIGATION.

No communication was sent to CIWTC to dispose of these vessels after receipt of the letter dated 13-9-77 referred to above from the Lok Sabha Sectt. The concerned officers of this Ministry viz. S/Shri Ram Krishan Bhuchar, Under Secretary, P. K. Dutta, Joint Director and S. C. Dikshit, Chief Engineer-cum-Administrator have also confirmed that they had put no pressure on the Corporation for their disposal."

140. The Committee also enquired during evidence of representatives of the Ministry whether they realised that if these vessels had to be bought new they would have to pay over ten times the price, the Joint Secretary (Shri Mahajan) stated "when the decision to sell these vessels was taken we were not aware of the possibilities existing in the near future for such things."

141. WHEN POINTED OUT THAT HAD IT BEEN A FREE AND FAIR SALE, THERE MIGHT NOT HAVE BEEN SO MUCH OBJECTION TO IT, THE WITNESS SAID "THAT IS PERFECTLY VALID. HERE THE SALE HAS NOT BEEN DONE CORRECTLY AND IF THERE HAS BEEN SOME BUNGLING THEN THE PERSONS RESPONSIBLE FOR IT WILL HAVE TO PAY FOR IT."

142. It was pointed out that it appeared that the sales according to the conditions of contract, which had been violated were null and void and in the process of sales, the sellers and the buyers had conspired to defraud the Government of India which was a serious criminal offence; and that the Ministry might make a note of this and move at once in the matter; and that the vessels that had not been out and belonged to CIWTC at any time should be impounded and criminal cases filed against those who had bought them and those who had sold them, and that some of the boats might have been taken out of the country, the Joint Secretary (Shri Mahajan) stated:—

"We will proceed with it. We will get all information from CIWTC about all the vessels where the conditions of sale have been

violated and then get the legal advice as to what further action can be taken."

VESSELS NOT SOLD TO GOVERNMENT ORGANISATIONS— ASSAM GOVERNMENT REQUEST NOT MET

143. During the course of evidence, the Director of Inland Water Transport, Government of Assam, brought to the notice of the Committee that the Government of Assam approached CIWTC for getting two of their vessels 'Gorakhpur' and 'Haryana' at book value but CIWTC stated that it was not possible. The Director of IWT, Assam, also informed the Committee that they had purchased two vessels from N.F. Railway at book value. They had also purchased vessels from Farrakka Barrage Authority at throw away prices.

144. When asked whether the Government of Assam did write to the Government of India when they did not get vessels from CIWTC, the witness stated:—

"Yes, we wrote to the Government of India and the Government of India wrote to the CIWTC also that the vessels should be handed over to us at a proper value. But there were certain formalities to be completed like clearance from the planning department etc. In the meantime I have requested the Adviser to the CIWTC to wait for some time so that we can complete the formalities and take them over. He said that they are prepared to wait for one month. They have given an ultimatum giving a particular date."

145. During the evidence of the representatives of CIWTC, the Committee enquired whether they wrote to Assam Government whenever they advertised for sale of vessels, the Chairman-cum-Mangaing Director (Shri Chelliah) stated:—

"They wrote to us that they are interested in one or two vessels."

When further asked whether they wrote to Assam Government every time they had something to sell, Shri Chelliah replied in the negative.

146. The Committee pointed out that CIWTC gave to Assam Government only one month notice* to conform to their conditions and to complete the formalities. In the opinion of the Committee in one month a Government Department could not get matters cleared, get finance and complete all the formalities in normal course. If the intention of the CIWTC was genuine they should have given more time to Assam Government.

*At the time of factual verification the Ministry of Shipping & Transport stated (*vide* O.M. No. 28-IWT(31)/78-P&W dtd 10-4-1978) that "the C.I.W.T.C. had allowed time to Assam I.W.T. for purchase of two vessels 'Gorakhpur' and 'Haryana' from 20-2-1977 till 30-7-77 i.e. for five months and had not sold these vessels even thereafter".

L. SALE PROCEEDS OF VESSELS NOT DEPOSITED IN GOVERNMENT ACCOUNT

147. The Committee noted that the Ministry has been writing time and again to CIWTC for depositing sale proceeds of vessels to Government Account.

148. Enquired about position regarding this, the Ministry in a written note has stated as follows:—

“The Corporation stated Sale proceeds of vessels so far sold have not been deposited into the Government account due to the fact that some of our vessels are also hypothecated in favour of the State Bank of India, who are also pressing us hard for depositing the sale proceeds with them. Since this issue has not yet been settled, we were constrained to keep in Fixed Deposit the sum of Rs. 30 lakhs out of the sale proceeds Moreover, out of Rs. 25,36,197.00 being the sale proceeds of 26 vessels including ‘Pallora’, a sum of Rs. 24,82,218, 48 has since been deposited in the cash Credit Account with the State Bank of India.”

149. The Committee are painfully shocked to observe that a large number of vessels which were very much in serviceable and water-worthy condition have been sold by the Corporation as a scrap at throw-away prices and in utter disregard of any rules or norms, thereby causing enormous loss to the Corporation. The extraordinary procedure adopted in the sale of vessels leads the Committee to the conclusion that this could not have happened without a pre-planned criminal conspiracy.

150. The Committee have noticed the following disconcerting features in the transactions relating to the sale of these vessels:

- (1) The large scale sale of vessels started in August, 1976. No prior Government sanction was obtained by the Corporation for the sale of these vessels, though the vessels were mortgaged to the President of India.
- (2). (i) While seeking approval of the Board of Directors to the disposal of vessels “as surplus to requirements” full particulars of the vessels including their survey value on ‘as is’ basis, what to say of market value, were neither placed before the Board nor did the Board bother to know about these details before according approval. A case in point is about the sale of vessel ‘Galiana’. In fact the Board left the procedure for declaring vessels for purpose of scrapping and their sale to be laid down by the Chairman-cum-Managing Director which has produced disastrous results and has opened floodgate of corruption and malpractices.

- (ii) What is more astonishing and beyond comprehension is the casual manner in which the Government Directors (representing the President) who are supposed to be the custodians of the Government of India interests, acquiesced in this decision of the Board. They seem to have been mere plant tools and Government should consider whether they are fit to be given any assignment of responsibility.
- (iii) As admitted by one of the Government Directors (Shri Dikshit) during the evidence—"he had no experience of being on the Board and had merely become a party to decisions taken by the Board." This is a sad reflection on the manner of selection of Government Directors appointed on the Boards of Public Undertakings and the role expected of them and calls for drastic change in the method of selection of Government Directors on Public Undertakings Boards.
- (3) The survey valuation of the vessels has several intriguing features which are given below:
- (i) Though the surveyors M/s. Norman Stewart came in the records of CIWTC in 1970, it was from November, 1976 that they were given the valuation business. No tenders or rates were called for or enquiries made in this behalf from other similar firms nor any advertisement given in the press. What is worse is that there is no written document regarding their appointment and it would appear that they were arbitrarily appointed as surveyors by the officers of the Corporation. They were given valuation work from time to time on telephone without any written communication therefor; even telephonic conversations were not followed by subsequent written confirmation, as is the normal practice. The Committee is positive that M/s. Norman Stewart were hand-picked for survey work to suit the financial interests of the buyers of the vessels as also the officers of the CIWTC. This is borne out by the note recorded by Chairman-cum-Managing Director that the figures given by the surveyors "should be acceptable to both the parties." Undoubtedly M/s. Norman Stewart and Co. were helping the officers of the Corporation and the purchasers.
- (ii) (a) According to M/s. Norman Stewart although the vessels should not have been termed as scrap, and their valuation should have been done on 'as is' value basis, still the Corporation insisted for giving the scrap value and got two sets of valuation (sometimes three), i.e. 'as is' value, the scrap value and the enforced sale value with an ulterior motive. The concerned officers in the Corporation kept the 'as is' value

given by the surveyors to themselves and did not indicate it in the comparative chart put up for the consideration of the Committee of Technical Officers to enable them to decide about the fairness of the price offered by the bidders. Everybody including the Ministry and this Committee were kept in the dark about the 'as is' value of the vessels to be disposed of and the scrap value was given as the 'survey value' which in most cases varied between 35 to 60 per cent of 'as is' value given by the surveyors. The Committee could unearth this fact after lot of exercise and probing. Such scrap value was falsely posed to be the fair market price and the officers of the Corporation disposed of numerous water-worthy vessels at a mere fraction of their real market value. For instance, on 'Galiana' pre-sale repair cost amounted to Rs. 13.38 lakhs and it was sold for a mere Rs. 3.07 lakhs. Whereas it was found that the replacement value of the same was estimated at Rs. 80 lakhs. This gives a clear indication of the enormity of the loss caused to the Corporation by this dubious sales effected by a group of unscrupulous officers of the Corporation.

- (b) For the 43 vessels sold after November, 1976, the highest sale price they got was Rs. 3.07 lakhs and the lowest as low as Rs. 4,700.
- (c) As admitted by the senior partner of M/s. Norman Stewart (Shri Chokshi), their letter-head appears to have been used by the officers of the Corporation to dispose of the vessels of the Corporation at throw-away prices. In fact the entire survey valuation business seems to be a facade introduced by the officers of the Corporation to defraud the Corporation and to benefit the buyers and themselves individually.
- (iii) The role played by M/s. Norman Stewart does not appear to be above criticism. They appear to have not business ethics and gave multiple valuations as might please their clients. The time spent by them to assess the condition of a vessel and its survey value was stated to be about half an hour to one hour and they examined it 'just like a doctor examines the pulse'. Their charges for this work were stated to be constant since 1970 at Rs. 72/- per vessel. The Committee have serious doubts whether the surveyors were at all serious about their duties which should have inter alia included examination of hull, body, engine etc., of the vessel. They merely lent their 'letterhead' for monetary consideration to be used for giving a valuation which enabled the officers of the Corporation to misrepresent the facts before the Board and the Government and give away the vessels at throw-away prices.

(iv) (a) The role played by the head of the Department namely the Marine Superintendent (Capt. Khatri) who has since been dismissed on charges of corruption after the Committee on Public Undertakings took up examination, and against whom prosecution had been recommended* by the Committee, and his trusted accomplice River Transport Officer (Shri Roy) in the Marine Department in this matter is conspicuous. Even after the selection of M/s. Norman Stewart in November, 1976, the Marine Superintendent continued to survey the vessels and fix their survey value, which prior to that he did in all cases. Out of the 43 vessels sold after November, 1976, four Vessels i.e., 'Mahsuri', 'Stream', 'Jef' and 'Rajang' were surveyed by him and in the case of 3 of these vessels, the survey value given was even less than the book value thereof. One can well imagine the monetary benefit that he must have derived out of these deals.

(b) It is interesting to note that in this arrangement the Marine Superintendent has played the principal role. He has been surveying the vessels; he is a member of the Tender Committee to accept the bids; and he is the ultimate authority to give delivery of vessels. Although a C.B.I. enquiry was pending against him all this time, yet the then Chairman-cum-Managing Director (Shri Chelliah) had been shielding him.

(4) Advertisements for sale of vessels were given only in 3 or 4 newspapers irrespective whether the number of vessels to be sold was 10 or 20. The newspapers selected for advertisement which were mainly Calcutta-based papers, included Calcutta Exchange Gazette and Assam Tribune, Gauhati which have very limited circulation. No advertisements were given in Madras papers or Urdu and other language papers. The advertisements were given only for one day and the expenditure incurred thereon had no relation whatsoever to the sale price expected to be realised. What is worse is that the advertisements were not given at prominent place but were inserted in an inconspicuous place in the papers so as not to catch the eyes of prospective buyers except a few. The result has been that the sales did not receive the minimum necessary publicity so that the vessels could fetch the maximum sale price. It is clear that the CIWTC authorities were more anxious to hide the sale decisions rather than publicising them.

*Vide Lok Sabha Secretariat letter No. 42/1(7)-PU/77 dated 6th March, 1978 which *inter-alia* reads as follows:—

“Chairman-cum-Managing Director of Central Inland Water Transport Corporation may be asked to explain why he (Capt. Khatri) is not being prosecuted and what are the reasons for the delay in the disposal of these cases.”

(5) (i) When the number of vessels advertised was 10, the time given for receipt of tenders from the date of advertisement was 24 days but when the vessels advertised were 20 the time given was only 15 days. Similarly when the number of vessels sold was 2, tender papers issued were 25 and tenders received were 11 but when the vessels sold were 16, tender papers issued were 10 and the tenders received 7. What is most peculiar is that after the sealed tenders were opened, the tender Committee members started closed-door negotiations and re-negotiations, which in many cases went on for 2 to 4½ months. This facility of negotiations was not made known at the time of issuing tenders.

(ii) The then Chairman-cum-Managing Director (Shri Chelliah) was the final approving authority. He formed the Tender Committee consisting of the then Principal Adviser (Shri Yusuf Khan), the FA&CAO (Shri P. G. Biswas—who was also responsible for receiving payment), the Marine Superintendent (Capt. Khatri—who was also responsible for delivery of vessels) and the Secretary (Shri Sarkar who was also responsible for advertisement, receipt of tenders and other coordination work)—a hand-picked body. Surprisingly enough the Tender Committee did not include any Engineer, e.g., the General Manager, Rajabagan Dockyard who was in the know of things and qualified to judge the conditions of vessels.

(iii) The tenders appear to have been finally approved in an indecent haste without careful consideration. On the very day a tender was accepted by the Tender Committee, papers were rushed to the then Chairman-cum-Managing Director who approved the same immediately. Evidently, the then Chairman-cum-Managing Director was 'waiting in the wings' to accord final approval to the sale of vessels.

(6) (i) The conditions of sale were not observed at all. Out of the 46 vessels sold after August, 1976, payment within 15 days of acceptance of offer was received only in one case as required under the general conditions of sale. In the case of other 45 vessels payment has been received after 4 to 5½ months' time in violation of the conditions of sale.

(ii) In no case was the earnest money of the buyers with the Corporation forfeited for the default in payment. On the contrary the buyers were allowed to make payments even by instalments which was not at all provided for in the conditions of sale

(iii) Furthermore, while the conditions of sale stipulated payment to be made in cash or by bank draft, actual payments in all the cases were made by cheques in clear violation of the sale conditions or the contracts entered into with the buyers therefor.

(7) (i) Out of the 29 vessels physically delivered after August, 1976 (excluding the 17 vessels, delivery of which has been withheld at the instance of the Committee), delivery within 7 days from the date of order/ or 30 days from the date of payment, was made in the case of 9 vessels as required under the general conditions of sale. In the case of other 20 vessels, delivery in a number of cases has been made after 2 to 5 months time, from the date of issue of delivery order.

(ii) The most striking feature is that no wharfage or crew charges whatsoever, which came to about Rs. 10,000 per vessel on an average, or over Rs. 50,000 for 5 months including interest thereon, were realised from the buyers for failure to take delivery in time as stipulated under the sale conditions. If this is also taken into account, it would appear that the buyers in many cases got the vessels almost for nothing. The Committee therefore recommend that the Tax authorities should probe into the matter to detect tax evasions, if any.

(8) The purchase of the vessels was monopolised by a group of big five or six firms (owned by Khanbhai Yusufbhai and others) who were undoubtedly very familiar and thick and thin with the officers of CIWTC.

(9) (i) In many cases, vessels were repaired extensively at heavy costs. Expenditure incurred on their repair was not taken into account while assessing their sale value. The surveyors were also not intimated about pre-valuation major repairs. The vessels after such costly repairs were used very little and were sold at ridiculously low prices. Furthermore, in a number of cases i.e., the vessels—'Mahsur', 'Steam', 'Sanga' and 'Polwheel'— were sold even at less than their book value which was the lowest token value.

(ii) Another notable instance in this regard is that the vessel 'Suhail' was sold by the Corporation soon after its electrification. It was sold even at less than the scrap value.

(iii) Still another instance is that Tug 'S. L. Yak' was placed in the scrap list on 6th July, 1977 despite spending Rs. 16,55,939 on its repair, during the period November 1974 to March 1976 and this Tug is still lying in an immobilised condition.

(10) The cost of running river services amounts to a fraction of other modes of surface transport but here in CIWTC, which has lost about Rs. 21 crores, the river service could not run profitably for the simple and only reason that the CIWTC has no will and is seething with corruption, mal-practice and mismanagement. A vessel (Galiana), which was repaired at Rs. 13 lakhs, was sold for Rs. 3.07 lakhs and one of the senior-most Engineers categorically said that the replacement value of this vessel was Rs. 80 lakhs.

(11) (i) One of the glaring cases of criminal conspiracy, malpractice and fraud was the substitution of vessel 'Pallora' in place of vessel 'Raj-nagar'. The Corporation advertised for the sale of 'Rajnagar' (having book value of Rs. 26,667 and survey value of Rs. 2.20 lakhs) in December, 1975 and accepted quotation for its sale at Rs. 85,103 from Calcutta Metal Corporation. Later, vessel 'Pallora' (having book value as Rs. 99,121) was substituted and given illegally to the buyers in place of 'Rajnagar' at the same price, i.e., Rs. 85,103. The Sarang and Laskar of vessel 'Pallora' have stated that it was in good condition, whereas the Sarang and attendant of vessel 'Rajnagar' stated that it was in very bad condition.

(ii) No survey of vessel 'Pallora' was conducted nor was prior approval of the Board sought for its sale. It was in September, 1976 that matter was brought before the Board and the Board considered the sale of vessel 'Pallora' as 'irregular'. On an enquiry report submitted by the then Chairman-cum-Managing Director (Shri Chelliah), the Board in November, 1976 gave its ex post facto sanction to the sale of 'Pallora' but no action was taken against anybody for this serious fraud. Quite likely the then Chairman-cum-Managing Director (Shri Chelliah) was a party to the deal.

(iii) Apparently it seems that vessel 'Pallora' which was in excellent condition and worth several lakhs of rupees, was given to the buyers in lieu of vessel 'Rajnagar' which was in a very bad shape.

(iv) The Committee would recommend that if this vessel is traceable, the feasibility of regaining its possession should be explored by Government. Besides, the Ministry should order a fresh enquiry into the circumstances which led to the substitution of 'Pallora' in place of Rajnagar with a view to fixing responsibility and punishing the guilty persons.

(12) (i) What has particularly irked the Committee is the fact that their recommendation made on 1st September and on 13th September, 1977 to withhold all further sale and delivery of sold vessels till the presentation of Committee's Report to Parliament was bypassed in a planned manner obviously for monetary considerations.

(ii) The then Chairman-cum-Managing Director (Shri Chelliah) present Chairman-cum-Managing Director (Shri Yusuf Khan), FA&CAO (Shri Biswas), Marine Superintendent (Shri Khatri) and R.T.O. (Shri S. K. Roy) in particular and other officers concerned with sale of vessels were out to help the buyers.

(iii) The conduct of Marine Superintendent (Capt. Khatri) is most reprehensible not only in the case of 'Jamtara' but in the matter of sale of other vessels also with which he was concerned.

(iv) The representatives of buyers (M/s. Hammer Industries) stated in his statement before the Chief Vigilance Officer on 28th September, 1977

that "the flat 'Jamtara' will be scrapped at Allahabad" after transport of boiler of 300 m/tonnes from Haldia to Allahabad, which was "so heavy" that it could not be transported by any other mode of transport but could "only be done with the help of this flat (Jamtara) by river transport". According to the evidence before the Committee, this vessel has not been scrapped but is sailing under a different name "Balaji".

(13) (i) The Committee understand that to build a new vessel like 'Jamtara' today, it will cost Rs. 50 lakhs which was sold for Rs. 1,01,111. As admitted by the Ministry the circumstances in which vessel 'Jamtara' was delivered are not free from suspicion and they have now referred the case to CBI for investigation.

(ii) It is surprising that the Ministry did not ensure compliance with the decision of the Committee with the result that vessel 'Jamtara' was physically delivered to the buyers, although they came to know about Committee's written instructions much earlier.

(iii) What is more intriguing is that the letter of the then Chairman-cum-Managing Director of 6th October, 1977, which involved violation of the decision of the Committee was disposed of at the level of the Chief Engineer-cum-Administrator (Shri Dikshit) in the Ministry and was not brought to the notice of the Secretary.

(iv) It is evident that the conditions of the sale of vessels laid down by the Corporation and to the contract entered into in this behalf have been violated with impunity which should make these sales null and void. It is clear that the sellers and the buyers entered into a criminal conspiracy to defraud the Corporation.

151. The Committee require that:—

(1) The sale of the 17 vessels, delivery of which has been withheld at the instance of the Committee, should be cancelled forthwith.

(2) The feasibility of acquiring the vessel 'Jamtara' which is in operation by the buyers at Allahabad under a new name (perhaps 'Balaji') may be considered by Government. The Government machinery, i.e., the C.B.I., the Direct Taxes and other concerned authorities should enquire into all these cases with the object of realising the taxes and for taking such action as may be deemed necessary under advice to the Committee.

(3) Vessels which can be used as they are or can be made water worthy after modification should not be sold because the Committee have decided to strongly recommend for creating a net work of river services which is the cheapest mode of transport.

(4) The feasibility of filing criminal cases against those who had bought the vessels through dubious means and against those who had sold them for illegal gains should be explored.

(5) The firm of Surveyors M/s. Norman Stewart & Co., have acted in a manner, as they did, was obviously for monetary gains and for furthering their business interests, which is unbecoming of a recognised firm of approved valuers and surveyors. The Ministry should, therefore, notify all concerned undertakings and Government Departments that their reports on valuation etc., should not be taken seriously and should not form the basis of any transactions.

(6) The Committee are concerned to observe that all the chief spokesmen of CIWTC, who appeared before the Committee—the then Chairman-cum-Managing Director (Shri Chelliah), present Chairman-cum-Managing Director (Shri Yusuf Khan), FA&CAO (Shri Biswas), Marine Superintendent (Capt. Khatri), Secretary (Shri Sarkar) made false statements before the Committee despite repeated warnings not to conceal facts. To cite an instance, Capt. Khatri, when asked how many vessels did he survey after November, 1976, first he said it was one, then he said it was two and later on he said that for three of them he had given value. It was only after examination in depth that the Committee found that he had valued more than 30 vessels.

152. The Committee have no other alternative but to come to the inescapable conclusion that a handful of top-most officials of CIWTC conspired with the buyers and allowed the vessels to be sold for a fraction of their value, causing colossal losses to the Corporation. Obviously this was done for private monetary gains on the part of such officials. The Committee have no doubt that because of these sorts of shady transactions, the finances of the Corporation are in a very bad shape today. There is an accumulated loss of over Rs. 21 crores. Through dishonest means, they have succeeded in totally crippling the river services of the Corporation, which is the cheapest mode of transportation and has thus helped in escalating the cost of transportation of essential commodities in the country. Moreover, inaccessible areas like Cachar, Mizoram and Tripura have been left without any easy and cheap mode of transportation for the essential consumer goods as well as their items of produce. The Committee have no doubt that had the management shown the basic minimum honesty and integrity in the matter of dealing with the financial and business affairs of the Corporation, this undertaking would undoubtedly have been able to run the river services effectively and at the same time produce a much better profit-and-loss account before the country.

153. The Committee are distressed to note that it was almost impossible to get the truth out of the officials who had appeared before them. The Committee have no doubt that the following officers of the Corporation were involved in the shady transactions relating to the sale of vessels:

1. Shri K. Chelliah, the then Chairman-cum-Managing Director.
2. Captain M. D. Khatri, the then Marine Superintendent.

3. Shri P. G. Biswas, FA&CAO.
4. Shri M. Yusuf Khan, the present Chairman-cum-Managing Director.
5. Shri N. K. Sarkar, the then Secretary.
6. Shri S. K. Roy, River Transport Officer.

154. The Committee are of the opinion that the then Chairman-cum-Managing Director (Shri Chelliah) and the then Marine Superintendent (Capt. Khatri) played a leading role in the dubious sales of vessels. Shri Biswas was one of the closest abettors of the above officers. These officers brought the Corporation to the brink of disaster.

155. The Committee have serious doubts whether the officers mentioned in Para 153 above are fit for any position of trust and responsibility in any Government or public sector undertaking.

156. The Committee recommend that an Enquiry Committee headed by a sitting or retired Supreme Court Judge should go into the whole matter in depth so that the responsibility could be fixed and appropriate action taken against those found guilty.

NEW DELHI;

April 10, 1978

Chaitra 20, 1900 (Saka)

JYOTIRMOY BOSU,

Chairman,

Committee on Public Undertakings.

ANNEXURES

ANNEXURE I

(Vide Para 1)

SALE OF VESSELS FOR THE PERIOD FROM 1967 TO 1977 CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

(1) Advertised by RSN Co. Ltd. in :—

(i) Hindustan Standard on 16-3-67

(ii) Hindu, Assam Tribune, . . .
Sanmarg, Indian Express . . .
Amrita Bazar Patrika . . . } 17-3-67

(iii) Statesman (Cal. & Delhi) . 18-3-67

(2) Name of vessels : (1) Akyab (11) Tadval
(2) Ardulusa (12) Ramnadi
(3) Ambala (13) Palkot
(4) Baduria (14) Ranjit
(5) Gowripur (15) Hurda
(6) Kharswa (16) Pudda
(7) Panibari (17) Pali
(8) Hirnoda (18) Arkot
(9) Badlipur (19) Argo
(10) Belur

(3) No. of Tender Paper sold : Not available.

(4) No. of Tender received : 9

(5) No. of vessel sold :

	Book value	Survey value	Sale value
(1) Hirnoda	36,398	17,000	17,000.00
(2) Puda.	5,342	17,000	17,000.00
(3) Arkot.	99,027	93,000	93,000.00

(6) Date of acceptance : Letter dated 8-6-67.

(7) Name of Buyer : Khanbhai Esooffbhai,
20, Howrah Road,
Salkia, Howrah.

(8) Tender finalised on : Date not available.

(9) Date of payment : 30-3-67—95,000/- (Cheque)
16-6-67—32,000/- („)
1,27,000/-

(10) Date & Ref. No. D/Order letter dt. 21-6-67

(11) Date of physical delivery : Arkot—27-6-67
Hirnoda, Pudda—7-7-67

- (12) Name of Tender Committee : (1) Shri S. C. Mazumder SCY.
 (2) Shri D. A. Mathew SE.
 (3) Shri U. C. K. ala MS.
 (4) Shri B. N. Ganguli A.O.

Shri K. Srinivasan, M.D. and Shri S. K. Chowdhury Bar-at-Law was also associated as per order of Calcutta High Court.

- (13) Particulars of buyers : Requested parties to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

Advertised in :	Statesman on	11-2-67
	Jugantar, Ananda Bazar Patrika.	} 12-8-67
	Sanmarg, Hindustan Standard	
	Assam Tribune, Hindu	} 14-8-67
	Times of India (Bombay)	

2. Name of vessels :	(1) Ardlusa	(22) Almora
	(2) Dogra	(23) Alipce
	(3) Azamgarh	(24) Arconum
	(4) Tamluk	(25) Akbar
	(5) Hilika	(26) Atlas
	(6) Bream	(27) Travancore
	(7) Wave	(28) Saturn
	(8) Chub	(29) Dam Dim
	(9) Salwoon	(30) Cheeta
	(10) Barge — 375	(31) Manchurian
	(11) „ — 17	(32) Kabuli
	(12) „ — 18	(33) Battani
	(13) „ — 19	(34) Sinwari
	(14) „ — 20	(35) Sherani
	(15) „ — 21	(36) Parsian
	(16) „ — 22	(37) Tibetan
	(17) „ — 23	(38) Katheawar
	(18) „ — 25	(39) Dawari
	(19) „ — 26	(40) Kharuti
	(20) „ — 27	(41) Durani
	(21) „ — 28	(42) Swati

3. No. of Tende paper sold—Not avaiable.

4. No. of Tender paper received—Nine

5. Name of vessel sold :

	Book value as on 1-1-67	Survey value 1962	Sale value
1. Salwoon	1,61,383.00		1,73,000.00
2. Parsian	1,23,061.00		1,32,000.00
3. Kharti	1,02,650.00		1,05,000.00
4. Dawari	1,04,341.00		1,08,000.00
5. Sinwari	1,25,272.00		1,25,271.00
6. Battani	96,037.00		1,22,222.00
			<hr/> 7,65,493.00

6. Date of acceptance : Letters dated 7-11-67

7. Name of buyer : Khanbhai Esoofbhai, ₹
20, Howrah Raod, Salkia,
Howrah-6.

8. Tender finalised on : Not available.

Rs.

9. Date of payment received (by cheque)	10-11-67	4,01,000
	3-11-67	67,000
	15-12-67	2,09,444
	„	3,049
	31-8-67	85,000
		<hr/> 7,56,493

10. Date & ref. of C/Order : 16-11-67 (Salwoon, Persian, Marathi, Dawari)
Battani & Sinwari—not avaiable.

11. Date of physical delivery 15-11-67 for Salwoon, Persian, Dawari.

15-12-67 Sinwari & Battani
21-11-67—Marathi.

12. Name of Tender Committee : Tender opened in the presence of the following
officers of the Company.

- (1) Shri S. C. Mazumder SCY.
- (2) Capt. U. C. Kala MS
- (3) Shri B. N. Dey Comml. Dept.
- (4) Shri D. N. Dey Accounts Dept.

13. Particulars of buyers : Requested the party for the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

- (1) Advertised : May, 1968. Names of papers: Not available.
- (2) Name of Vessels : Travancore, Almora, Arconum, Kabuli, Sherani, Chectah.
- (3) No. of Tender Papers sold : Not available.
- (4) No. of Tender paper received : 6—2 offers received subsequently.
- (5) Name of vessels sold :

<i>Name of vessels</i>	<i>Book value as on 31-3-68</i>	<i>Survey value</i>	<i>Sale value</i>
(1) Travancore . . .	82,544.00		93,609.00
(2) Almora . . .	1,05,418.00		1,15,002.00
(3) Arconum . . .	80,000.00		90,009.00
(4) Kabuli . . .	1,17,693.00		1,62,009.00
(5) Sherani . . .	1,23,404.00		1,62,009.00
			<hr/> 6,22,638.00 <hr/>

- (6) Date of acceptance : Letter No. MD-S/89 dt. 14-9-68.
- (7) Name of buyer : Steel Corporation of Bombay,
Warden House, 1st Floor,
Sir P. Mehta Road, Fort,
Bombay-1.
- (8) Tender finalised on : 10-9-68.
- (9) Date of payment received : 18-10-68—6,22,638.00
- (10) Date & Ref. of D/O : Secy/ O(1)/68 dt. 18-10-68.
- (11) Date of physical delivery : Kabuli, Arconum, }
Almora, Travancore } 24-10-68
Sherani . . . 13-11-68
- (12) Name of Tender Committee : Shri U. C. Kala, M.S.
Shri D. Nath, S.E.
Shri M. Trinddve, G. M.
Shri N. K. Sen, Secretary
Shri P. G. Biswas
- (13) Particulars of buyers : Requested party to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED

1. Advertised in : June 1968—
- (1) Hindustan Times Ltd.
 - (2) Sanmarg
 - (3) Assam Tribune
 - (4) Statesman
 - (5) Amrit Bazar Patrika
 - (6) Times of India

2. Name of vessels :

1) Swati	12) Baduria	23) Dogra.
2) Durani	13) Dumka	24) Palkot
3) Bonarhat	14) Tundla	25) Hurda
4) Tamlu	15) Jasrana	26) Badlipur
5) Gouripur	16) Assansol	27) Bolur
6) Khasra	17) Ambala	28) Tadval
7) Panibari	18) Huro	29) Pali
8) Akyab	19) Bihmari	30) Argo
9) Banari	20) Tumsar	31) Basanda
10) Milika	21) Basirhat	32) Andhari
11) Azamgarh	22) Jamalpur	

3. No. of Tender paper sold: Not available

4. No. of Tender paper received : 11 + 1 (subsequently recd.)

5. Name of vessels sold : 23

	Book Value	Survey Value	Sale Value
Group A.			
1) Balarhat	25,334/-		
2) Tamluk	25,334/-		
3) Kharsooa	25,334/-		
4) Banari	25,334/-		
5) Hilika	3,467/-	5,20,000/-	
6) Azamgarh. . . .	25,333/-		
7) Baduria	25,334/-		
8) Dumka	3,031/-		
9) Tundla	25,334/-		
10) Jasrana	18,667/-		
11) Assansol	25,333/-		
12) Ambala	25,333/-		
13) Huro	2,895/-		
14) Bihmari	18,667/-		
15) Tumsar	25,334/-		

	Book value	Survey Value	Sale Value
16) Basirhat	25,334/-		
17) Jamalpur	13,667/-		
18) Dogra	25,334/-		
Group B.			
19) Basanda	25,333/-		25,615/-
20) Andheri	25,333/-		25,498/-
Group C.			
21) Gauripur	26,667/-		30,006/-
22) Panibari	25,334/-		30,006/-
23) Akyab	25,333/-		30,007/-

6. Date of acceptance : Secy/1 dt. 25-10-68 for 18 vessels 'A'
 Secy/1 dt. 5-12-68 for 2 vessels 'B'
 Secy/1 dt. 29-10-63 for 3 vessels 'C'

- . Name of buyers ; M/s. Dhanaraj Kumar Jain
 19/1, Vidya Sagar Street,
 Flat No.24, Calcutta-9 Group 'A' & 'B'
- M/s. Steel Corporation of
 Bombay, Warden House,
 First Floor,
 Sir P. Mehta Road, Fort,
 Bombay-1. Group "C"

8. Tender finalised on 25-10-68 for Group 'A' (18 vessels)
 28-11-68 for Group 'B' (2 vessels)
 28-10-68 for Group 'C' (3 vessels)

9. Date of payment received for Group 'A' E.M. Rs. 50,000/- Pay order

	1-11-68	1,00,000/-
	8-11-68	75,000/-
	25-11-68	95,000/-
	5-12-68	15,000/-
	9-12-68	55,000/-
	17-12-68	10,000/-
	2-1-69	1,20,000/-
Group 'B'	30-1-69	46,113/-
	5-12-68	5,000/-
Group 'C'	Earnest Money	40,000/-
	29-10-68	50,018/-

10. Date and Ref. of Delivery Order :—

Group 'A'—Banarhat Tamluk Dumka Jasrana Assansol Ambala	} Secy/1 dt. 17-12-68
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	Kharsooa	}	Secy/1 dt. 2-1-69.	
	Banari			
	Hilika			
	Azamgarh			
	Baduria			
	Tundla	}	Secy/1 dt. 9-11-68.	
	Huro			
	Bihmari			
	Tumsar			
	Basirhat			
	Jamalpur	}	Secy/1 dt. 30-1-69.	
	Dogra			
Group 'B'	Basanda	}	Secy/1 dt. 29-10-68	
	Andheri			
Group 'C'	Akyab	}	21-12-68	
	Gauripur			
	Panibari			
11. Physical Delivery Group 'A'	Jasrana	}	13-11-68.	
	Assansol			
	Ambala	}	3-1-69	
	Huro			
	Tassar	}	23-1-69.	
	Birpari			
	Dogra	}	12-11-68.	
	Banarhat			
	Tamluk	}	13-3-68	
	Dumka			
	Kharsooa	}	12-2-69.	
	Banari			
	Azamgarh	}	7-11-68.	
	Baduria			
	Tundla	}	—G.M. (RBD)	
	Basirhat			
		Jamalpur	}	—M.S.
	Hilika			
Group 'B'	Basanda	}	—S.P.O.	
	Andheri			
Group 'C'	Akyab	}	—A.O.	
	Gauripur			
	Jamalpur			
12. Name of Tender Committee:	Shri D.A. Mathew	—Secy.		
	Capt. Mahindra			
	Shri S. Shome			
	Shri A.P. Shome			
	Shri H.K. Sen			

13. Particulars of buyers—Requested party to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

The following two vessels were sold to Director General of Border Security in October, 1968. Relevant information as available is furnished herewith:—

	Book Value	Sale Value
	Rs.	Rs.
P.T. Lubha	5,74,111.00	8,00,000.00
P.T. Jatinga	5,74,111.00	8,00,000.00

One vessel viz., P. C. Martaban sank on 16-3-68 and could not be salvaged and sold.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on—9-1-69 in Assam Tribune for sinken portion of the vessel.
2. Name of vessel sold—Kathiawar (Scrapped departmentally).
3. Number of Tender Paper sold—Not available.
4. Number of Tender paper received 4 (for sinken portion of the vessel).
5. Tender finalised—Not available.
6. Name of buyer—Shri Tarachand Periwal, Lamb Road, Gauhati.
7. Date of Acceptance—Not available.
8. Date and reference of Delivery Order—QFW/83/118 dated 24th January, 1968.
9. Date of physical delivery—Not available.
10. Name of Tender Committee—Not available.
11. Particulars of buyers—Requested party for the particulare.

N.B.

The vessel was scrapped departmentally and scrap materials were sold locally as under:—

Name of Party	Date	Amount
		Rs.
i) M.K. Das	22-3-68	3,750.00
ii) A. Goswami	23-3-68	50.00
iii) Khashiram Jain & Co.	5-3-68	10,001.00
	4-3-68	20,000.00
	6-3-68	29,500.00
	1-4-68	10,000.00
	10-4-68	8,000.00
	6-6-68	11,800.00
	17-9-68	.17
	Total :—	93,101.17
Book Value :	Sale Value	
Rs.	Rs.	
1,15,095.00	93,101.17	(From scrap value)
	5,100.00	(From sinker portion for which advertisement was made as above)

1. Advertised on 28-1-69 & 25-1-69 Statesman, Ananda Bazar Patrika, Vishwamitra, Times of India, Assam Tribune and Indian Express.

2. Name of vessels :—

- | | |
|---------------------------------------|----------------|
| 1. Manchurian | 19. Cambay |
| 2. Saturn | 20. Swati |
| 3. Patiala | 21. Durani |
| 4. Mingin | 22. Barge 284 |
| 5. Chakrata | 23. Arutdar |
| 6. Cheeta | 24. Lidar |
| 7. Zumani | 25. Varuna |
| 8. Nimtolla Steam Crane Boat (6 tons) | 26. Akalkot |
| | 27. Myohla |
| 9. Steam Hoisting Barge 90. | 28. Torgal |
| | 29. Janjira |
| 10. Nimtolla Pontoon J.P.I. | 30. Tirtal |
| | 31. Venus |
| 11. Damdim | 32. Titagarh |
| 12. Bream | 33. Palkot |
| 13. Quilon | 34. Hurda |
| 14. Lakhima | 35. Badlipur |
| 15. Barlika | 36. Belur |
| 16. Tajik | 37. Tadval |
| 17. Prome | 38. Pali |
| 18. Gadari | 39. Argo |
| | 40. Jagadhari. |

3. Number of Tender Paper sold : Not available.

4. Number of Tender Papers received :—21.

5. Tender finalised on :—
 Group "A" 28-4-69—7 vessels
 Group "B" 24-5-69—1 vessel
 Group "C" 14-6-69—16 vessels
 Group "D" 2-5-69—5 vessels.

6. Name of vessels sold :—

Group "A"	Book value as on on 31-3-68	Survey Value	Sale Value
1 Palkot	18,881/-	—	1,54,000/-
2 Hurda	2,895/-	—	
3 Badlipur	25,333/-	—	
4 Belur	17,334/-	—	
5 Tadval	25,334/-	—	
6 Pali	10,799/-	—	
7 Argo	24,074/-	—	
Group "B"			
1 Zumani	13,815/-	—	30,075.34

Name of vessels sold				Book value as on 31-3-68.	Survey Value	Sale Value
Group "C"						
1	Bream	.	.	.	17,298/-	—
2	Lakhima	.	.	.	3,979/-	—
3	Barlika	.	.	.	25,333/-	—
4	Tajik					—
5	Prome				96,264/-	—
6	Gadari				1,49,366/-	—
7	Cambay	.			1,22,451/-	—
8	Swati	.	.		1,44,469/-	—
9	Durani	.	.		1,36,516/-	—
10	Barge 284	.			54/-	—
11	Titagarh	.	.	.	32,000/-	—
12	Torgal	.	.	.	25,333/-	—
13	Jagadhri	.	.	.	18,667/-	—
14	Janjira	.	.	.	18,667/-	—
15	Tirtal				25,334/-	—
16	Verus				48,683/-	—
						12,45,000/-
Group "D"						
1	Myohla				1,06,904/-	—
2	Lidar				3,979/-	—
3	Arutdar				4,563/-	—
4	Varuna				13,333/-	—
5	Akalkot				25,333/-	—
						3,20,000/-

7 Date of acceptance :—

Group—"A"—Secy/10(4) dt. 29-4-69 (7 vessels)

Group—"B"—Secy/10(4) dt. 26-5-69 (1 vessel)

Group—"C"—Secy/10(4) dt. 14-6-69 (16 vessels)

Group—"D"—Secy/10(4) dt. 2-5-69 (5 vessels)

8. Name of buyers :—

Group "A"— B.D. Swaika, 15, Ramswaroop Khattri Road,
Calcutta-53. (7 vessels)

Group "B"— Calcutta Shipping Service,
23A, Netaji Subhas Road,
Calcutta-1 (1 vessel).

Group "C" **KhanbhaEsoofbha,**
20, Howrah Road,
Salkia, Howrah-6. (16 vessels).

Group "D" Kutub Adamjee,
12, Amrtalls Lane,
Calcutta-1 (5 vessels).

9 Date of Payment :

Group "A" }
Palkot }
Hurda }
Bellur }
Argo }
Badlipur }
Tadval }
Pali }

1,10,000/- —Cheque received on 12-5-69.

44,000/-Cheque received on 14-6-69.

1,54,000/-

Group "B" Rs. 30,075.35 by cash on 24-5-69.

Group "C" Rs.
1,00,000/- by cheque on 14-6-69
1,50,000/- by cheque on 9-8-69
3,00,000/- by Draft on 22-8-69
1,25,000/- by Draft on 1-9-69
1,25,000/- by Draft on 12-9-69
4,45,000/- by cheque on 9-12-69

12,45,000/-

Group "D" Rs.
20,000/- by cash on 15-2-69 E.M.
30,000/- by Cheque on 7-6-69
2,00,000/- by cheque on 2-7-69
40,000/- by cheque on 14-10-69
30,000/- by cheque on 16-10-69

3,20,000/-

10 Date and Ref. No. of Delivery Order :—

Group "A" }
Palkot }
Hurda }
Bellur }
Argo } Secy/10(4) dated 16-5-69.

Badlipur }
Tadval } Secy/10(4) dated 5-8-69.
Pali }

Group "B" Zumani —Secy/10(4) dated 26-5-69.

Group "C" Swati } Secy/10(4) dt. 2-8-69

Durani }

Prome —Secy/10(4) dt. 1-9-69

Cambay —Secy/10(4) dt. 12-9-69

Gadari }

Tazik }

Jagadhri }

Torgal }

Titagarh }

Lakhima }

Barlika }

Broam }

Barga 234 }

Janjira }

Tirtal }

Venus }

Group "D" Myohla —Secy/10(4) dt. 23-10-69

Arutdar }

Lidar —Secy/10(4) dt. 4-11-69.

Varuna }

Akalkot —Secy/1 (4) dt. 9-9-70

11. Date of Physical Delivery :—

GROUP—"A"

1. Palkot	}	23-5-69
2. Hurda		
3. Belur		
4. Argo		
5. Badlipur	}	29-8-69.
6. Tadval		
7. Pali		1-10-69

GROUP—"B"

1. ZUMANI	29-5-69.
-----------	----------

GROUP—"G"

1. Swati	}	26-8-69.
2. Durani		
3. Prome		8-9-69.
4. Cambay	..	27-9-69.
5. Tajik	}	15-12-69.
6. Jagadhri		
7. Torgal		
8. Titagarh		
9. Lakhima		
10. Barlika		
11. Bream		
12. Barge 284		
13. Gadhari - . . .		17-12-69.
14. Janjira	}	19-2-69
15. Benus		
16. Tirtal		

GROUP "D"

1. Myohla	.	28-10-69	
2. Lidar.	}	20-12-69	
3. Varuna			.
4. Arutdar			
5. Akalkot		1-7-70.	

12. Name of the member of Tender Committee :—

1. Shri B. Roy—FA & CAO
2. Shri K. K. Sood—M.S.
3. Shri D. A. Mathew—G.M.(RBD)
4. Shri M. Yusuf Khan—C.M. (L&F).
5. Shri S. N. Ghosh—C.M. (W&A).
6. Shri A. P. Shome—A.O.
7. Shri H. K. Sen—Secretary.
8. Shri S. Shome—SPO.

13. Particulars of buyers :—Parties requested to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on 10-8-69—Statesman, Indian Express, Times of India, Viswamitra, Ananda Bazar Patrika.

2. Name of vessels :

- | | |
|-----------------------------------|---------------|
| 1. Manchurian | 11. Dam Dim |
| 2. Saturn | 12. Dilwara |
| 3. Patiala | 13. Barge 225 |
| 4. Mingin | 14. Rakti |
| 5. Chakrata | 15. Barge 284 |
| 6. Hazara | 16. Barge 362 |
| 7. Nimtolla, Crane Boat | 17. Ranadi |
| 8. Steam Hoisting Barge 90 | 18. Rangit |
| 9. Cheeta | 19. Mimbu |
| 10. Nimtolla Jatty Pontoon No. 1. | 20. Ardlusa |
| | 21. Chub |

3. Number of Tender Paper sold : Not available

4. Number of Tender Papers Received :— 8.

5. Tender Finalised on :—23-12-69.

6. Name of vessels sold :

	Book Value as on 31-3-69.	Survey Value.	Sale Value ₹. L. P. A.
(1) Mingin	1,95,020/-	..	} 8,00,000/-
(2) Patiala	80,000/-	..	
(3) Manchurian	2,27,426/-	..	
(4) Chakrata	1,05,080/-	..	
(5) Cheeta	8,972/-	..	
(6) Nimtolla Jotty Pontoon No. I.	2,251/-	..	
(7) Dam Dim.	6,667/-	..	
(8) Steam Hoisting Barge 90 . .	32,578	..	

7. Date of acceptance :—Secy/10 (10) dated 31-12-69.

8. Name of buyer :— Premier Engineering Works, 194, Grand Trunk Road (North) Salkia, Howrah-6.

9. Date of payment :—on 22-12-69 by cheque Rs. 10,000 E.M.

15-1-70	„	Rs. 90,000/-
28-1-70	„	Rs. 2,00,000/-
14-4-70	„	Rs. 2,00,000/-
22-6-70	„	Rs. 2,00,000/-
7-8-70	„	Rs. 1,00,000/-

Rs. 8,00,000/-

10. Date & Ref. of Delivery Order :—

- | | |
|--|---------------------------------|
| (1) Chakrata | } Secy/10 (10)
dated 3-2-70. |
| (2) Steam Hoisting Barge 90. | |
| (3) Nimtolla Jetty Pontoon No. I. | |
| (4) Cheeta | |
| (5) Dam Dim. | |
| (6) Patiala —Secy/10 (10) dated 21-4-70. | |
| (7) Mingin —Secy/10 (10) dated 27-6-70 | |
| (8) Manchurian—Secy/10 (10) dated 19-8-70. | |

11. Date of physical delivery :—

- (1) Cheeta—on 16-2-70.
(2) Patiala—on 22-4-70.

- (3) Mingin —on 10-7-70.
- (4) Manchurian— on 13-8-70.
- (5) Steam Hoisting Barge 90—on 8-2-70
- (6) Chakrata— on 3-2-70
- (7) Nimtolla Jetty Pontoon No. I on 31-3-70.
- (8) Dam Dim — on 31-3-70.

12. Name of the Tender Committee :—

- (1) Shri B. N. Dutta Chowdhury—FA & CAO.
- (2) Shri D. A. Mathew—G.M. (RBD)
- (3) Shri S. M. Ghosh— C.M. (W&A.)
- (4) Capt. K. A. Sood—M. S.
- (5) H. K. Sen —Secretary.

13. Particulars of buyers :—Party requested to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

- 1. Advertised in The Statesman , 18-2-69, 17-12-69 & 11-10-71 Amrita Bazar Patrika, 18-2-69 and 17-12-69 Viswamitra 18-2-69 & 17-12-69.
- 2. Name of vessels :—(1) Alipee
(2) Martaban
- 3. Number of Tender paper sold : Not available.
- 4. Number of tender Paper received : Received one offer against advertisement Feb., 69—
3 offer subsequently received.
- 5. Tender finalised on 31-3-72.
- 6. Name of vessels sold :—ALIPÉE (Sank)
- 7. Date and reference of acceptance : Secy/10 (13) at 12-4-72 (Approved by M.D.)
- 8. Name of buyer :—M/s. Md. Yusuf,
18/2, Canal West Road, Calcutta-9.
- 9. Date of Payment :—22-5-72.
- 10. Date & Ref. of Delivery Order :—Secy/10(13) dt. 19-7-72.
- 11. Date of physical delivery :—19-7-72.
- 13. Particullers of buyer : Party requested to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

- 1. Advertised on 12-11-70—Statesman, Amrita Bazar Patrika, Assam Tribune, Times of India (Bombay and Allahabad)
- 2. Name of vessels advertised :—

(1) Egra	(11) Paksey
(2) Rakti	(12) Dilwara
(3) Minerva	(13) Mohar
(4) Pusa	(14) Barge 225
(5) Rannadi	(15) Barge 353
(6) Rangit	(16) Barge 375
(7) Chub	(17) Barge 352
(8) Mimbu	(18) Saturn
(9) Adinath	(19) Hazara
(10) Ardlusa	(20) Nimtolla steem Crane Boat.

3. Number of Tender Paper sold : Not available

4. Number of Tander Paper received :— 22.

5. Tenders finalised on :—28-12-70

6. Name of vessels sold :— Book Value

	Survey Value	Sale value.
1. Egra . . . 13,333/-	..	80,000/-
2. Minerva . . . 47,352/-	..	} 3,30,000/-
3. Pusa . . . 19,304/-	..	
4. Rakti . . . 10,064/-	..	
5. Adinath . . . 25,333/-	..	98,000/-
6. Ardlusa . . . 17,334/-	..	} 1,87,007.40
7. Paksey . . . 1,33/-	..	
8. Mohar . . . 2,332/-	..	
9. Barge 353 . . . 127/-	..	} 3,13,257.50
10. Barge 375 . . . 1,359/-	..	
11. Bilwara . . . 15,583/-	..	
12. Barge 235 . . . 54/-	..	} 2,10,000/-
13. Barge 352 . . . 127/-	..	
14. Hazara . . . 93,333/-	..	
15. Nimtolla Steam Crane Boat 54/-	..	43,000/-
16. Rannadi . . . 27,536/-	..	} 1,75,000
17. Rangit . . . 21,329/-	..	
18. Mimbu . . . 83,929/-	..	

7. Date of acceptance :—

(1) Egra	}	Secy/10(21) dated 14/15-1-71.
(2) Mimbu		
(3) Adinath		
(4) Hazara		
(5) Nimtolla Steam Crane Boat		
(6) Ardlusa	}	Secy/10(21) dated 14/15-1-71.
(7) Paksey		
(8) Dilwara		
(9) Mohar		
(10) Barge 225		
(11) Barge 353		
(12) Barge 375		
(13) Barge 352		
(14) Rannadi	}	Secy/10(21) dated 31-5-71.
(15) Rangit		
(16) Minava		
(17) Rakti		
(18) Pusa		

8. Name of buyers :—

(1) Khanbhai Esoofbhal, 20, Howrah Road, Salkia, Howrah—6.	}	Minarva, Rakti, Rangit, Pusa, Rannadi
		Egra, Mimbu, Adinath, Hazara, Nimtolla Steam Crane Boat.
(2) Steel Corporations, Bombay Warden House, First Floor, Sir. Mehta Road, Fort, Bombay-1.	}	Ardlusa, Paksey, Dilwara, Mohar, Barge 225, Barge 353, Barge 375, Barge 352.

9. Date of Payment :—

Ardlusa, Paksey, Dilwara, Mohar, Barge 225, 353, 375 and 352 on 29-1-71. Egra, Mimbu, Adinath, Hazara, Nimtolla Steam Crane Boat on 11-2-71. Rakti, Rannadi, Rangit, Minerva, and Pusa on 5-7-71.

10. Date & Ref. of Delivery Order :—

- (i) Ardlusa, Paksey, Dilwara, Mohar Barge 225, 353, 375 and 352. } Secy/10(21) dated 29-1-71.
- (ii) Egra, Mimbu & Adinath—Secy/10 (21) dt. 11-2-71.
- (iii) Hazara & Steam Crane Boat—Secy/10 (21) dt. 15-2-71.
- (iv) Minerva, Rakti, Pusa, Rannadi & Rangit.—Secy/10(21) dt. 5-7-71.

11. Date of Physical Delivery :—

- (i) Mohar, Barge 225, 353 and 375 on 8-2-71.
- (ii) Egra on 23-2-71.
- (iii) Dilwara on 21-2-71.
- (iv) Hazara on 27-2-71.
- (v) Nimtolla Steam Crane Boat on 19-2-71.
- (vi) Mimbu and Adinath on 20-3-71.
- (vii) Barge 352, Paksey & Ardlusa on 7-3-71.
- (viii) Minerva, Rakti & Pusa on 19-7-71.
- (ix) Rannadi and Rangit on 25-7-71.

12. Name of the members of Tender Committee :—

Shri B. N. Dutta—Chowdhury—FA & CAO,
 „ D. A. Mathew—S.E.
 „ M. Yusuf Khan —C.M. (I&F)
 „ S.M. Ghosh—C.M. (W&A).
 „ H.K. Sen—Secretary.
 „ K.K. Sood—M.S. Approved by M.D.

13. Particulars of buyers :—Parties requested to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised in Statesman, Amrita Bazar Patrika, Viswa mitra, Times of India on 8-8-71

2. Name of Vessel :—P.S. Aimak

3. Number of Tender Paper sold :

Not available

4. Number of Tender Paper received :— 8.

5. Tender finalised on 24-12-71.

6. Name of vessel sold :—	Book value as on 31-3-71.	Survey Value.	Sale Value.
P.S. Aimak	93,333/-	..	2,45,000/-

7. Date and Ref. of acceptance : Secy/10 (27) dt. 3-1-72.

8. Name of Buyer : Great Steel Corporation, Ship Breaking Yard, Powder Works Bunder, Darukhana, Mazagaon, Bombay-10.

9. Date of Payment :—31-1-72.

10. Date of Ref. of Delivery Order : SECY/10(27) dt. 8-2-72.

11. Date of Physical Delivery :—9-2-72.

12. Name of the members of Tender Committee :—

- (i) Shri M. Yusuf Khan C.M. (I&F).
- (ii) Shri M. D. Khatri, M.S.
- (iii) Shri S. K. Maitra—Dy. F. & CAO.
- (iv) Shri H.K. Sen—Secretary.

13. Particulars of buyer : Party requested to furnish the particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.]

1. Advertised on 17-8-73 . . . Statesman, Amrita Bazar Patrika and Viswamitra.
2. Name of Vessel . . . F. LUNDI
3. No. of Tender Paper sold . . . Tender paper were not being sold then.
4. No. of Tender received . . . One only.
Restricted tenders were called for from 47 prospective buyers thereafter and 4 tenders were received there against.
5. Name of vessel. Book Value Survey Value Sale Value
Flat LUNDI as on 31-3-73 .. Rs. 35,777.77
(Sunken) Rs. 93,333/-
6. Date of acceptance . . . Our letter No. Secy/10(35)-532, dated 13-10-73.
7. Name of Buyer . . . M/s. Sankar & Co., P. 140 1/2 Mudiali Road Calcutta-700024.]
8. Tender finalised on . . . 13-10-73.
9. Date of Payment . . . 5-11-73.
10. Date & Ref. of Delivery Order . . . Secy/10(35)-683 dated 7-11-73.
11. Date of physical delivery . . . 14-11-73.
12. Name of members of Tender Committee Shri P.G. Biswas, FA & CAO.
Capt. K.K. Sood, Marine Supdt.
Shri H.K. Sen, Secretary.
Approved by Chairman :
Shri S. K. Dutta.
13. Particulars of Buyers . . . Requested the party to furnish the particulars.
A partnership firm.

1975

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised . . . No advertisement.
2. Name of vessels advertised . . . Does not arise.
3. Number of Tender sold . . . Does not arise.
4. Number of Tender Received . . . Does not arise.
5. Name of vessel sold . . . JALASHREE II.
Acquisition price . . . Rs. 1,35,432/-
Sale Price . . . Rs. 2,75,000/-
6. Date of acceptance of Tender . . . Does not arise. Sold by negotiation.
7. Name of buyer . . . The Paradeep Port Trust, Paradeep, Orissa.
8. Delivery Order issued . . . Secy/10(45)-821 dt. 14-7-75.
9. Physical Delivery on . . . 15-5-75.
10. Payment received on . . . 22-10-75.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

(1) Advertised on 11-6-75 in

(1) Statesman—11-6-75

(3) Amrita Bazar Patrika—11-6-75

(2) Assam Tribune—11-6-75

(4) Times of India (Bombay—12-6-75 and Ahmedabad—13-6-75).

(2) Name of vessels advertised :—

(i) Bunsī

(ii) Rajanda

(iii) Dhari

(iv) Dholpur

(v) Dhasan

(3) Number of Tender papers sold

10

(4) Number of Tenders received

5

(5) Name of vessels sold :—

	<i>Book Value</i>	<i>Survey Value</i>	<i>Sale Value</i>
(i) Dhari	26,667	*1,00,000	1,34,304
(ii) Dholpur	26,667	*1,00,000	1,34,304
(iii) Dhasan	26,667	*1,00,000	1,34,304
(iv) Rajanda	26,667	*1,00,000	1,34,304
(v) Bunsī	32,987	*1,00,000	1,34,304

(6) Tenders finalised on . . . 31-7-75.

(7) Date of acceptance . . . Ref. No. Secy/10(45)-B/891, dt. 2-8-75.

(8) Sale value received on 13-8-75 or Dholpur and Dhari 6-10-75 for Dhasan, 17-11-75, for Bunsī and 27-1-76 for Rajanda.

(9) Name of buyer . . . M/s. Jaglal Shaw Lakhanlal Shaw, 135/46, Girish Ghosh Road, Howrah-7.

(10) Date and Ref. of Delivery Order :—

(i) Secy/10(45)-B/937 dt. 13-8-75—Dhari & Dholpur.

(ii) Secy/10(45)-B/1168 dt. 6-10-75—Dhasan.

(iii) Secy/10(45)-B-1249 dt. 17-11-75—Bunsī.

(iv) Secy/10(45)-B/1473 dt. 27-1-76—Rajanda.

(11) Date of Physical Delivery . . . (i) Dholpur on 22-8-75

(ii) Dhari on 23-8-75.

(iii) Bunsī on 17-1-75

(iv) Rajanda on 30-1-76.

(v) Dhasan on 8-10-75.

(12) Names of Members of Tender Committee:—

(a) Shri P.G. Biswas F.A. & C.A.O.

(b) Shri M.D. Khatri Marine Supdt.

(c) Shri H.K. Sen Secretary.

(d) Shri T.K. Sengupta Supdtg. Engineer.

Approved by :—Shri M. Yusuf Khan, M.D. on 31-7-75.

(13) Particulars of buyers . . . The party requested to furnish information.

*Surveyed by Marine Supdt.

CIWTD LTD.

- (1) Advertised on 24-8-75 in (1) Amrita Bazar Patrika—24-8-75
 (2) Viswamitra—24-8-75
 (3) Statesman—24-8-75
 (4) Times of India (Bombay)—24-8-75

- (2) Names of vessels advertised (1) M.L. Ardmore.
 (2) M.L. Ardross.
 (3) M.L. Lion.
 (4) M.L. Otter.
 (5) M.L. Mackenzie
 (6) F. Tangra.
 (7) F. Tarrapore.
 (8) F. Ranchi
 (9) F. Sonada.
 (10) F. Dhanera.
 (11) S.S. Sanga.

(3) No. of Tenders sold . . . 24

(4) No of Tenders received . . . 6

(5) Name of vessels sold :

	Book Value	Survey Value	Sale Value.
(1) Sonada	25,333	*1,00,000	1,00,103
(2) Tarrapore	56,189	*1,00,000	1,00,103
(3) Dhanera	25,860	*1,00,000	1,37,103
(4) Ranchi	20,00	*1,00,000	1,00,103
(5) Tangra	50,9143	*1,00,000	1,05,000

- (6) Date of acceptance of Tender . . . Ref. Secy/10(45)-C/1315, dated 8-12-75.
 (7) Name of buyers . . . M/s. Jaglal Shaw Lakhniall Shaw, 135/46
 Girish Ghosh Road, Howrah-7.
 (8) Purchase consideration received . . . Sonada—15-12-75
 Tarrapore & Ranchi—10-3-76.
 Tangra—13-5-76.
 Dhanera—18-6-75.

(9) Date and ref. of delivery Order :—

- (1) Sonada Secy/10(45)-C/1335 dt. 15-12-76.
 (2) Tarrapore Secy/10(45)-C/1647 of 10-3-76.
 (3) Ranchi Secy/10(45)-C/1637 of 10-3-76.
 (4) Dhanera Secy/10(45)-C/379 of 18-6-76.
 (5) Tansra Secy/10(45)-C/210 of 13-6-76.

- (10) Date of physical delivery . . . (1) Dhanera 19-6-76
 (2) Tarrapore 11-3-76
 (3) Ranchi 11-3-76
 (4) Sonada 17-12-75
 (5) Tangra 18-5-76.

(11) Name of the members of the Tender Committee :—

- (1) Shri P.G. Biswas FA
 (2) „ M.D. Khatri MS
 (3) „ H.K. Sen SCY. 25-11-76.

Approved :—

Sd/- M. Yusuf Khan,
 M.D. 1-12-75

Particulars of buyers is requested the party to furnish.

*Surveyed by MS.

CIWTC LTD.]

- (1) Advertised on 28-12-75 in
- (1) Statesman 8-12-75
- (2) Amrita Bazar Patrika 28-12-75
- (3) Assam Tribune „
- (4) Dainik Asamia „
- (5) Viswamitra „
- (6) Times of India (Bombay) „

(2) Name of vessels advertised :—

(1) Sanga	(11) Rejang	(21) Barge No. 445
(2) Ardmore	(12) Rajnagar	(22) Barge Polwheel.
(3) Ardross	(13) Barge No. 14	(23) Water Barge 188
(4) Lion	(14) Barge No. 33	(24) Multani
(5) Mackenzie	(15) Barge No. 160	(36) Galla
(6) Otter	(16) Barge No. 182	(26) Gairala
(7) Dart	(17) Barge No. 183	(27) Sultana
(8) Arrow	(18) Barge No. 443	(28) Morna
(9) Jevelin	(19) Barge No. 20	(29) Mina
(10) Ranga	(20) Barge No. 444	(30) Mahi
		(31) Lemro

(3) No. of Tender papers sold . 22

(4) No. of tenders received . 6

(5) Name of vessels sold :

	<i>Book value</i>	<i>Survey value</i>	<i>Sale value</i>
(1) Cairala	[93,333	*1,50,000	1,51,103
(2) Sultana	[2,064	*1,00,000	[61,103
(3) Multani	[1,35,356	*1,50,000	1,51,103
(4) Pallona	[9,121	..	22,103
(5) Morna	[2,382	*1,00,000	41,103
(6) Mahi	[2,383	*1,00,000	41,103
(7) Mina	[2,382	*1,00,000	41,103
(8) Lemro	[3,979	* 1,00,000	65,103
(9) Ranga	18,667	* 1,00,000	95,000.

(6) Date of acceptance :—

(1) Gairala.	}	Secy/10(45)-D/1549 dt. 16-2-76.
(2) Sultana.		
(3) Multani.		
(4) Morna.		
(5) Mahi.		
(6) Mina.		
(7) Lemro.		

Pollar vice Rajnagar No. Secy/10(45)-D/311 dt. 31-5-76.

Ranga—Secy/10(45)-D/46 of 8-4-76.

(7) Name of buyers :—

(1) Gairala	}	Calcutta Metal Corporation, 135/35C Girish Ghosh Road, Belur, Howrah-7.
(2) Sultana		
(3) Multani		
(4) Pallora		
(5) Mahi		
(6) Mina		
(7) Lamro		
(8) Morna	}	M/s. Tirupati Shipping, 12/1, Lindsay Street, Room No. 5 Calcutta-16.
(9) Ranga		

(8) Payment received :—

Gairala & Sultana	12-3-76	
Multani	26-4-76	by cheque
Mahi, Mina Lemro	27-9-76	by cheque
Pallora, Morna	2-7-76	
Ranga	should be 3-6-76 and 21-6-76.	

(9) Date and ref. No. of delivery order :—

(1) Gairala	Secy/10(45)-D/1687 of 20-3-76
(2) Sultana	Do.
(3) Multani	Secy/10(45)-D/168 of 7-5-76.
(4) Pallora	Secy/10(45)-D/481 of 9-7-76.
(5) Morna	Do.
(6) Mahi	Secy/10(45)-D/832 of 13-10-76
(7) Mina	Do.
(8) Lemro	Do.
(9) Ranga	Secy/10(45)-D/402 dt. 23-6-76.

(10) Date of physical delivery :—

(1) Gairala—	2-4-76
(2) Sultana—	2-4-76
(3) Multani—	20-7-76
(4) Pallora	Do.
(5) Morna	Do.
(6) Mahi	}
(7) Mina	
(8) Lemro	
	29-10-76

(11) Name of Members of Tender Committee :—

(1) Shri P.G. Biswas	FA
(2) Shri M.D. Khatri	MS
(3) Shri H.K. Sen,	SC

Approved.

Sd/- M. Yusuf Khan,
PAD
for CH & MD
11-2-76

(12) Particulars of buyers : Parties requested to furnish their particulars.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on 15-2-76.

in (1) Statesman—15-2-76

(2) Amrita Bazar Patrika—15-2-76

(3) Viswamitra—15-2-76

(4) Assam Tribune—15-2-76

(5) Dainik Asamia—Did not appear

(6) Times of India (Bombay)—15-2-76

2. Name of vessels advertised :—

(1) Dhumlam

(2) Garhwali

3. Number of Tender Papers sold :— 9

4. Number of Tender received :—2

5. Name of vessels sold :—

	Book Value	Survey Value	Sale Value
	Rs.	Rs.	Rs.
[(i) Dhumlam	26,667	*1,00,000	71,501
(ii) Garhwali	25,334	*1,00,000	77,501

6. Date of acceptance of Tender :—Secy/10(45)-E/142
dated 30-4-76.

7. Sale finalised on 27-4-76.

8. Name of buyer :—M/s. Jaglal Shaw Lakhnallal Shaw,
134/46, Girish Ghosh Road, Howrah-7.

9. Date of payment received :—31-5-76
Rs. 82,151.60 p. 3-6-76 Rs. 70,791.06 p. By cheque.

10. Date of Delivery Order :—Secy/10(45)-E/376 of 18-6-76.

11. Date of Physical delivery :—11-9-76.

12. Names of the member of the Tender Committee :—

1. Shri M. D. Khatri —Marine Supdt.

2. Shri P. G. Biswas —F.A. & C.A.O

3. Shri H. K. Sen —Secretary

Approved by Cdr. K. Chelliah, C.M.D. 27-4-76.

13. Particulars of buyer :—Party requested to furnish the particulars.

*Surveyed by Marine Supdt.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on 21-3-76.

in (1) Statesman—24-3-76.

(2) Amrita Bazar Patrika—21-3-76.

(3) Assam Tribune—22-3-76

(4) Times of India (Bombay)—21-3-76.

2. Name of the vessels advertised :—

(1) Zangi

(2) Suhail

3. Number of Tender Papers sold :—10

4. Number of Tender received :—8

5. Name of vessels sold :—

	Book Value	Survey Value	Slae value
(i) Zangi	93,333	*1,60,000	2,30,100
(ii) Suhail	96,710	*1,50,000	₹ 1,25,555

6. Date of acceptance of Tender :—

Suhail —Secy/10(45)-F/241 dt. 20-5-76.

Zangi —Secy/10(45)-F/242 dt. 20-5-76.

7. Name of the buyers :—

(1) Suhail —M/s. Sam Steel Co.,
15, Zakaria Street, Calcutta-700001.

(2) Zangi —M/s. Bengal Hammer Industries (P) Ltd.,
135, Girish Ghosh Road, Howrah.

8. Sale finalised on :—13-5-76.

9. Payment received on (i) Zangi —1-6-76 by cheque

(ii) Suhail —Part 9-6-76

Rest 25-6-76.

10. Date of Delivery and reference :—

(1) Zangi —Secy/10(45)-F/366 of 12-6-76.

(2) Suhail —Secy/10(45)-F/654 of 20-8-76

11. Date of Physical Delivery :— (i) Zangi on 14-6-76.

(ii) Suhail on 1-11-76.

12. Names of Member of Tender Committee :—

(1) Shri M. D. Khatri —Marine Supdt.

(2) Shri P. G. Biswas —F.A. & C.A.O.

(3) Shri H. K. Sen —Secretary.

Approved by Cdr. K. Chelliah,
C.M.D. 13-5-76.

Particulars of buyers furnished separately.

* Surveyed by Marine Supdt.

CIWTC LTD.

- (1) Advertised on—16-5-76

Statesman—16-5-76.

Amrita Bazar Patrika—16-5-76.

Viswamitra—16-5-76.

Assam Tribune, Dainik Asamia—16-5-76

Times of India (Bombay Edition)—16-5-76.

- (2) Name of vessels — Str. Galla, Str. Ghilzai, M.L. Stream M.L. Mahseer.

- (3) No. of Tender papers sold —10

- (4) No. of Tenders received—7

(5) Name of Vessels (sold)	Book value as on 31-3-75.	Survey Value	Sale value.
Ghilzai	80,000	*1, 50,000	2,21,000
Galla	2,44,935	*1, 50,000	2,52,000

- (6) Tenders finalised on—4-6-76.

- (7) Date of acceptance—7th June 1976 —vide letter Secy/10(45)-G/340 & Secy/10(45)-G/339.

- (8) Payment received—Cheque received —2-8-76 for Galla.
-
- 10-7-76 for Ghilzai.

- (9) Name of buyer : M/s. Sam Steel & Co., 15, Zakaria street, Calcutta-700 001.

- (1) Ghilzai

- (2) Galla—Calcutta Metal Corporation, 135/35 Girish Ghosh Road, Belur, Howrah

- (10) Date of Delivery Order—Ghilzai—16-8-76—vide 10(45)-G/630

Galla—16-8-76—10(45)-G/612

- (11) Date of Physical Delivery—Galla—19-8-76.

Ghilzai—3-9-76.

- (12) Name of Members of Tender Committee :

- (1) Shri P. G. Biswas, FA & CAO.

- (2) Shri M. D. Khatri, MS

- (3) Shri H. K. Sen, Secretary.

Approved by CMD 4-6-76.

- (13) Details of buyers —(1) Calcutta Metal Corporation—Proprietorship Firm.
-
- Requested to furnish particulars.

- (2) Sam Steel Co.—Partnership Firm.

Name of Partners— (1) K. N. Sam.

- (2) I. K. Sam.

- (3) Gaffar Shakoor Naviwalla.

- (4) Bhagwandas Swaika.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on : 25-6-76, in

- (1) Statesman—26-6-76.
- (2) Amrita Bazar Patrika—25-6-76.
- (3) Viswamitra—25-6-76.
- (4) Times of India (Bombay)—25-6-76.

2. Name of vessels advertised :—

- (1) Address (5) Mackenzie
- (2) Ardmore (6) Otter
- (3) Sanga (7) Lion.
- (4) Barge Polwheel

3. Number of Tender Paper sold :—17.

4. Number of Tender received :—4.

Opened by Secretary and Marine Supdt.

5. Name of Vessels sold :—

	Book Value	Survey Value	Sale Value
(i) Address	18,109	*40,000	30,000
(ii) Ardmore	18,109	*40,000	20,000
(iii) Mackenzie	15,603	*40,000	25,000
(iv) Otter	14,630	*45,000	40,000
(v) Lion	14,630	*40,000	35,000

6. Date of acceptance of Tender : Secy/10(45)-H/580 dated 30-7-76.

7. Name of the Buyer :—Messrs. N. P. Singh & Others, Swastika Bhavan, Patna 800003.

8. Date of payment received :—17-9-76 by cheque.

9. Date of finalisation :—24-7-76.

10. Date of Delivery and reference No. Secy/10(45)-11871 dated 21-10-76.

11. Date of Physical Delivery :—15-12-76.

12. Names of Member of Tender Committee :—

Agreed by :—Secretary —Shri H. K. Sen 16-7-76.

F.A. & C.A.O —Shri P. G. Biswas 20-7-76.

Marine Supdt. Shri M. D. Khatri—16-7-76. $\frac{3}{4}$

Approved by Cdr. K. Chelliah, 24-7-76 C.M.D.

13. Particulars of buyers : Requested party to furnish the information.

*Surveyed by Marine Supdt.

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on 29-8-1976 in
 1. Amrita Bazar Patrika—27-8-76 3. Assam Tribune—29-8-76.
 2. Vishwamitra—29-8-76 4. Times of India(Bombay)—11-9-76.

2. Name of the vessels advertised :—

1. Taimani	6. Dart	11. Barge No. 33
2. Tebetan	7. Arrow	12. Barge No. 160
3. Chub	8. Javelin	13. Barge No. 4
4. Maleni	9. Sanga	14. Barge No. 5
5. Jet	10. Polwheel	

3. Number of Tender Papers sold 30

4. Number of Tender received 10

5. Name of vessels sold :—

	Book Value	Survey Value	Sale Value
	Rs.	Rs.	Rs.
(i) Taimani	1,84,893	*1,50,000	3,64,554
(ii) Tebetan	98,513	*1,50,000	5,00,952
(iii) Maleni	2,382	*1,00,000	59,022

6. Date of acceptance of Tender :—

(i) Tebetan	{ Reference : Secy./10(45)-I/828 dated 12-10-76.
(ii) Taimani	
(iii) Maleni	

7. Date of payment in cheque
 1st instalment received on 5-11-76 for Rs. 5,30,000/- (Taimani and Maleni).
 2nd instalment received on 24-11-76 — Rs. 4,38,000/- (Tebetan).

8. Date of finalisation on 6-10-76.

9. Name of the buyer M/s. Assam Udyog & Co., Mancotta Road,
 Post Box No. 22, Dibrugarh, Assam.

10. Date of Delivery Order
 (i) Taimani & { Secy./10(45)-I/934
 (ii) Maleni dt. 5-11-76.
 (iii) Tebetan { Secy/10(45)-I/1027
 dt. 24-11-76.

11. Date of Physical Delivery :—

- (1) Taimani—18-11-76 (2) Tebetan—29-11-76
 (3) Maleni—15-11-76.

12. Names of the Member of Tender Committee:—

- (1) Shri P. G. Biswas—F.A. & C.A.O.
 (2) Shri M.D. Khatri—Marine Supdt.
 (3) Shri H.K. Sen—Secretary.

Approved by Cdr. K. Chelliah, 6-10-76—
 C.M.D.

13. Particulars of buyers—Requested party to furnish the information.

*Surveyed by Marine Supdt.

CIWTC LTD.

1. Advertised on 21-11-76 (Sunday) in

- (1) Amrita Bazar Patrika— 22-11-76
- (2) Viswamitra—21-11-76
- (3) Times of India —Did not appear on
- (4) Calcutta Exchange Gazette—22-11-76

2. Name of the vessels advertised :—

- (1) Jamtara
- (2) Dhalkisor
- (3) Sagauli
- (4) Bawle
- (5) Barcherra
- (6) Ragha
- (7) Tyroon
- (8) Salmara
- (9) Towkok
- (10) Tundla (Tashi).

3. No. of Tender papers ^{*} sold . . . 18

4. No. of Tender received . . . 4

5. Tender finalised on 7-2-77 (Approved on 12-2-77)

	Book Value	Survey Value	Sale Value
	Rs.	Rs.	Rs.
1. Jamtara	23,191	77,500	1,07,111
2. Ragha	23,181	80,000	91,000
3. Dhalkisor	26,667	1,25,000	1,47,200
4. Sagauli	25,333	1,09,000	1,47,200
5. Towkok	29,773	88,000	1,22,000
6. Tundla	(Not available)	1,06,000	1,22,000
7. Salmara	25,333	1,09,000	1,47,200
8. Bawle	39,423	1,19,000	1,47,200
9. Barcherra	29,806	1,05,000	1,47,200
10. Tyroon	33,058	94,000	1,22,000

6. Date of acceptance :—

- 1. Jamtara
 - 2. Ragha
 - 3. Dhalkisor
 - 4. Sagauli
 - 5. Bowle
 - 6. Barcherra
 - 7. Tyroon
 - 8. Salmara
 - 9. Towkok
 - 10. Tundla
- } Secy./10(45)-J dated 7-2-77.

7. Name of buyer M/s. Bengal Hammer Industries (P) Ltd., 135, Girish Ghosh Road, P.O. Belurmath, Howrah.

8. Payment Received— Cheque received 23-2-77 —Tyroon, Ragha, Sagauli, Salmara.

Do. 9-3-77 —Towkok, Dhalkisor, Tundla.

Do. 27-6-77 —Barcherra, Bowle, Jamtara.

9. Date of delivery order :—

1. Jamtara Secy/10(45)J/111 of 15-7-77
2. Ragha J/1437 of 2-3-77
3. Dhalkisor J/37 of 15-4-77
4. Sagauli J/1437 of 2-3-77
5. Bowle J/111 of 15-7-77
6. Barcherra Do.
7. Tyroon —Secy/10(45)J/1437 of 2-3-77
8. Salmara J/1437 of 2-3-77
9. Towkok J/37 of 15-4-77
10. Tundla J/37 of 15-4-77

10. Date of physical delivery:—

1. Ragha 8-3-77
2. Dhalkisor 22-6-77
3. Sagauli 2-3-77
4. Bowle delivery withheld.
5. Barcherra 17-3-77
6. Tyroon 8-3-77
7. Salmara 8-3-77
8. Towkok 16-4-77
9. Tundla 16-4-77
10. Jamtara 25-10-77

11. Names of Member of the Tender Committee :—

1. Shri P.G. Biswas—F.A.
2. Shri M.D. Khatri—MS.
3. Shri H.K. Sen (M.K. Sarkar)—SCY.
4. Shri M. Yusuf Khan, PAD 22-2-77

Approved by C.M.D on 12-2-77.

Particulars of buyer—4 Private Ltd., Company.

Directors :—

1. Shri Ram Niwas Chowdhury 135, Girish Ghosh Road, Belur,
Howrah.
2. Smt. Mira Devi Chowdhury Do.
3. Shri Kamal Kumar Chowdhury Do.
4. Smt. Anurag Chowdhury Do.

CIWTC LTD.

1. Advertised on 28-11-76 (Sunday)

- (1) Amrit Bazar Patrika—28-11-76
 (2) Viswamitra—29-11-76
 (3) Times of India (Bombay Edition). Did not appear
 (4) Assam Tribune. Did not appear.
 (5) Calcutta Exchange Gazette—29-11-76

2. Name of vessels advertised :—

1. Ardlamont	7. Rainagar	13. Retam
2. Ardmarnock	8. Pakshan	14. Ardfin
3. Jet	9. Roorki	15. Gorakhpur
4. Toru	10. Pakoko	16. Hariana
5. Steam	11. Ratlam	17. Purley
6. Masheer	12. Ramganga	18. Purneah

3. No. of Tender papers sold—18.

4. No. of Tender received—6

5. Name of the vessels sold :—

	Book Value	Survey Value	Sale Value
	Rs.	Rs.	Rs.
1. Ardfin	86,667	75,000	97,000
2. Ardlamont	86,666	1,15,000	1,51,887
3. Ardmarnock	86,666	1,40,000	1,93,396
4. Rajnagar	26,667	1,20,000	1,41,509
5. Roorki	20,200	72,000	1,04,700
6. Ramganga	32,111	55,000	90,094
7. Ratem	24,119	55,000	78,500
8. Pakako	30,810	70,500	1,13,868
9. Mahseer	21,297	*12,000	12,424
10. Stream	13,333	*12,000	12,000
11. Rutlam	20,000	72,000	1,14,245
12. Purley	4,803	72,500	1,05,660
13. Pakshan	8,956	72,500	1,13,208
14. Purneah	18,667	72,500	1,05,660
15. Jet	34,630	*30,000	85,849

6. Date of acceptance :—

1. Jet	8. Retem	} Secy/31(6) dated 26-4-77
2. Stream	9. Ardlamont	
3. Mahseer	10. Ardmarnock	
4. Roorki	11. Rajnagar	
5. Pakako	12. Pakshan	
6. Rutlam	13. Purley	
7. Ramganga	14. Purneah	

Ardfin—Secy./31(6) dated 27-4-77.

7. Name of buyer :—

(i) Ardfin—Sam Steel Co., 15, Zakaria Street, Calcutta-1.

(ii) 14 Vessels—K.E. Salvage Corporation, 47, Rafi Ahmed Kidwai Road Calcutta-16.

8. Finalised on 26-4-77.

9. Payment received

Ardfin—14-5-77 (Dt. of delivery order No. Secy/10(45)-K/197 of 19-8-77).

Jet, Stream, Mahseer, Roorki, Pakako, Rutlam, Ram-	{	4,41,000	30-6-77
ganga, Retam, Ardlamont.		4,00,000	27-7-77
		1,50,000	4-8-77
Ardarnock, Rajnagar, Pakshan		2,00,000	19-8-77
Purley, Purneah.		1,00,000	24-8-77
		70,000	E.M. Adjust-
			ed.

(10) Date of delivery orders :—

(1) Ardlamont.	}	Secy./10(45)-K/204 dated 25-8-77.
(2) Ardmanook		
(3) Rajnagar		
(4) Roorki		
(5) Ramgange		
(6) Retam		
(7) Pakako		

(8) Mahseer.	}	Secy/10(45)-K/128 dated 19-7-77
(9) Stream.		
(10) Rutlam.		
(11) Jet.		

(12) Purley—Secy/10(45)-K/131 dt. 7-9-77.

(13) Pakshan—SECY/10(45)-K dt. 17-8-77.

(14) Ardfin—SECY/10(45)-K/ dt. 17-8-77

(11) DATE OF PHYSICAL DELIVERY—Physical Delivery withheld

(12) Name of the members of Tender Committee.

(1) Shri M.D. Khari—MS.

(2) „ P.G. Biswas—FA.

(3) „ H.K. Sen (N.K. Sarkar)—SCY.

(4) „ M. Yusuf Khan—PAD

Approved by CMD
26-4-77

Details of buyer—

Details in separate Sheet.

*Surveyed by MS.

Others by M/s. Norman Stewart

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

1. Advertised on 7-2-1977 in

(1) Viswamitra—5-2-77

(2) Economic Times—Cacutta —7-2-77 & Bombay—8-2-77 (Edition)

(3) Assam Tribune—10-2-77

2. Name of the vessels advertised :—

(1) Galiana

(8) Wave

(15) Barge—188

(2) Uzbek

(9) Taroba

(16) Barge—445

(3) Akbar

(10) Hijili

(17) Polwheel

(4) Sanga

(11) Rajang

(18) Welding Barge—4

(5) Arrow

(12) Barge—20

(19) Store Boat—5

(6) Dart

(13) Barge—33

(20) Ehug.

(7) Javelin

(14) Barge—160

3. Number of Tender Papers sold . 10

4. Number of Tenders received . 7

5. Tender finalised on . . . 13-7-77.

6. Name of vessels sold :—

	Book Value	Survey Value	Sale Value
	Rs.	Rs.	Rs.
(1) Barge 160	54	10,500	11,121
(2) Barge 188	1,333	15,000	15,251
(3) Barge 445	3,425	12,000	12,000
(4) Barge 20	1,333	9,000	9,101
(5) Barge 33 (embedded)	8,131	..	10,00
(6) Welding Barge 4	54	4,000	7,001
(7) Store Boat 5	54	4,000	7,501
(8) Galiana	94,630	1,60,000	3,07,611
(9) Uzbek	93,333	1,60,000	3,07,611
(10) Hijili	10,700	85,000	96,000
(11) Taroba	48,539	1,06,000	1,10,211
(12) Sanga (Embedded)	20,000	..	4,700
(13) Rajang	18,667	1,00,000	76,000
(14) Polwheel (Embedded)	19,394	..	15,000
(15) Akbar	20,089	70,000	91,000
(16) Wave	7,247	21,000	30,000

*Surveyed by Marine Superintendent and all others by M/S. Norman Stewart & Co.

7. Date of finalisation on 13-4-77.

8. Date of acceptance of tender : Secy/31(5) of 13-4-77.

9. Payment received :— Cheque received for Barge 33—27-4-77.

„ „ „ Akbar & Wave 2-5-77.

„ „ „ Uzbeg — 30-4-77.

Sanga and Rajang 14-5-77 and 16-5-77.

Barge-20, W.B.-4, S.B. 5, Barge—160

Barge—88 and Barge—445 on 30-4-77.

Cheque received on 7-6-77 for Hijili and Taroba and Galiana on 22-7-77.

Polwheel—Adjusted against Earnest Money deposit earlier.

10 Name of buyers :— (1) M/s. K.E. Salvaga Corporation, 47, Rafi Ahmed Kidwai Road, Calcutta-6 for "Akbar" & "Wave".

(2) M/s. Calcutta Metal Corporation, 135/35C, Girish Ghosh Road, P.O. Belur, Howrah for "Polwheel"

(3) M/s. Bengal Hammer Industries (P) Ltd, 13t, Girish Ghosh Road, P.O. Belurmath, Howrah for "Galiana", "Uzbog", "Taroba" and "Hijili"

(4) M/s. Shree Hanuman Forging Udyog, 8/3, Duffer Street, Station Road, for Howrah, for "Sanga" and "Rajang"

(5) M/s. Bijovchand Ramesh Chand, 135/35/10A, Girish Ghosh Road, Belur, Howrah, for "Barge—160" "Barge—188", "Barge—45", "W B —4", "S B—5" and "Barge—20"

(6) M/s. San Steel Co., 15, Jakaria Street, Calcutta—700001 for "Barge—33".

11. Date of Delivery Order on 2-5-77—Barge-160

Barge-188

Barge-445

Barge-20

W B 4

S B 5

on 14-5-77—Uzbeg

21-5-77—Akbar and Wave

23-5-66—Barge-33

26-5-77—San and Rajang

10-6-77—Polwheel

24-6-77—Hijili and Taroba

22-7-77—Galiana

12. Date of Physical Delivery —

17-5-77 —Barge-160, 188, 445, 20, WB-4,
SB-5

25-5-77—Uzbeg

27-5-77—Sanga and Rajang

7-6-77—Akbar and Wave

7-6-77—Barge-33

13-8-77—Taroba

25-8-77—Galiana

28-5-77—Polwheel

13 Names of the Member of Tender Committee :—

Shri M. Yusuf Khan —PAD,

,, P. G. Biswas —FA & CAO

,, M. D. Khatri —Marine Supdt.

,, N. K. Sarkar —Secretary

Approved by C.M.D. on 13-4-77

14 Particulars of buyers :—

- (i) M/s. K.E. Salvage Corporation — A partnership firm.
- (ii) ,, Calcutta Metal Corporation — A partnership firm
- (iii) ,, Bengal Harmer Industries. (P) Ltd.—A Private Co. Ltd.
- (iv) ,, Shree Hanuman Forging Udyog—A partnership firm.
- (v) ,, Bijoychand Rameshchand—A proprietorship firm.
- *(vi) ,, Sam Steel Co., Ltd.—A partnership firm.

@Details furnished in separate list. Others—requested to furnish.

 CIWTC LTD

- (1) Advertised on 28-2-66—Viswamitra,—28-2-77, Economic Times, Calcutta & Bombay Ananda Bazar—1-3-77
- (2) Name of vessels — Bahika-II, Bahika III, Farakka III, Harauli, Dhankuta, Manas, CF-14, CF-26, CF-27, CF-28
- (3) No. of tender papers sold —25
- (4) No. of tenders received 11
- (5) Name of vessels sold.

	<i>Book value</i>	<i>Survey price</i>	<i>Sale value</i>
(a) Dhankuta	25,591	1,10,000	1,62,000
(b) Harauli	18,667	75,000	1,15,060
- (6) Date of acceptance—Sale Note No Secy/31(6) dated 4-4-77.
- (7) Name of buyer— M/s. K.E. Salvage Corporation, 47, Rafi Ahmed Kidwai Road, Calcutta-16
- (8) Tender finalised on — 2-4-77
- (9) Date of payment—Received Cheque on 20-4-77
- (10) Date & Ref. No. of delivery order—Secy/31(6)-84 dated 28-4-77
- (11) Date of Physical Delivery—22-6-77

(12) Name of members of tender Committee—

- (a) PAD—Shri M. Yusuf Khan.
 (b) FA & CAO—Shri P. C. Biswas
 (b) MS—Shri M.D. Khatri
 (d) Secretary—Shri N.K. Sarkar.

Approved by CMD—Shri K. Chelliah on 2-4-77

(13) <i>Particulars of buyers Name of Partners</i>		<i>Partnership firm Residential Address</i>
1	Shri Asgarali Ehrahamji	25, Colootola Street, Calcutta.
2	„ Golam Abbas	Do.
3	„ S. Aman Ali	33/H/4, Mominpore Road, Calcutta-23
4	„ Golam Hussain	12, Gopal Chandra Lane, Calcutta-12
5	„ Abbasbhai Khanbhai	Darukhana 1st Lane, Mazagaon, Bombay-10
6	„ Asir Taharbhai	Darukhana, 1st Lane Mazagaon, Bombay-10
7	Mohd. Ali Khanbhai Hathari	15, Zakaria Street, Calcutta 73 (47, R.A. Kidwai Road, Calcutta-16).
8	Jainuddin H. Savarkundlawala	Do.
9	Alibhai Khanbhai Toriwala	Do.

Surveyed by Messrs Norman Stewart & Co,

ANNEXURE II

(Vide para 69)

CURRENTLY FOLLOWED

CENTRAL INLAND WATER TRANSPORT CORPORATION LIMITED (A GOVERNMENT OF INDIA UNDERTAKING)

4, Fairlie Place, Calcutta-700001.

SECRETARIAT DEPARTMENT

GENERAL CONDITIONS OF SALES

The.....vessels shall be sold strictly on 'as is where is basis' and free from all encumbrances and charges.

2. Thevessels to be sold are open for inspection to all intending purchasers or their authorised representatives who are requested to contact the Marine Superintendent, Tea Transit Sheds, 6, Garden Reach Road, Calcutta-43, for inspection of the vessels before making any offer.

3. This general conditions of sales shall serve the purpose of the letter of authority for inspection of the vessels.

4. All offers shall be addressed to the Secretary, Central Inland Water Transport Corporation Ltd., 4, Fairlie Place, Calcutta-1, in a sealed cover superscribed with the words "TENDER FOR SALE OF VESSELS". All offers will be received upto.....on.....and will be opened at..... at the above office on the same day in presence of the tenderers who may wish to be present.

5. No offer shall be considered unless it is accompanied by a Demand Draft of Rs. 5,000/- *for each vessel* drawn on a Scheduled Bank at Calcutta in favour of "Central Inland Water Transport Corporation Limited" as earnest money and a current Income Tax Clearance Certificate.

6. No interest shall be allowed on the earnest money to be deposited. The earnest money will be refunded to the unsuccessful tender/tenderers within a reasonable time without any interest.

7. There must not be any overwriting and/or erasing on the offers and all figures and words shall be written clearly in English. Any additions or alternations to the terms of offer made subsequently shall be liable to be rejected. Ambiguity must be avoided as far as practicable.

8. The owners do not bind themselves to accept the highest or any offer and also reserve the right not to sell the vessels or to sell the vessels after negotiation.

9. The party whose offer is acceptable shall arrange to deposit the full amount of the purchase value within 15 days from acceptance of the offer. Such payment shall either be made in cash or by a Bank Drafts at the owner's office at 4, Fairlie Place, Calcutta-700001. In default of such payment by the accepted tenderer/tenderers the vessels shall be sold to the next highest bidder at the entire risk of the defaulting tenderer/tenderers and the earnest money deposited by him/them shall be liable to be forfeited or adjusted accordingly.

10. Possession of the vessels immediately after payment of purchase consideration shall be delivered to the purchaser by issue of an order by the owners of the property and the vessels shall thereafter be deemed to remain solely at the entire risk of the purchaser. The purchaser shall take physical delivery of the vessels within 7 (seven) days from the date of issue of aforesaid order by the owner of the property and also shall remove the vessels within 30 (thirty) days from the date of payment of purchase consideration, failing which the purchaser shall be liable to pay wharfage, ground rent, crews wages and/or any other levies as may be determined by the owners of the vessels (selling authority), who will also be at liberty to remove the vessels at the entire risk and expense of the purchaser.

11. If any amount is payable on account of Sales Tax or any other levies/taxes pertaining to sale transaction, the purchaser shall be bound to pay such amounts, in addition to the price they have quoted.

12. The price for each vessel to be quoted on the prescribed proforma and to be exclusive of sales tax or other levies.

13. In all matters of dispute the decision of the Chairman-cum-Managing Director of the Central Inland Water Transport Corporation Ltd., shall be final and binding on the tenderer/tenderers.

14. The successful tenderer/tenderers shall enter into an agreement with the owners of the vessels regarding the sale of the vessels.

N. K. SARKAR,
Secretary.

APPENDIX III

Summary of Conclusions/Recommendations

S. No.	Reference to para No. in the Report.	Summary of Conclusions Recommendations.
1	2	3
1	149	The Committee are painfully shocked to observe that a large number of vessels which were very much in serviceable and water-worthy condition have been sold by the Corporation as a scrap at throw-away prices and in utter disregard of any rules or norms, thereby causing enormous loss to the Corporation. The extraordinary procedure adopted in the sale of vessels leads the Committee to the conclusion that this could not have happened without a pre-planned criminal conspiracy.
150		<p>The Committee have noticed the following disconcerting features in the transactions relating to the sale of these vessels:</p> <p>(1) The large scale sale of vessels started in August, 1976. No prior Government sanction was obtained by the Corporation for the sale of these vessels, though the vessels were mortgaged to the President of India.</p> <p>(2) (i) While seeking approval of the Board of Directors to the disposal of vessels "as surplus to requirements" full particulars of the vessels including their survey value on 'as is' basis, what to say of market value, were neither placed before the Board nor did the Board bother to know about these details before according approval. A case in point is about the sale of vessel 'Galiana'.</p>

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In fact the Board left the procedure for declaring vessels for purpose of scrapping and their sale to be laid down by the Chairman-cum-Managing Director which has produce disastrous results and has opened floodgate of corruption and malpractices.

(ii) What is more astonishing and beyond comprehension is the casual manner in which the Government Directors (representing the President) who are supposed to be the custodians of the Government of India interests, acquiesced in this decision of the Board. They seem to have been mere pliant tools and Government should consider whether they are fit to be given any assignment of responsibility.

(iii) As admitted by one of the Government Directors (Shri Dikshit) during the evidence—"he had no experience of being on the Board and had merely become a party to decisions taken by the Board." This is a sad reflection on the manner of selection of Government Directors appointed on the Boards of Public Undertakings and the role expected of them and calls for drastic change in the method of selection of Government Directors on Public Undertakings Boards.

(3) The survey valuation of the vessels has several intriguing features which are given below:

(i) Though the surveyors M/s. Norman Stewart came in the records of CIWTC in 1970, it was from November, 1976 that they were given the valuation business. No tenders or rates were called for or enquiries made in this behalf from other similar firms nor any advertisement given in the press. What is worse is that there is no

written document regarding their appointment and it would appear that they were arbitrarily appointed as surveyors by the officers of the Corporation. They were given valuation work from time to time on telephone without any written communication therefor; even telephonic conversations were not followed by subsequent written confirmation, as is the normal practice. The Committee is positive that M/s. Norman Stewart were hand-picked for survey work to suit the financial interests of the buyers of the vessels as also the officers of the CIWTC. This is borne out by the note recorded by Chairman-cum-Managing Director that the figures by the surveyors "should be acceptable to both the parties." Undoubtedly M/s. Norman Stewart and Co. were helping the officers of the Corporation and the purchasers.

- (ii) (a) According to M/s. Norman Stewart although the vessels should not have been termed as scrap, and their valuation should have been done on 'as is' value basis, still the Corporation insisted for giving the scrap value and got two sets of valuation (sometimes three), i.e. 'as is' value, the scrap value and the enforced sale value with an ulterior motive. The concerned officers in the Corporation kept the 'as is' value given by the surveyors to themselves and did not indicate it in the comparative chart put up for the consideration of the Committee of Technical Officers to enable them to decide about the fairness of the price offered by the bidders. Everybody including the Ministry and this Committee were kept in the dark about the 'as is'

value of the vessels to be disposed of and the scrap value was given as the 'survey value' which in most cases varied between 35 to 60 per cent of 'as is' value given by the surveyors. The Committee could unearth this fact after lot of exercise and probing. Such scrap value was falsely posed to be the fair market price and the officers of the Corporation disposed of numerous water-worthy vessels at a mere fraction of their real market value. For instance, on 'Galiana' pre-sale repair cost amounted to Rs. 13.38 lakhs and it was sold for a mere Rs. 3.07 lakhs. Whereas it was found that the replacement value of the same was estimated at Rs. 80 lakhs. This gives a clear indication of the enormity of the loss caused to the Corporation by this delivery of vessels. Although a C.B.I. scrupulous officers of the Corporation.

- (b) For the 43 vessels sold after November, 1976, the highest sale price they got was Rs. 3.07 lakhs and the lowest as low as Rs. 4,700.

As admitted by the senior partner of M/s. Norman Stewart (Shri Choksi), their letter-head appears to have been used by the officers of the Corporation to dispose of the vessels of the Corporation at throw-away prices. In fact the entire survey valuation business seems to be a facade introduced by the officers of the Corporation to defraud the Corporation and to benefit the buyers and themselves individually.

- (iii) The role played by M/s. Norman Stewart does not appear to be above criticism. They appear to have no business ethics

and gave multiple valuations as might please their clients. The time spent by them to assess the condition of a vessel and its survey value was stated to be about half an hour to one hour and they examined it 'just like a doctor examines the pulse'. Their charges for this work were stated to be constant since 1970 at Rs. 72 per vessel. The Committee have serious doubts whether the surveyors were at all serious about their duties which should have *inter alia* included examination of hull, body, engine etc., of the vessel. They merely lent their 'letter-head' for monetary consideration to be used for giving a valuation which enabled the officers of the Corporation to misrepresent the facts before the Board and the Government and give away the vessels at throw-away prices.

- (iv) (a) The role played by the head of the Department, namely the Marine Superintendent (Capt. Khatri) who has since been dismissed on charges of corruption after the Committee on Public Undertakings took up examination, and against whom prosecution had been recommended* by the Committee, and his trusted accomplice River Transport Officer (Shri Roy) in the Marine Department in this matter is conspicuous. Even after the selection of M/s. Norman Stewart in November, 1976, the Marine Superintendent continued to survey the vessels and fix their survey value, which prior to that he did in all cases. Out of the 43 vessels sold after November, 1976, four vessels *i.e.*, 'Mahsur', 'Stream', 'Jet' and 'Rajang' were surveyed by him and in the case of 3 of these vessels, the survey value given was even less than the

**Vide* Lok Sabha Secretariat letter No. 42/1/(7)-PU/77. dated 6th March, 1978 which *inter alia* reads as follows :—

"Chairman-cum-Managing Director of Central Inland Water Transport Corporation may be asked to explain why he (Capt. Khatri) is not being prosecuted and what are the reasons for the delay in the disposal of these cases"

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book value thereof. One can well imagine the monetary benefit that he must have derived out of these deals.

- (b) It is interesting to note that in this arrangement the Marine Superintendent has played the principal role. He has been surveying the vessels; he is a member of the Tender Committee to accept the bids; and he is the ultimate authority to give delivery of vessels. Although a C.B.I. enquiry was pending against him all this time, yet the then Chairman-cum-Managing Director (Shri Chelliah) had been shielding him.
- (4) Advertisements for sale of vessels were given only in 3 or 4 newspapers irrespective whether the number of vessels to be sold was 10 or 20. The newspapers selected for advertisement which were mainly Calcutta-based papers, included Calcutta Exchange Gazette and Assam Tribune, Gauhati which have very limited circulation. No advertisements were given in Madras papers or Urdu and other language papers. The advertisements were given only for one day and the expenditure incurred thereon had no relation whatsoever to the sale price expected to be realised. What is worse is that the advertisements were not given at prominent place but were inserted in an inconspicuous place in the papers so as not to catch the eyes of prospective buyers except a few. The result has been that the sales did not receive the minimum necessary publicity so that the vessels could fetch the maximum sale price. It

is clear that the CIWTC authorities were more anxious to hide the sale decisions rather than publicising them.

- 5) (i) When the number of vessels advertised was 10, the time given for receipt of tenders from the date of advertisement was 24 days but when the vessels advertised were 20 the time given was only 15 days. Similarly when the number of vessels sold was 2, tender papers issued were 25 and tenders received were 11 but when the vessels sold were 16, tender papers issued were 10 and the tenders received 7. What is most peculiar is that after the sealed tenders were opened, the tender Committee members started closed-door negotiations and re-negotiations, which in many cases went on for 2 to 4½ months. This facility of negotiations was not made known at the time of issuing tenders.
- (ii) The then Chairman-cum-Managing Director (Shri Chelliah) was the final approving authority. He formed the Tender Committee consisting of the then Principal Adviser (Shri Yusuf Khan), the FA&CAO (Shri P.G. Biswas who was also responsible for receiving payment), the Marine Superintendent (Capt. Khatri—who was also responsible for delivery of vessels) and the Secretary (Shri Sarkar who was also responsible for advertisement, receipt of tenders and other coordination work)—a hand-picked body. Surprisingly enough the Tender Committee did not include any Engineer, e.g., the General Manager, Rajabagan Dockyard who was in the know of things and qualified to judge the conditions of vessels.
- (iii) The tenders appear to have been finally approved in an indecent haste without careful

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consideration. On the very day a tender was accepted by the Tender Committee, papers were rushed to the then Chairman-cum-Managing Director who approved the same immediately. Evidently, the then Chairman-cum-Managing Director was 'waiting in the wings' to accord final approval to the sale of vessels.

- (6) (i) The conditions of sale were not observed at all. Out of the 46 vessels sold after August, 1976, payment within 15 days of acceptance of offer was received only in one case as required under the general conditions of sale. In the case of other 45 vessels payment has been received after 4 to 5½ months' time in violation of the conditions of sale.
 - (ii) In no case was the earnest money of the buyers with the Corporation forfeited for the default in payment. On the contrary the buyers were allowed to make payments even by instalments which was not at all provided for in the conditions of sale.
 - (iii) Furthermore, while the conditions of sale stipulated payment to be made in cash or by bank draft, actual payments in all the cases were made by cheques in clear violation of the sale conditions or the contracts entered into with the buyers therefor.
- (7) (i) Out of the 29 vessels physically delivered after August, 1976 (excluding the 17 vessels, delivery of which has been withheld at the instance of the Committee), delivery within 7 days from the date of order/or 30 days from the date of payment, was made in the case of 9 vessels as required under the general conditions of sale. In the case of other 20 vessels, delivery in number of cases

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has been made after 2 to 5 months time, from the date of issue of delivery order.

- (ii) The most striking feature is that no wharfage or crew charges whatsoever, which came to about Rs. 10,000 per vessel on an average, or over Rs. 50,000 for 5 months including interest thereon, were realised from the buyers for failure to take delivery in time as stipulated under the sale conditions. If this is also taken into account, it would appear that the buyers in many cases got the vessels almost for nothing. The Committee therefore recommend that the Tax authorities should probe into the matter to detect tax evasions, if any.
- (8) The purchase of the vessels was monopolised by a group of big five or six firms (owned by Khanbhai Yusufbhai and others) who were undoubtedly very familiar and thick and thin with the officers of CIWTC.
- (9) (i) In many cases, vessels were repaired extensively at heavy costs. Expenditure incurred on their repair was not taken into account while assessing their sale value. The surveyors were also not intimated about pre-valuation major repairs. The vessels after such costly repairs were used very little and were sold at ridiculously low prices. Furthermore, in a number of cases *i.e.*, the vessels—'Mahsur', 'Steam', 'Sanga' and 'Polwheel'—were sold even at less than their book value which was the lowest token value.
- (ii) Another notable instance in this regard is that the vessel 'Suhail' was sold by the Corporation soon after its electrification. It was sold even at less than the scrap value.
- (iii) Still another instance is that Tug 'S.L. Yak' was placed in the scrap list on 6th July, 1977

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despite spending Rs. 16,55,939 on its repair, during the period November 1974 to March 1976 and this Tug is still lying in an immobilised condition.

- (10) The cost of running river services amounts to a fraction of other modes of surface transport but here in CIWTC, which has lost about Rs. 21 crores, the river service could not run profitably for the simple and only reason that the CIWTC has no will and is seething with corruption, malpractice and mismanagement. A vessel (Galiana), which was repaired at Rs. 13 lakhs, was sold for Rs. 3.07 lakhs and one of the senior-most Engineers categorically said that the replacement value of this vessel was Rs. 80 lakhs.
- (11) (i) One of the glaring cases of criminal conspiracy, malpractice and fraud was the substitution of vessel 'Pallora' in place of 'Rajnagar'. The Corporation advertised for the sale of 'Rajnagar' (having book value of Rs. 26,667 and survey value of Rs. 2.20 lakhs) in December, 1975 and accepted quotation for its sale at Rs. 85,103 from Calcutta Metal Corporation. Later, vessel 'Pallora' (having book value as Rs. 99,121) was substituted and given illegally to the buyers in place of 'Rajnagar' at the same price, i.e., Rs. 85,103. The Sarang and Laskar of vessel 'Pallora' have stated that it was in good condition, whereas the Sarang and attendant of vessel 'Rajnagar' stated that it was in very bad condition.
- (ii) No survey of vessel 'Pallora' was conducted nor was prior approval of the Board sought for its sale. It was in September, 1976 that matter was brought before the Board and the Board considered the sale of vessel

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'Pallora' as 'irregular'. On an enquiry report submitted by the then Chairman-cum-Managing Director (Shri Chelliah), the Board in November, 1976 gave its *ex post facto* sanction to the sale of 'Pallora' but no action was taken against anybody for this serious fraud. Quite likely the then Chairman-cum-Managing Director (Shri Chelliah) was a party to the deal.

- (iii) Apparently it seems that vessel 'Pallora' which was in excellent condition and worth several lakhs of rupees, was given to the buyers in lieu of vessel 'Rajnagar' which was in a very bad shape.
- (iv) The Committee would recommend that if this vessel is traceable, the feasibility of regaining its possession should be explored by Government. Besides, the Ministry should order a fresh enquiry into the circumstances which led to the substitution of 'Pallora' in place of 'Rainagar' with a view to fixing responsibility and punishing the guilty persons.
- (12) (i) What has particularly irked the Committee is the fact that their recommendation made on 1st September and on 13th September, 1977 to withhold all further sale and delivery of sold vessels till the presentation of Committee's Report to Parliament was bypassed in a planned manner obviously for monetary considerations.
- (ii) The then Chairman-cum-Managing Director (Shri Chelliah), present Chairman-cum-Managing Director (Shri Yusuf Khan), FA&CAO (Shri Biswas), Marine Superintendent (Shri Khatri) and R.T.O. (Shri S. K. Roy) in particular and other officers concerned with sale of vessels were out to help the buyers.

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(iii) The conduct of Marine Superintendent (Capt. Khatri) is most reprehensible not only in the case of 'Jamtara' but in the matter of sale of other vessels also with which he was concerned.

(iv) The representatives of buyers (M/s. Hammer Industries) stated in his statement before the Chief Vigilance Officer on 28-9-1977 that "the flat 'Jamtara' will be scrapped at Allahabad" after transport of boiler of 300 m|tonnes from Haldia to Allahabad. which was "so heavy" that it could not be transported by any other mode of transport but could "only be done with the help of this flat (Jamtara) by river transport". According to the evidence before the Committee, this vessel has not been scrapped but is sailing under a different name "Balaji".

(13) (i) The Committee understand that to build a new vessel like 'Jamtara' today, it will cost Rs. 50 lakhs which was sold for Rs. 1,01,111. As admitted by the Ministry the circumstances in which vessel 'Jamtara' was delivered are not free from suspicion and they have now referred the case to CB for investigation.

(ii) It is surprising that the Ministry did not ensure compliance with the decision of the Committee with the result that vessel 'Jamtara' was physically delivered to the buyers, although they came to know about Committee's written instructions much earlier.

(iii) What is more intriguing is that the letter of the then Chairman-cum-Managing Director of 6th October, 1977, which involved violation of the decision of the Committee was

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		disposed of at the level of the Chief Engineer-cum-Administrator (Shri Dikshit) in the Ministry and was not brought to the notice of the Secretary.
		(iv) It is evident that the conditions of the sale of vessels laid down by the Corporation and of the contract entered into in this behalf have been violated with impunity which should make these sales null and void. It is clear that the sellers and the buyers entered into a criminal conspiracy to defraud the Corporation.
3	151	<p>The Committee require that:—</p> <ol style="list-style-type: none"> (1) The sale of the 17 vessels, delivery of which has been withheld at the instance of the Committee, should be cancelled forthwith. (2) The feasibility of acquiring the vessel 'Jamtara' which is in operation by the buyers at Allahabad under a new name (perhaps 'Balaji') may be considered by Government. The Government machinery, i.e., the C.B.I., the Direct Taxes and other concerned authorities should enquire into all these cases with the object of realising the taxes and for taking such action as may be deemed necessary under advice to the Committee. (3) Vessels which can be used as they are or can be made water worthy after modification should not be sold because the Committee have decided to strongly recommend for creating a net work of river services which is the cheapest mode of transport. (4) The feasibility of filing criminal cases against those who had bought the vessels through dubious means and against those who had sold them for illegal gains should be explored. (5) The firm of Surveyors M/s. Norman Stewart and Co., have acted in a manner, as they

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did, was obviously for monetary gains and for furthering their business interests, which is unbecoming of a recognised firm of approved valuers and surveyors. The Ministry should, therefore, notify all concerned undertakings and Government Departments that their reports on valuation etc., should not be taken seriously and should not form the basis of any transactions.

- (6) The Committee are concerned to observe that all the chief spokesmen of CIWTC, who appeared before the Committee—the then Chairman-cum-Managing Director (Shri Chelliah), present Chairman-cum-Managing Director (Shri Yusuf Khan), FA&CAO (Shri Biswas), Marine Superintendent (Capt. Khatri), Secretary (Shri Sarkar) made false statements before the Committee despite repeated warnings not to conceal facts. To cite an instance, Capt. Khatri, when asked how many vessels did he survey after November, 1976, first he said it was one, then he said it was two and later on he said that for three of them he had given value. It was only after examination in depth that the Committee found that he had valued more than 30 vessels.

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The Committee have no other alternative but to come to the inescapable conclusion that a handful of top-most officials of CIWTC conspired with the buyers and allowed the vessels to be sold for a fraction of their value, causing colossal losses to the Corporation. Obviously, this was done for private monetary gains on the part of such officials. The Committee have no doubt that because of these sorts of shady transactions, the finances of the Corporation are in a very bad shape today. There is an accumulated loss of over Rs. 21 crores. Through dishonest means, they have succeeded in totally crippling the

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river services of the Corporation, which is the cheapest mode of transportation and has thus helped in escalating the cost of transportation of essential commodities in the country. Moreover, inaccessible areas like Cachar, Mizoram and Tripura have been left without any easy and cheap mode of transportation for the essential consumer goods as well as items of produce. The Committee have no doubt that had the management shown the basic minimum honesty and integrity in the matter of dealing with the financial and business affairs of the Corporation, this undertaking would undoubtedly have been able to run the river services effectively and at the same time produce a much better profit-and-loss account before the country.

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The Committee are distressed to note that it was almost impossible to get the truth out of the officials who had appeared before them. The Committee have no doubt that the following officers of the Corporation were involved in the shady transactions relating to the sale of vessels:

1. Shri K. Chelliah, the then Chairman-cum-Managing Director.
2. Captain M. D. Khatri, the then Marine Superintendent.
3. Shri P. G. Biswas, FA&CAO.
4. Shri M. Yusuf Khan, the present Chairman-cum-Managing Director.
5. Shri N. K. Sarkar, the then Secretary.
6. Shri S. K. Roy. River Transport Officer.

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The Committee are of the opinion that the then Chairman-cum-Managing Director (Shri Chelliah) and the then Marine Superintendent (Capt. Khatri) played a leading role in the dubious sales of vessels. Shri Biswas was one of the closest abettors of the above officers. These officers brought the Corporation to the brink of disaster.

1	2	3
7	155	The Committee have serious doubts whether the officers mentioned in Para 153 above are fit for any position of trust and responsibility in any Government or public sector undertaking.
8	156	The Committee recommend that an Enquiry Committee headed by a sitting or retired Supreme Court Judge should go into the whole matter in depth so that the responsibility could be fixed and appropriate action taken against those found guilty.
