

**PUBLIC ACCOUNTS COMMITTEE
(1969-70)**

(FOURTH LOK SABHA)

EIGHTY-SIXTH REPORT.

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 42nd Report (Fourth Lok Sabha) on Appropriation Accounts (Civil), 1966-67 and Audit Report (Civil), 1968 relating to the Ministry of Transport and Shipping.]



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FORRIGENTA TO THE EIGHTY-SIXTH REPORT OF P.A.C. •
 1969-70) PRESENTED TO LOK SABHA ON 4.3.1970.

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PUBLIC ACCOUNTS COMMITTEE
(1969-70)

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22. Shri Tarkeshwar Pande

SECRETARIAT

Shri A. L. Rai—Deputy Secretary.
Shri K. Seshadri—Under Secretary.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 86th Report on the Action Taken by Government on the recommendations contained in their 42nd Report (Fourth Lok Sabha) on Audit Report (Civil), 1968 and Appropriation Accounts (Civil), 1966-67 relating to the Ministry of Transport & Shipping.

2. On 7th June, 1969, an "Action Taken" Sub-Committee was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the Committee in their earlier Reports. The Sub-Committee was constituted with following Members:—

1. Shri N. R. M. Swamy—Convener.
2. Shri H. N. Mukerjee
3. Shri K. M. Koushik
4. Shri Tayappa Hari Sonavane
5. Prof. Shanti Kothari
6. Smt. Sushila Rohatgi

3. The draft Report was considered and adopted by the Sub-committee at their sitting held on 15th November, 1969 and finally adopted by the Public Accounts Committee on the 6th December, 1969.

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

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

NEW DELHI;
22nd December, 1969.

1 Pausa, 1891 (S).

ATAL BIHARI VAJPAYEE,
CHAIRMAN.
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with action taken by Government on the recommendations of P.A.C. contained in their 42nd Report (Fourth Lok Sabha) on Appropriation Accounts (Civil), 1966-67 and Audit Report (Civil), 1968 relating to the Ministry of Transport and Shipping.

1.2. The action taken notes/statements on the recommendations of the Committee contained in the Report have been categorised under the following heads:

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

S. Nos. 2, 3, 12, 13, 14, 15, 16, 19, 20, 21, 22 and 23.

(ii) Recommendations/observations which the Committee do not desire to pursue in view of the reply of Government:

S. No. 17.

(iii) Recommendations/observations in respect of which Government have furnished interim replies:

S Nos. 1, 4, 5, 6, 7, 8, 9, 10, 11 and 18.

1.3. The Committee hope that final replies in regard to the recommendations to which interim replies have been furnished will be submitted to them expeditiously after getting them vetted by Audit.

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

Lateral Road Project—Plant & Machinery lying Idle—Paragraphs 1.15, 1.18 and 1.22 (S. Nos. 1, 4 and 8).

1.5. In paragraphs 1.1-1.22, the Committee had commented on a project for construction of a lateral road 1,111 miles long from Amingaon in Assam to Bareilly in Uttar Pradesh at an estimated cost of Rs. 110 crores. The Committee made the following observations in this connection in paras 1.15, 1.18 and 1.22 of their 42nd Report (Fourth Lok Sabha):

“The Committee find it hard to understand how, after having embarked on the construction of a lateral roadway on a

priority basis in 1963 and entered into commitments, Government could abruptly decide in 1966 to downgrade the priority and virtually suspend further work on the project. In the result, the roadway has come up in unconnected stretches and in several sections had not progressed beyond the stage of earth work which, not being metalled, could well be eroded by the rains. The Committee also note with concern that out of machinery and equipment worth Rs. 825 lakhs ordered for the project, about one-third of the machinery and equipment of the value of Rs. 282 lakhs (including imported machinery of the value of Rs. 154 lakhs) has already been rendered surplus. It is evident that orders for the equipment and machinery were placed without thorough and detailed investigation in consultation with the State Governments. The Committee cannot help feeling that the whole project, in fact was planned in haste and without a careful assessment of the long-term requirement *vis-a-vis* available resources." (Para. 1.15 of 42nd Report—Fourth Lok Sabha).

"The Committee note that out of orders for machinery and equipment for Rs. 4.97 crores pending at the time the project was downgraded in priority, Government have been able to cancel orders for only Rs. 1.52 crores. The Committee would like Government to examine in detail how best the standing commitments in this respect could be got over, keeping in view the changed requirements and financial implications."

(Para. 1.18 of 42nd Report—Fourth Lok Sabha).

"The Committee hope that the High Level Committee set up in October, 1968 will finalise its report with expedition. The Committee may be apprised of the main recommendations of the High Level Committee together with Government's decision thereon."

(Para 1.22 of 42nd Report—Fourth Lok Sabha).

1.6. In their reply dated 17th October, 1969, the Ministry of Transport and Shipping (Roads Wing) stated:—

"The conclusions of the Committee are noted. The question is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM-1(1)/67, dated the 7th October, 1968 and its

Chairman of the Committee is being examined further in the light of details of work done and work yet required to be done specially finalisation of the report and the time that is necessarily needed by the Committee for the purpose. As soon as a decision is taken on the request of the Chairman of the Committee about further extension of time, the Lok Sabha Secretariat will be informed of the position further."

1.8. The Committee are not happy over the delay in the submission of the report by the Road Building Machinery Committee. This High Level Committee was constituted in October, 1968 to examine the arrangements for procurement and purchase of machinery for road works, review the extent to which existing machinery was being put to use and suggest measures for the optimum utilisation of surplus machinery etc. Though this Committee was to have submitted its report within a period of six months (i.e., by March, 1969), the report has not been submitted so far, in spite of an extension of time upto 15th October, 1969. A further extension of time upto 15th January, 1970 has now been asked for. The Committee hope that the report of this Committee would be finalised expeditiously and that it would provide firm guidelines to Government for procurement of machinery for road works on an economical basis, their optimum utilisation and proper upkeep.

1.9. In para 1.16 of their 42nd Report (Fourth Lok Sabha), the Committee made the following observations:

"What the Committee find particularly distressing is the fact that, though Government decided as early as August, 1966 to slow down the project, it was not till May, 1968, i.e., after the Audit paragraph on the case appeared, that Government took up the question of salvaging the investment in the project. A Study Team was then appointed to study proposals for completion of the project at the minimum possible cost. The Committee feel that a decision in this regard could well have been taken by Government in August, 1966, when they downgraded the priority of the project. The Committee note that Government have now accepted the recommendations of the Study Team that an additional amount of Rs. 29.62 crores should be provided for the project during the next three years to complete it by 1970-71. The Committee would like Government to ensure that the project is now com-

pleted on schedule so that no portion of the expenditure of Rs. 43.7 crores already incurred on the project is rendered infructuous."

1.10. In their reply, the Ministry of Transport and Shipping stated:

"The conclusions of the Committee are noted.

With a view to ensuring that the project was completed on schedule, instructions were issued to the State Chief Engineers concerned with the Lateral Road Project vide the Ministry of Transport and Shipping letter No. LR-5(10)/69, dated the 12th March, 1969 to work out a detailed programme for completion of items of work in a properly phased and realistic manner so as to accelerate the tempo of work and complete the works by March, 1971. They were requested to fix target dates of completion for each of the remaining items of work section-wise and bridge-wise and also ensure that these targets were later on adhered to. In order to watch the progress and to plan further programmes of work, existing progress reports were modified. For road works quarterly progress charts were introduced and monthly and quarterly progress reports were called for major and minor bridges respectively. These instructions were reinforced in the D.O. letter No. LR-5(10)/69, dated the 24th April, 1969 addressed by the Director General (Road Development) to the concerned State Chief Engineers."

1.11. In their further reply dated 13th November, 1969, the Ministry of Transport and Shipping stated:—

"(i) As desired in our letter No. LR-5(10)/69 dated 12th March, 1969, all the State P.W.D. authorities concerned have since submitted their phased programme of Road Works which has since been finalised and approved by this Ministry.

Most of the bridges in the States of Assam and West Bengal have already been completed. For the remaining bridges in these States and also in the States of U.P. and Bihar, the State Chief Engineers have been requested that the target dates for the various bridges works should be fixed only upto December, 1970 so as to provide for a cushion of about 3 months for any possible bottlenecks and delays and also to enable the expenditure to be booked within this period.

- (ii) **The progress reports of each section of Lateral Roads are being furnished by the State P.W.D. authorities. These reports are examined in this Ministry, compared with the quarterly targets in the approved phased programme and necessary comments, if any, are again communicated to them for future compliance.**

It is also proposed to convene a meeting of the Chief Engineers/ Additional Chief Engineers of the State P.W.D. in charge of the Lateral Road Works some time in November, or December, 1969 or so to review the progress of Lateral Road works as well as to speed up the work with a view to complete the project by the stipulated target date."

1.12. The Committee would like the Government of India to ensure that the State Governments of U.P., Bihar, West Bengal and Assam draw up a phased programme for completion of the lateral roadway by 1970-71. It is essential that the Government of India should maintain a strict watch over the progress of the work and co-ordinate and dovetail the programme of the concerned State Governments.

1.13. While dealing with the question regarding gainful use of the surplus machinery already purchased by the Government or which is in the process of supply, the Committee in para 1.19 of their 42nd Report (Fourth Lok Sabha) made the following observations:

"Government should also consider how the machinery already purchased or in the process of supply could be diverted to gainful use elsewhere. The Committee would like in this connection to draw special attention to the observations of the Study Team that these machines have been lying unwatched and exposed to the weather and that these have neither been used so far nor are likely to be used in the execution of the project. The Committee would like Government to take adequate steps to ensure that the machines should be protected against loss, theft, pilferage, cannibalisation or damage due to inclemencies of weather."

1.14. In their reply dated 17-10-1969, the Ministry of Transport stated:

"The question of diverting the machinery already purchased to gainful use elsewhere is under examination of the Road Building Machinery Committee appointed by Government vide Memorandum No. RM-11/67, dated the 7th October, 1968.

The following machinery has so far been transferred from LRP works to other States/Projects:—

Imported

(i) Grab Dredging Cranes	4 Nos.
(ii) Mobile Cranes	29 Nos.*
(iii) Tractor Dozer Crawler (Pushers)	3 Nos.

Indigenous:

(i) Diesel Road Rollers 8-10 ton capacity	2 Nos.
(ii) Portable Stone Crushers	19 Nos.
(iii) Granulators	16 Nos.
(iv) Tractors 24-37 H.P.	10 Nos.
(v) Graders	2 Nos.
(vi) Diamond Core Drilling Machines	1 No.
(vii) Concrete Mixers	6 Nos.
(viii) Concrete Vibrators Immersion type	12 Nos.
(ix) Power Winches with Grabs	2 Nos.
(x) Air Compressors 210 and 315 cfm.	12 Nos.

Steps are also being taken to utilise all the other surplus machines. This Ministry's Superintending Engineer (Mech.) posted at Gauhati and Patna have been requested *vide* letter No. RM-3 (37)/68, dated 19th August, 1969 to exercise proper check over the maintenance and safe custody of the machines by periodical inspections etc., and send their reports to this Ministry from time to time (say once a quarter). It may also be explained in this behalf that we had sanctioned in October, 1965, estimates for workshops and sheds in all the four States concerned with the LRP and also the purchase of tarpaulines and alkathine sheets to protect the Machinery in U.P. as desired by U.P. Government. In December, 1966 we requested these four State Governments to make arrangements for over-hauling the equipment, when necessary, so that the equipment was kept in serviceable condition (*vide* letter No. LRM-1 (4)/65 dated 20th December, 1966). In October 1967, we informed this Ministry's Superintending Engineers (Mechanical) posted in Assam and Bihar that one of their duties and functions was to ensure proper maintenance and repairs of all the machinery purchased out of Central funds for all the road projects *vide* letter No. RM-30 (2)/67, dated 26th October, 1967. In September 1968, we requested the Chief

* Out of the 30 Nos. intimated to the Lok Sabha Secretariat earlier, the transfer order in respect of one crane was cancelled because the transferee cancelled his demand.

Engineers of these States to ensure proper storage and maintenance of the machinery. A detailed procedure for this purpose was suggested to them in our letter No. RM-3 (37) 68, dated the 11th September, 1968."

1.15. In a further note dated 5-11-1969, the Ministry of Transport and Shipping stated:

"Machines lying in the custody of the State Governments are inspected by this Ministry's officers who have been posted in the States, besides the States' own inspection arrangements. These officers usually submit their inspection reports to this Ministry, which are forwarded to the State Governments for necessary action wherever necessary. The Chief Engineer (Mechanical) of this Ministry has also inspected the machines lying in the States of Bihar, Orissa and West Bengal and has submitted his reports of the inspections. Commencing from March, 1967 when the Ministry's Superintending Engineers (Mechanical) were posted in the States such inspections have been carried out from time to time, last inspections having been made by different officers on dates such as—

10-10-68	to	20-10-68
24-10-68	to	25-10-68
2-6-69	to	5-6-69
23-7-69	to	26-7-69
24-8-69	to	29-8-69

The Road Building Machinery Committee is going into the whole question and it is expected that it will make some recommendations in regard to the system for inspection of machinery lying at various sites in the States while reporting on the existing arrangements for maintenance, repairs and upkeep of the machines and improvements necessary in that respect."

1.16. In paragraph 1.15 of their Forty-Second Report (Fourth Lok Sabha), the Committee had drawn attention to the fact that machinery and equipment of the value of Rs. 2.82 crores out of a total of Rs. 8.25 crores procured for the lateral roadway had been rendered surplus. The Committee note that the question of diverting this surplus machinery is under examination by the Road Building Machinery Committee and that Government are taking steps to transfer some of the items of surplus equipment and machinery to other

States and projects. The report of the Road Building Machinery Committee is not now expected earlier than January, 1970 and the examination of the report and follow-up action thereon will take further time. The Committee would not like Government in the meanwhile to lose time in transferring the surplus machinery to other projects. The existing procedure of inspecting the machinery lying in the custody of the State Governments should also be reinforced so as to ensure their proper upkeep and maintenance.

*Delay in supply of dredgers, barges and tugs: (S. Nos. 10 and 11—
Paras 1.37-1.38).*

1.17. Under a scheme for provision of dredger-cum-survey pool for minor ports in India, the Government had placed orders for certain equipment as follows:

“Dredgers: An order for 2 cutter suction dredgers costing Rs. 150 lakhs (\$ 1,895,400 dollars portion of the contract price+\$ 800,000 cost of steel portion of the contract+Rs. 49,32,947 rupee portion of the contract price) plus custom charges, port dues etc. (about Rs. 20 lakhs) was placed on Messrs Ellicott Machine Corporation, U.S.A. through the India Supply Mission, Washington in August, 1961. The first dredger was stipulated to be delivered in June, 1963, and the second in October, 1963 (these dates were later extended up to September, 1963 and January, 1964 respectively).....The firm did not supply the dredgers in time. The first dredger could be completed and delivered only in October, 1965 and the second in March, 1967.”

“Tugs: An order for 2 Nos. tugs costing Rs. 45.50 lakhs was placed through the Directorate General of Supplies and Disposals on M/s. AFCCO, Bombay in April, 1964. It was stipulated in the contract that the first tug would be delivered within 12 months from receipt of the official order, import licence approval of drawings and all steel at firm's works, provided the imported items arrived at firm's works 5 months before delivery date i.e. by the 31st August, 1965. The second tug would be delivered within 2 months from the date of delivery of the first tug, i.e., 31st October, 1965. The first tug was delivered in December, 1966 and the second tug in April, 1967.”

“Barges: An order for 4 Nos. hopper barges at an estimated cost of Rs. 72.08 lakhs was placed through the Directorate General of Supplies and Disposals on M/s. Hooghly Docking and Engineering Co. Ltd., Howrah in June, 1965. It was stipulated in the contract that the first barge would be delivered within 9 months from the date of the receipt of the order subject to approved drawings and steel materials being available at firm’s works and subject further to receipt of machinery and other equipment from abroad and Directorate General of Supplies and Disposals Force Majeure Clause. The other 3 barges would be delivered within a period of six months thereafter.”

Commenting on the delay in the supply of the foregoing items, the Committee made the following observations in paras 1.37 and 1.38 of their Forty-Second Report (Fourth Lok Sabha):—

“1.37. The Committee note that Government have claimed a sum of Rs. 139.89 lakhs as liquidated damages from a firm for the belated supply of dredgers and that the matter is being referred to arbitration. They would like to be apprised of the outcome of the arbitration proceedings.”

“1.38. The Committee also note that liquidated damages are proposed to be claimed from certain other firms for delay in the supply of tugs and barges. They would like to be informed in due course of the settlement of these claims.”

1.18. In an action taken note dated 23rd August, 1969, the Ministry of Transport and Shipping furnished the following reply to the observations of the Committee:

Dredgers:—“The arbitration proceedings have been completed. However, the award has not so far been received. The award, when received, will be intimated to the P.A.C.”

Tugs:—“The contract for tugs was placed through the Directorate General of Supplies and Disposals. The question of liquidated damages is still under the consideration of D.G.S. & D.”

“Barges: The barges are yet to be delivered. This contract again has been placed through the D.G.S. & D. D.G.S. & D. will take up the matter of liquidated damages with the firm after the delivery of the barges has been completed.

It may take more than a year, as the delivery of the barges itself is for the present expected to be completed by the end of April, 1970.

The Public Accounts Committee will be informed of the settlement of these claims in due course as desired by them."

1.19. In a supplementary note dated 5th September, 1969, furnished at the instance of the Committee, the following further developments were brought to notice:

Dredgers: "The contract provided for the recovery of liquidated damages. As regards the procedure for the recovery of liquidated damages, India Supply Mission's Legal Adviser recommended arbitration in New York, provided both the parties agreed, on the ground that it would be more advantageous to the Government than Court procedure. In consultation with the Ministry of Law, a supplemental agreement for arbitration was entered into with the firm by India Supply Mission on the 31st January, 1968 as there was no arbitration clause in the contract. The arbitration is governed by the provisions of New York arbitration law.

The arbitrators heard the evidence during the latter half of February, 1969. The India Supply Mission, Washington was under instructions to intimate to the Ministry the arbitration award as soon as it was given. They have intimated in their letter No. SE.168/396/7629, dated the 18th August, 1969 that 'the arbitrators have not yet handed down their award but our Legal Adviser thinks that it would be forthcoming in the very near future'."

Tugs: "According to the stipulation in the contract for the manufacture and supply of tugs, the first tug was to be delivered within 12 months from the receipt of an official order, import licence, approval of drawings and all steel at the manufacturer's works provided the imported items arrived at the works five months before the delivery date. The provisional delivery date for the first tug was stipulated as 31st August, 1965 and for the second tug as 31st October, 1965. The first tug was delivered in December, 1966 and the second tug in April, 1967. Before the quantum of liquidated damages for the delay in the delivery of three tugs

could be assessed, the Director General of Supplies and Disposals has been asked to intimate, in the first instance, the extent of delay in the delivery which could be attributed to circumstances of a *force majeure* nature. The Director General of Supplies and Disposals was addressed in this regard on the 30th December, 1967. They are being periodically reminded to settle the issues involved in this contract."

Barges: "According to the contract, the first barge was to be supplied within 9 months from the date of receipt of order, subject to approved drawings and steel materials being made available at firm's works and subject further to the receipt of machinery and other equipment from abroad and the Director General of Supplies and Disposals' *force majeure* clause; the balance three numbers within a period of 6 months thereafter.

The first barge was delivered on the 12th August, 1969. The other three are yet to be delivered. The Director General of Supplies and Disposals first extended the date of delivery upto 30th September, 1967. Subsequently in November, 1967, a further extension upto 30th June, 1968 and in September 1968, a further extension upto 30th April, 1969 were granted without prejudice to any claim that may have to be made against the firm for liquidated damages for late delivery (except to the extent of delay in delivery admitted by the Director General of Supplies and Disposals as being due to circumstances of a *force majeure* nature). Since the above delivery dates could not be adhered to by the firm, the Director General of Supplies and Disposals made a proposal for extending the dates of delivery upto the end of September, 1969 (first barge); December, 1969 (second barge); February, 1970 (third barge) and upto the end of April, 1970 (fourth barge). These extensions have been agreed to by the Ministry without prejudice to the claim for liquidated damages for the late delivery except to the extent of delay in delivery attributed to the circumstances of a *force majeure* nature."

1.20. The Committee would like to be informed whether the claim for Rs. 139.89 lakhs pressed by Government against the firm for belated supply of dredgers has been upheld in arbitration.

1.21. As regards tugs, the Committee note that though delivery was completed by April, 1967, a final decision on the question of

liquidated damages recoverable from the firm for belated supply has still to be worked out. The Committee deprecate the inordinate delay on this count and would like the matter to be settled without further delay.

1.22. In regard to barges, the Committee observe that, though delivery of the four barges was to have been completed in a phased manner before the end of 1966, only one barge has so far been delivered and that too after a delay of over 3 years. The Committee would like the delivery position in regard to the remaining barges to be closely watched and appropriate penalty for delay in delivery to be recovered from the firm.

BORDER ROADS ORGANISATION

*State of repairs to Machinery and Equipment S. Nos. 12, 13, 14
(Paras 2.11 to 2.13)*

1.23. In paragraphs 2.1-2.14, the Committee dealt with the state of repairs to the machinery and vehicles with the Border Roads Organisation regarding major repairs/overhaul. As on 31st May, 1967, 21 per cent to 39 per cent of machinery etc. was under or awaiting repairs.

1.24. The Committee in paras 2.11, 2.12 and 2.13 (S. Nos. 12, 13 and 14) of their 42nd Report (Fourth Lok Sabha) made the following observations:

“The Committee are constrained to observe that the proportion of machinery and equipment awaiting repairs is very much on the high side. From the data furnished by Government, it is seen that the percentage of equipment under or awaiting repairs ranged from 23 per cent in the case of earth-moving and construction machines to 14 per cent in the case of other machines against the Department's normal allowance of 10 per cent. About one-third of the equipment under repair in the workshops categorised as 'earth moving and construction machines' and 'other machines' have been in the process of repair for periods ranging from one to over three years, while the proportion in the case of vehicles is a little over one-fifth. In the light of Government's claim that the output of the workshops is satisfactory, this position seems inexplicable.”

“The Committee cannot help feeling that the Border Roads Organisation has not tackled the problem of repairs to

machinery and equipment and vehicles in a businesslike manner. Perhaps the roots of this complacency lie in the fact that the Border Roads Organisation carry on very heavy inventory of machinery and equipment and vehicles costing over Rs. 31 crores, all of which obviously is not being put to optimum use. The Committee note that, in pursuance of the recommendations made by them earlier in paragraph 1.66 of their 18th Report (1968), Government have now specifically referred the question of optimum utilisation of machinery and equipment by the Border Roads Organisation to the Director of Scientific Evaluation. The Committee would like to await the result of the study and the action taken by Government on it to improve the utilisation of the existing machinery and equipment."

"In the meantime, the Committee suggest that performance in the workshops should cope efficiently with the heavy backlog of repair work. The Border Roads Organisation should also enlist the active assistance of the Army Base Workshops for carrying out repairs to machinery to the maximum extent feasible. Government may also like to examine whether adequate use has been made of the power delegated by them to the local formations for getting the repair work done through the civil trade where this is a more advantageous and expeditious alternative."

1.25. In their reply dated 8-9-1969, the Ministry of Transport and Shipping (Border Roads Development Board) stated:

"The total number of equipment and vehicles awaiting repairs comprises of not only those which are held in the workshops but also those which await evacuation from project sites. The difficulties faced in regard to speedy evacuation of equipment from project sites and the steps proposed to be taken by Government in this regard have been explained in the note submitted with reference to para 2.16 of the Committee's Report forwarded to the Lok Sabha Secretariat under No. F.1(10) BRDB 68-69.PAC dated 8.9.1969.

DGBR has attributed the accumulation of equipment in the Base Workshops mainly (i) to the inability of the GREF Base Workshops to cope with the arisings of class 'C' equipment and (ii) the non-availability of spares in balanced quantities over the entire range required. The steps which are being or proposed to be taken by Government in this regard have been indicated in the notes sub-

mitted with reference to paras 2.12 and 2.13 of the Committee's report (reproduced below).

The two Base Workshops at Pathankot and Tezpur started functioning as fully equipped towards the end of 1963. Since then, every effort has been made to make full use of the facilities in the Base Workshops. In 1965, difficulty was experienced by DGBR in getting certain technical and supervisory categories from the open market. After discussion with the Defence Ministry, the services of EME personnel were obtained to overcome this difficulty. The diversion of the spares purchased for overhauling towards maintenance was stopped. Various other steps were taken to expedite the delivery of spares. In order to reduce the arrears in overhaul, certain items of equipment were given to the Army Base Workshops for repairs. Commanders of the two Base Workshops were delegated in March 1968 enhanced financial powers for local purchase of spare parts. It was expected that this would enable them to buy locally the vital spares, which might not be available in stock. On the recommendations of the Shankar-Kumaramangalam Committee, DGBR, CEs and Commanders Base Workshops were also given powers to have repairs of equipment and vehicles executed through contract with trade.

The number of equipment and vehicles handed to Army Base Workshops and the number actually overhauled by them during 1965—69 are given in Appendix I. The output of GREF Base Workshops during the same period is indicated in Appendix II. In both GREF and Army Workshops the main limiting factor is reported to be the non-availability of spare parts in balanced quantities over the whole range required. The number of cases in which facilities were availed of by the Chief Engineers for getting work done through trade during 1966 to 1969 is tabulated in Appendix III.

The results of study by the Director of Scientific Evaluation are expected within three months. The Director of Scientific Evaluation has been requested to expedite the preparation of the report.

Meanwhile the following steps are being taken to expedite the overhauling of the equipment and vehicles:

- (a) Additional artisans and supervisory and store keeping staff have been sanctioned for the GREF Base Work-

shops at Pathankot and Tezpur with effect from 1.4.69 at an estimated cost of Rs. 9.37 lakhs per annum. This will enable the two Base Workshops to increase their capacity upto 60 per cent of the annual arisings of class 'C' equipment and vehicles. The question of introducing a second shift is also under consideration.

- (b) The holdings of 'Bank of Spares' for Komatsu tractor spares established by Bharat Earth Movers Limited are being reviewed so that emergent requirements of both Base and Field Workshops are readily met.
- (c) M/s. Tatas and Premier Automobiles have agreed to hold certain earmarked stock of spares (for TMB and Dodge vehicles) at or near Pathankot and Tezpur exclusively for the use of Border Roads Organisation.
- (d) The feasibility of getting more equipment and vehicles overhauled by Army Base Workshops or/and by contract with private or State Workshops is being examined in consultation with MGO and DEME Army Headquarters.

From the above, it will be observed that all suggestions contained in para 2.13 of the Forty-Second Report have been or are being implemented."

At the instance of the Committee the Border Roads Development Board have furnished the following statement showing the position in regard to the machinery awaiting repairs.

(I) Statement showing holdings of Equipment and those awaiting repairs.

	Total No. of machines /Vehicles	Number under or awaiting repairs			Percentage of vehicles awaiting repairs
		Under repairs in Wkps	Awaiting evacuation from work sites	Total	
Earth moving and construction ma- chines	1966	523	162	685	34.8%
Other machines	3636	582	118	700	19.3%
Vehicles	5546	818	257	1075	19.4%

(II) Statement showing periods for which equipment has been awaiting repairs.

	Number under repairs in Wkps for				Total
	Over 3 yrs.	Over 2 yrs.	Over 1 yr.	Less than 1 yr.	
Earthmoving and construction machines	47	115	168	193	523
Other machines	74	102	213	193	582*
Vehicles	96	59	188	475	818
Total	217	276	569	861	1923

Note : *include 84 eqpt due for 2nd O/H and 33 Hymatic Hydrovane compressors which have been recommended for discard without overhaul.

Statement showing repair position machinery-wise

	Total No. with the Org.	Number awaiting repairs in workshops for				At work site	Total	Percentage of machines under repairs
		Over 3 yrs.	Over 2 yrs.	Over 1 yr.	Less than 1 yr.			
Tractors (Whld & crawler)	721	27	70	91	62	63	313	43.4%
Motor Graders	47	1	4	2	4	5	16	34%
Compressors	745	38	66	72	75	72	323@	43.4%
Truck 15Cwt 1 Ton	1081	44	13	56	106	74	293	27.1%
Tipppers/Dump Trucks	600	22	18	14	57	86	197	32.8%

Note : @includes 61 compressors due for 2nd overhaul and 33 Hydramatic Hydrovane which have been recommended for discard without overhaul.

1.26. In a further note dated 31-10-1969, the Ministry of Transport and Shipping furnished a statement indicating the main recommendations of a Committee of officers set up to review and recommend the entire establishment of the two workshops of the Border Roads Organisation and the extent to which these recommendations were accepted by the Government.

1.27. From the report of the Committee of Officers* and the statement of action taken thereon, the Committee observe the following position in regard to the two base workshops of the Border Roads Organisation:

- (i) In 1961, when establishment for the two Workshops was sanctioned, it was sanctioned on the basis "that the overhaul capacity of the two Base Workshops should be 25 per cent of the total holdings both in the eastern and western sector." "The two base workshops were designed to cater for a work load of 9.05 lakh production manhours. This work-load was determined on the assumption that 25 per cent of the equipment and vehicles then held in General Reserve Engineering Force would be required to be overhauled in a year".
- (ii) The requirements for meeting the overhaul commitment for future works plans would be as under:

Year	Man-hours (in lakhs)
1968-69	9.58
1969-70	14.88
1970-71	13.78
1971-72	11.27
1972-73	9.18

"On the basis of the above figures, the Committee observed that the requirement for purpose of meeting the commitment for the works programme for the next five years in excess of the existing capacity of the two Base Workshops existed mainly for the years 1969-70, 1970-71 and 1971-72. The Committee, however, observed that the above figures included commitment for overhaul of equipment figures to 5.37 lakhs manhours by Army Base Workshops during 1968-69 which were likely to be spread over 1969-70 and 1970-71. It was also considered that the Army Base Workshops might undertake additional workloads. The gap between overhaul requirements for works programme for the next three years and the existing capacity of the GREF Workshops might, therefore be of the order of 1.00 to 1.5 lakh manhours per annum.

*Not reproduced in this report.

- (iii) "Besides this requirement for meeting the commitments for the planned programme, the Committee were aware that there existed a large backlog of class 'C' vehicles and equipment lying in the Base Workshops and in the Project areas.....The backlog works out to 36.17 lakh man-hours. This represents over three times the total annual capacity of the GREF workshops. The Committee was clearly of the opinion that backlog of this magnitude could not be cleared by ordinary means. Additional capacity had to be created for its clearance. Feasibility of overhauling of equipment through other means had also to be explored. While dealing with the question of increasing capacity, the Committee gave attention to certain inherent factors which might limit the extent to which expansion could take place. To begin with the existing machinery and plant itself might act as a limiting factor. Technical opinion in this regard was that with the existing plant and machinery it would not be practicable to achieve increase in output by more than 15—20 per cent in the existing shift. The lack of skilled personnel for taking up the jobs was also a problem. The supply of spares for undertaking repairs may also be a handicap particularly in the case of the imported equipment."
- (iv) "For meeting the requirement of the works plan for the years from 1969-70 to 1971-72, capacity of 10.5 lakh man-hours would be required on the assumption that the Army Base Workshop continue to handle load to the tune of 2 to 2.5 lakh manhours per annum."

1.28. In their further reply dated 14-11-1969, the Ministry of Transport and Shipping (B.R.D.B.) stated:

"According to the Director of Scientific Evaluation the finalisation of the report has been delayed as information on a number of points had to be collected from Border Road units located in far away places. DGBR has stated that a number of important points in the Report submitted by the Director of Scientific Evaluation in September 1969 require discussions with him. These discussions are currently being held and as submitted to the Convener, Action-taken Sub-committee of the PAC in the discussions held on 22.10.1969, a copy of the report will be submitted by 30th November, 1969 with the comments of DGBER."

The Border Roads Development Board have forwarded a copy each of the Operation Research Study on Utilisation of Resources

in Border Roads Organisation conducted by the Director General of Scientific Evaluation which was submitted by him on 10th September, 1969 and the comments of the Director General, Border Roads Organisation thereon submitted on 30th November, 1969.

1.29. From the information furnished by the Border Roads Organisation, the Committee cannot but conclude that the state of affairs in the two base workshops is far from a happy one. As pointed out by a Committee of Officers which examined the staffing pattern of the workshops, there is "a large backlog" of class 'C' vehicles and equipment awaiting repairs, representing "over three times the total annual capacity of the workshops." A backlog of this magnitude, as rightly pointed out by that Committee, "could not be cleared by ordinary means." The Committee would like the Border Roads Organisation to give urgent and serious consideration to the question how this backlog should be cleared. Apart from stepping up the output of the workshops, sustained measures will have to be taken to have as much of the repair/overhaul work off-loaded to Army Workshops and Trade as possible.

1.30. In paragraph 2.12 of their Forty Second Report (Fourth Lok Sabha), the Committee had also referred to the heavy inventory of machinery, equipment and vehicles in the Border Roads Organisation costing over Rs. 31 crores and stressed the need to ensure that the equipment was put to optimum use. The Committee were then given to understand that the question of optimum utilisation of the machinery, equipment etc. was under study by the Director of Scientific Evaluation. The Committee note that the Director General Scientific Evaluation has since submitted his report on the utilisation of resources in the Border Roads Organisation and that the report is under the consideration of Government. The Committee would like final action on the Report to be taken expeditiously.

*Need for standardisation of models with Border Roads Organisation—
S. No. 19, Paragraph 2.24*

1.31. With the multiplicity of models of various equipment with the Border Roads Organisation, the Committee in para 2.24 (S. No. 19) of its 42nd Report (Fourth Lok Sabha) made the following observations:

"The Committee also notice from the statement that there is a multiplicity of models of various equipment with the Border Roads Organisation. This would undoubtedly complicate the problem of procurement of spares. The Com-

mittee would like Government to consider how best, in the interests of rationalisation, the equipment to be procured, could be standardised."

1.32. In their reply dated 8th September, 1969, the Ministry of Transport and Shipping stated:

"In the past, different types of models of equipment and vehicles were purchased because (i) of the urgency of supplies; (ii) the availability of aid and foreign exchange and (iii) lack of adequate experience of the equipment after they have been used in difficult terrain and high altitude areas.

The question of standardisation of equipment and vehicles has, however, been engaging the attention of Government and it has been decided in principle that in respect of equipment which is to be imported, the organisation will standardise on one type. In the case of indigenous equipment, only 2 types of equipment would be purchased. In regard to certain equipment like Crawler tractors, Wheeled tractors, Jeeps and 1-ton vehicles, decisions have already been taken. In regard to the remaining major items like compressors, motor graders, road rollers, stone crushers, concrete mixers, pavers, generating sets, recovery vehicles, snow clearance equipment, 3/5 ton vehicles, etc. D.G.B.R. has stated that certain data on specifications, maintainability, reliability and efficiency have already been collected and since standardisation would depend largely on users performance reports, action has been taken to obtain them. D.G.B.R. expects to evaluate these reports and submit his recommendations by March 1970. It is expected that decision on main items of equipment will be taken by December, 1970."

1.33. In their further reply dated 14th November, 1969, the Ministry of Transport & Shipping stated:

"In view of the voluminous work involved, it may not be possible to finalise the decision on the standardisation of the main items of equipment before December, 1970. However, efforts will be made to tackle the work expeditiously and complete the task before October, 1970."

1.34. In para 2.24 of their 42nd Report (Fourth Lok Sabha), the Committee had drawn attention to the fact that a multiplicity of models with the Border Roads Organisation had complicated the problem of procurement of spares. The lack of spares has in turn

resulted in equipment and machinery stagnating in the repair workshops for long periods. The Committee note that steps for standardisation of machinery and equipment with the Border Roads Organisation are under study and that decisions in this regard affecting the main items of equipment will be taken by December, 1970 if not by October 1970. The Committee regret the inordinate delay in this regard and hope that decisions on these points will be speeded up.

Procurement of spares for repairs/overhaul—S. No. 20 (Paragraph 2.25).

1.35. In paragraph 2.25 of their Forty-Second Report (Fourth Lok Sabha), the Committee had made the following observation in regard to the delay in procurement of spares required by the Border Roads Organisation:

“The Committee are alarmed to find that 263 indents for spares valued at Rs. 1,603 lakhs are pending with various authorities like the Director General, Supplies and Disposals, Director General, Ordnance Factories and Bharat Earth Movers Ltd. 101 of these indents valued at Rs. 774 lakhs have been pending for over a year, the value of indents pending for over 3 years being Rs. 436 lakhs. The fact that substantial indents are pending over a long period of time raises the question whether the Border Roads Organisation have taken adequate follow-up action on the indents and maintained close liaison with the supply organisations concerned. The Committee would urge Government to have the matter looked into closely so that delays at various stages are eliminated.”

1.36. In their reply dated 6th September, 1969, the Border Roads Development Board have stated as under:

1.36. In their reply dated 6th September, 1969, the Border Roads statement I forwarded under U.O. F. 1(10)/BRDB/68-69/PAC dated 18-11-68 represents the total value of indents including those against which supplies had been completed by 31-3-68. The outstanding indents on 31-3-68 were 147

Nos. valued at Rs. 1,086.46 lakhs. The corresponding position as on 31-3-69 is given below:

	As on 31-3-68	As on 31-3-69
(i) Total No. of indents placed so far	263	297
(ii) Total value of indents at (i) above	Rs. 1,603.89 lakhs	Rs. 1,844.25 lakhs
(iii) No. of indents pending	147	128
(iv) Value of pending indents at (iii) above	Rs. 1,086.46* lakhs	Rs. 973.61* lakhs

The break-up of 128 indents which were pending on 31-3-69 is given below:

	Agency of Supplies			
	No.	DGS—D	BEML	DGOF
Pending over 3 years	28	21	5	2
Pending over 2 years	32	19	8	5
Pending over 1 year	34	23	8	3
Pending less than 1 year	34	24	10	..

With a view to expediting deliveries against indents already placed, Director General Border Roads and his officers have been having periodical meetings and discussions with the Director General, Supplies and Disposals and his officers. During 1967-68, six meetings were held in the room of DGS&D at DGBR's request. Similarly, periodical discussions took place with officers of DGOF. Director General Border Roads has reported that as a result of the above discussions and personal contacts, there has lately been an improvement in the supply of spares.

The Department of Supply are taking steps to expedite the conclusion of rate running contracts, the placing of ATs as early as possible and also the question of imposition of suitable penalty in the form of liquidated damages in case of failure of the suppliers to conform to the delivery schedule."

*These figures are not exclusive of the value of the spares which have been delivered against the indents as the figures of cost of the items delivered are not readily available.

1.37. At the instance of the Committee, the Border Roads Development Board have furnished copies of the record of the periodical discussions held between the officers of the Directorate General Supplies and Disposals and the Directorate General Border Roads Organisation during the period April, 1967 to March, 1969, in connection with indents placed on the Director General Supplies and Disposals by the Director General Border Roads. From the record of discussions, the Committee find that delay in procurement of spares is mainly due to the following reasons:—

- (i) Delay in supplies by the contractors and extensions given to them beyond the date of the delivery by the D.G.S. & D.
- (ii) Delay in providing foreign exchange for the indents involving import of stores and delay in getting clearance from the Director General Technical Development.
- (iii) Delay in conclusion of rate contracts by the Director General Supplies and Disposals in respect of indigenous stores.
- (iv) Placing of indents by the Director General Border Roads even in respect of those stores for which rate contracts have been concluded by the D.G.S. & D.
- (v) Covering of indents by the D.G.S. & D. in parts resulting in imbalance in supply of stores.
- (vi) Difficulty experienced in procurement of spares for out-dated equipment.
- (vii) Failure of suppliers to supply maintenance spares along with new equipment because of their reluctance to arrange for spares out of their commercial quota of foreign exchange.
- (viii) Failure of manufacturers to supply literature about interchangeability of parts with the result that Director General Border Roads is not able to use the latest part numbers although the items in question might have already been delivered.

In their further reply dated 4th December, 1969, the Ministry (B.R.D.B.) have stated:

“The number of items which were pending supply in part or in full, as on the 31st March, 1969 was 19483. As a result of action taken to expedite supplying agencies, the total total number of items awaiting supply on the 30th September, 1969 is 12815.

Further steps to bring about an improvement in supply of spares are under the consideration of Government."

1.38. The Committee find that the position regarding pending indents for spares has not shown any appreciable improvement. 128 indents for spares valued at Rs. 9.74 crores were still to be processed as on 31st March, 1969. Of these, 94 indents were pending for periods ranging from 1 to 3 years; the bulk of the indents with the Director General Supplies and Disposals. The Committee cannot help expressing dissatisfaction over this position and would like the supplying agencies concerned, particularly the D.G.S.&D., to take concerted steps to speed up procurement. In view of the inordinate delay in procurement of spares, which has been occurring from year to year, the Committee would like Government to consider whether a change in procedure for procurement is called for.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

What the Committee find particularly distressing is the fact that, though Government decided as early as August, 1966 to slow down the project, it was not till May, 1968 i.e., after the Audit paragraph on the case appeared, that Government took up the question of salvaging the investment in the project. A Study Team was then appointed to study proposals for completion of the project at the minimum possible cost. The Committee feel that a decision in this regard could well have been taken by Government in August, 1966, when they downgraded the priority of the project. The Committee note that Government have now accepted the recommendations of the Study Team that an additional amount of Rs. 29.62 crores should be provided for the project during the next three years to complete it by 1970-71. The Committee would like Government to ensure that the project is now completed on schedule so that no portion of the expenditure of Rs. 43.7 crores already incurred on the project is rendered infructuous.

(S. No. 2 Appendix IV) Para 1.16 of 42nd Report (4th Lok Sabha).

Action taken

The conclusions of the Committee are noted.

With a view to ensuring that the project was completed on schedule, instructions were issued to the State Chief Engineers concerned with the Lateral Road Project vide the Ministry of Transport & Shipping letter No. LR-5(10)/69. dated the 12th March, 1969 (Annexure I) to work out a detailed programme for completion of items of work in a properly phased and realistic manner so as to accelerate the tempo of work and complete the works by March, 1971. They were requested to fix target dates of completion for each of the remaining items of work section-wise and bridge-wise and also ensure that these targets were later on adhered to. In order to watch the progress and to plan further programmes of

work, existing progress reports were modified. For road works quarterly progress charts were introduced and monthly and quarterly progress reports were called for major and minor bridges respectively. These instructions were reinforced in the D. O. letter No. LR-5(10)/69, dated the 24th April, 1969 addressed by the Director General (Road Development) to the concerned State Chief Engineers (Annexure II).

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29(6)|69 dated 21-10-1969.]

ANNEXURE I

(Copy)

No. LR-5(10)/69

MINISTRY OF SHIPPING AND TRANSPORT (ROADS WING)

New Delhi, the 12th March, 1969

To

The Additional Chief Engineers,
(Incharge of Lateral Road Project)
U.P./Bihar/West Bengal/Assam,
Public Works Department,
Lucknow/Patna/Calcutta/Shillong.

SUBJECT:—*Progress reports for Lateral Road Projects.*

Sir,

I am to invite a reference to this office letter No. LR-5(10)/68, dated the 26th November, 1968 in which the completion of the lateral road by the end of financial year 1970-71 has been contemplated. To adhere to this over-all programme the tempo of lateral road works has to be considerably accelerated. It will, therefore, be in the interest of this office and the state P.W.D. to work out a detailed programme for completion of items of work in a properly phased and realistic manner. You are requested to fix target dates of completion of each of the remaining items of work section-wise and bridge-wise and also ensure that these targets are later on

adhered to. In order to watch the progress and plan further programmes of work, it is proposed to introduce modifications in the existing progress reports as given below:

(a) *Road Works*:—

It is proposed to introduce a quarterly progress chart vide proforma given in annexure I showing:

- (i) progress of each item of work mile-wise in each section,
- (ii) position of actual achievements of each finished item of work vis-a-vis target figure, and
- (iii) position of overall expenditure in each section vis-a-vis financial targets laid down in the programme.

It is requested that this quarterly progress chart may be reviewed by you and then forwarded to this office duly consolidated every quarter. The first quarterly progress chart may be sent for the quarter ending March, 1969. The instructions given in the enclosed annexure II may kindly be kept in view while preparing this progress chart.

This quarterly progress chart is in addition to the quarterly tabular progress report and mile-wise progress chart being sent to this office in compliance of this office letter No. LR-5(2)'68, dated the 8th February, 1968. It is requested that the tabular progress reports may in future be sent to this office monthly instead of quarterly in the proforma given in annexure III. This proforma is the same as is being used at present except that a column showing quarterly targets has been added. Mile-wise progress chart hitherto sent with the tabular progress report may be discontinued.

(b) *Bridge works*:—

The progress reports for bridges may be sent as follows:—

(a) *Major and Medium Bridges*.—The monthly progress reports may be submitted on the proforma enclosed herewith vide annexure IV which is same as has been used so far for major bridges (length more than 500 ft.) except that a column has been provided for filling the quarterly targets. These targets should be for the quarter during which the progress is being submitted. The pictorial chart for these bridges may be submitted only with the quarterly progress reports and not every month.

(b) *Minor Bridges.*—For minor bridges, monthly progress reports are not to be sent and only quarterly progress reports may be sent as desired.

The targets for the annual programme of work on each major and minor bridge and each item of road work may be fixed by you. To have watch on the progress of works, these targets should be broken up into targets for each quarterly period ending March, June, September and December. It is requested that the details of the construction programme worked out by you in respect of bridge and road works for each quarter may be furnished to this office by 31st March, 1969. The target date for completion of each bridge may be indicated in programme. The programme in respect of road works may be forwarded on a proforma as given in annexure V.

The monthly progress reports may be sent so as to reach this office by the 20th of month succeeding the month to which the report relates. Quarterly progress reports may be sent so as to reach here by 20th April, 20th July, 20th October and 20th January. It is seen that in some cases progress reports are being received directly from the Divisions and Circles concerned. It is requested that you may consolidate these progress reports after due scrutiny and then forward them to this office by the due dates.

Yours faithfully,

Sd/- N. S. SURYA,

Chief Engineer,

for Director General (Road Development).

Encl: Five annexures.

Copy to the Superintending Engineers, Ministry of Transport, Roads Wing, Lucknow'Patna'Calcutta'Shillong for information and necessary action. He may get into touch with the State P.W.Ds. and ensure that the programme and the progress reports are forwarded to this office on due dates.

Sd/- N. S. SURYA,

Chief Engineer,

for Director General (Road Development).

Encl: Five annexures.

Copy to all the Officers of the Headquarter connected to the Lateral Road Projects.

ANNEXURE II

S. N. Sinha,
 Director General
 (Road Development) &
 Additional Secretary

GOVERNMENT OF INDIA
 MINISTRY OF SHIPPING AND TRANSPORT
 (ROADS WING)
Transport Bhavan
No. 1 Parliament Street
New Delhi, the 24th April, 1969
 D.O. No. LR-5(10)69

Dear Shri Verma|Sinha|Chattopadachaya|Sarma

SUBJECT:—*Progress reports for Lateral Road Project.*

I am to invite a reference to this office letter No. LR-5(10)69, dated 12th March 1969 in which it was stressed that as the lateral road work has to be completed in all respects by 31st March 1971, it was absolutely necessary that tempo of lateral road works should be accelerated to enable its completion by the target date. With a view to ensure this and to watch the actual progress against revised target, it was further requested that—

- (i) a detailed quarterly programme for completion of items of work in a properly phased and realistic manner may be drawn up;
- (ii) target dates (quarterly) for completion of each of the remaining items of works section-wise (for the road works), and bridge-wise may be fixed and submitted in the proforma enclosed therewith.

2. It was also requested that these details of the construction programme in respect of the road and bridge works and the targets for each quarter may be furnished to this office by 31st March 1969. This information, however, has not been received till date.

3. I am again to request you, therefore, to please personally look into the matter and ensure that the information called for in our

letter of even No. dated 12th March 1969 is sent immediately so as to reach this Ministry not later than 3rd May, 1969.

Yours sincerely,
Sd.- S. N. SINHA

Shri H. C. Verma,
Additional Chief Engineer (Roads),
P.W.D. Lucknow (UP).

Shri B. P. Sinha,
Additional Chief Engineer,
Lateral Road Project,
P.W.D. Patna.

Shri P. K. Chattopadacharya,
Additional Chief Engineer,
P.W.D. Jalpaiguri, West Bengal.

Shri G. C. Sarma,
Additional Chief Engineer & Secretary,
P.W.D. (B&R), Assam,
Shillong.

Copy also forwarded to:—

1. Shri R. M. Supta|L.S. Bassi|R.C. Jain|Superintending Engineers, Ministry of Shipping and Transport (Roads Wing), Patna|Calcutta|Shillong for information and necessary action. It is requested that the Additional Chief Engineers, incharge of lateral road project works may please be contacted immediately and it may please be ensured that the programme and the progress report as called for in this office letter of even number dated 12th March 1969 are immediately forwarded so as to reach this office not later than 5th May, 1969.

2. Copy to all Officers at Headquarters connected with the Lateral Road Project.

Sd|- KRISHNA KUMAR,
Superintending Engineer,
for Director General (Road Development)

Encl: NIL.

Recommendation

The Committee note that, apart from three communications addressed to the State Governments in August, 1966, October, 1966 and June, 1967, advising them to avoid new commitments on the project and to prune existing ones, no steps were taken either to ascertain how much machinery had become surplus or to ensure the proper upkeep and maintenance of the surplus machinery till it could be gainfully utilised. Government, apparently failed to consider the problem till 1968, when they constituted a committee to go into this and other ancillary questions. The Committee cannot help feeling that Government did not show the same enthusiasm for putting the machinery to use as they did in buying it.

(Sl. No. 3 Appendix IV) Para 1.17 of 42nd Report (4th Lok Sabha)

Action taken

The conclusions of the Committee are noted.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29 (6) /69 dated 21-10-1969]

Recommendation

The Committee are constrained to observe that the proportion of machinery and equipment awaiting repairs is very much on the high side. From the data furnished by Government, it is seen that the percentage of equipment under or awaiting repairs ranged from 23 per cent in the case of earth-moving and construction machines to 14 per cent in the case of other machines against the Department's normal allowance of 10 per cent. About one third of the equipment under repair in the workshops categorised as "earth moving and construction machines" and "other machines" have been in the process of repair for periods ranging from one to over three years, while the proportion in the case of vehicles is a little over one-fifth. In the light of Government's claim that the output of the workshops is satisfactory, this position seems inexplicable.

Sl. No. 12 of Appendix IV (Para No. 2.11) of PAC's Forty Second Report (4th Lok Sabha) 1968-69.

Action taken

The total number of equipment and vehicles awaiting repairs comprises of not only those which are held in the workshops but also those which await evacuation from project sites. The difficulties faced in regard to speedy evacuation of equipment from project sites and the steps proposed to be taken by Government in this regard have been explained in the note submitted with reference to para 2.16 of the Committee's Report forwarded to the Lok Sabha Secretariat under No. F. 1(10)/BRDB/68-69/PAC dated 8-9-69.

2. DGBR has attributed the accumulation of equipment in the Base Workshops mainly (i) to the inability of the GREF Base Workshops to cope with the arisings of Class 'C' equipment and (ii) the non-availability of spares in balanced quantities over the entire range required. The steps, which are being or proposed to be taken by Govt. in this regard have been indicated in the notes submitted with reference to paras 2.12 and 2.13 of the Committee's report.

3. Ministry of Finance (B/R) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B. 68-69/PAC dated 8-9-1969].

In their further reply dated 14-11-1969, the Ministry of Transport and Shipping (B.R.D.B.) stated:

According to the Director of Scientific Evaluation the finalisation of the report has been delayed as information on a number of points had to be collected from Border Road units located in far away places. DGBR has stated that a number of important points in the Report submitted by the Director of Scientific Evaluation in September 1969 require discussions with him. These discussions are currently being held and as submitted to the Convener, Action-taken Sub-committee of the PAC in the discussions held on 22-10-69, a copy of the report will be submitted by 30th November, 1969 with the comments of DGBR.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/PAC dated 14-11-1969].

Recommendations

The Committee cannot help feeling that the Border Roads Organisation has not tackled the problem of repairs to machinery and equipment and vehicles in a businesslike manner. Perhaps the roots of this complacency lie in the fact that the Border Roads Organisation carry a very heavy inventory of machinery and equipment and vehicles costing over Rs. 31 crores, all of which obviously is not being put to optimum use. The Committee note that, in pursuance of the recommendations made by them earlier in paragraph 1.66 of their 18th Report (1968), Government have now specifically referred the question of optimum utilisation of machinery and equipment by the Border Roads Organisation to the Director of Scientific Evaluation. The Committee would like to await the result of the study and the action taken by Government on it to improve the utilisation of the existing machinery and equipment.

[Sl. No. 13 of Appendix IV (Para No. 2.12) of PAC's Forty Second Report (Fourth Lok Sabha)].

In the meantime, the Committee suggest that performance in the workshops should cope efficiently with the heavy backlog of repair work. The Border Roads Organisation should also enlist the active assistance of the Army Base Workshops for carrying out repairs to machinery to the maximum extent feasible. Government may also like to examine whether adequate use has been made of the power delegated by them to the local formations for getting the repair work done through the civil trade where this is a more advantageous and expeditious alternative.

[Sl. No. 14 of Appendix IV (Para No. 2.13) of PAC's Forty Second Report (Fourth Lok Sabha)].

Action taken

The two Base Workshops at Pathankot and Tezpur started functioning as fully equipped towards the end of 1963. Since then, every effort has been made to make full use of the facilities in the Base Workshops. In 1965, difficulty was experienced by DGBR in getting certain technical and supervisory categories from the open market. After discussion with the Defence Ministry, the services of EME personnel were obtained to overcome this difficulty. The diversion of the spares purchased for overhauling towards maintenance was stopped. Various other steps were taken to expedite the delivery of spares. In order to reduce the arrears in overhaul,

certain items of equipment were given to the Army Base Workshops for repairs. Commanders of the two Base Workshops were delegated in March 1968 enhanced financial powers for local purchase of spare parts. It was expected that this would enable them to buy locally the vital spares, which might not be available in stock. On the recommendations of the Shankar-Kumaramangalam Committee, DGBR, CEs and Commanders Base Workshops were also given powers to have repairs of equipment and vehicles executed through contract with trade.

2. The number of equipment and vehicles handed to Army Base Workshops and the number actually overhauled by them during 1965—69 are given in Appendix I. The output of GREF Base Workshops during the same period is indicated in Appendix II. In both GREF and Army workshops the main limiting factor is reported to be the non-availability of spare parts in balanced quantities over the whole range required. The number of cases in which facilities were availed of by the Chief Engineers for getting work done through trade during 1966 to 1969 is tabulated in Appendix III.

3. The results of study by the Director of Scientific Evaluation are expected within three months. The Director of Scientific Evaluation has been requested to expedite the preparation of the report.

4. Meanwhile the following steps are being taken to expedite the overhauling of the equipment and vehicles:—

- (a) Additional artisans and supervisory and store keeping staff have been sanctioned for the GREF Base Workshops at Pathankot and Tezpur with effect from 1-4-69 at an estimated cost of Rs. 9.37 lakhs per annum. This will enable the two Base Workshops to increase their capacity upto 60 per cent of the annual arisings of class 'C' equipment and vehicles. The question of introducing a second shift is also under consideration.
- (b) The holdings of 'Bank of Spares' for Komatsu tractor spares established by Bharat Earth Movers Limited are being reviewed so that emergent requirements of both Base and Field Workshops are readily met.
- (c) M/s. Tatas and Premier Automobiles have agreed to hold certain earmarked stock of spares (for TMB and Dodge vehicles) at or near Pathankot and Tezpur exclusively for the use of Border Roads Organisation.

(d) The feasibility of getting more equipment and vehicles overhauled by Army Base Workshops or/and by contract with private or State Workshops is being examined in consultation with MGO and DEME Army Headquarters.

5. From the above, it will be observed that all suggestions contained in para 2.13 of the Forty Second Report have been or are being implemented.

6. Ministry of Finance (BR) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B. 68-69/P.A.C. dated 8-9-1969].

APPENDIX I

Statement showing yearwise output of DGBR vehicles/equipment in Army Base Workshop as on 31-3-69

Sl. No.	Type of vehs eqpt.	Yearwise output					1969 upto 31-3-69.	Total	Balance to be overhauled.
		1965	1966	1967	1968	1969			
1	2	3	4	5	6	7	8	9	
1	3.5/7 ton TM's	..	44	83	10	2	139	68	
2	1-ton Nissan	25	137	113	..	..	275	34
3	Nissan Patrols	..	15	65	12	..	92	108	
4	Komatsu D-80	..	..	..	10	2	12	58
5	Komatsu D-50	..	4	18	13	2	37	18	
6	Road Rollers A.M.	..	..	..	5	..	5	10
7	Do. A.J.	..	..	11	5	..	16	34
8	Do. B.M.	..	..	4	4	..	8	17
9	Compressors IR-250 cfm	..	10	8	2	..	20	2	
10	Do. AMR 70 cfm	..	28	3	1	..	32	7	
11	Do. KB 210"	..	13	27	1	..	41	2	
12	Fisco Engine	..	2	1	..	..	3	3

APPENDIX II

Output of Graf Base Workshops

Sl. No.	Equipment	Output during the year				
		1965	1966	1967	1968	1969 (1-1-69 to 31-3-69)
1	2	3	4	5	6	7
1	Tractors	72	53	33	57	8
2	Motor Graders	3	5	2	4	1
3	Compressors	51	36	64	65	15
4	Jeeps	138	94	20	17	7
5	1-ton vehicles	264	155	127	46	10
6	3 " "	176	392	605	249	89
7	Tipplers					
8	Road Rollers	7	14	30	59	17
9	Stone Crushers	4	23	20	71	12

*Includes engines.

APPENDIX III

Statement showing the number of items of repairs got done through contract

Sl. No.	C.E.	Work got done in				TOTAL
		1966	1967	1968	1969	
1	2	3	4	5	6	7
1	CE(P) Dantak . . . . .	..	..	8	4	12
2	" Beacon . . . . .	..	..	..	2	2
3	" Sewak	2	10	1	..	1
4	" Pushpak . . . . .	..	..	..	5	5
5	" Swastik . . . . .	..	..	7	7	14
6	Eastern Base Workshop . . . . .	..	..	1	5	6
7	Western Base Workshop . . . . .	..	1	7	5	13
TOTAL		2	11	24	28	65

Recommendation

The Committee suggest that, before Government sanction the purchase of additional machinery and equipment for the Border Roads Organisation, they should examine the extent to which such expenditure can be obviated by pressing into service the very large stock of machinery and equipment which is at present awaiting repair in the workshops or in the field.

[Sl. No. 15 of Appendix IV (Para No. 2.14) of PAC's Forty Second Report (Fourth Lok Sabha)].

Action taken

The existing stock of machinery in serviceable and repairable condition is invariably taken into account while considering proposals for fresh procurement of machinery and equipment. The suggestion of the Committee will be kept prominently in view while according sanctions for fresh procurement of machinery and equipment for the Organisation.

4. Ministry of Finance (BR) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/P.A.C. dated 8-9-1969].

Recommendation

The Committee are distressed to note from the figures given by Government that, of 1942 items of machinery, vehicles etc. under or awaiting repair, as many as 726 items are at the works-site awaiting evacuation. As admitted by the Secretary, Ministry of Defence during evidence "there is certainly scope for improvement." It is also surprising that of 726 items, as many as 377 should be vehicles in regard to which the difficulty regarding transportation urged by the Department in the case of heavy machinery should normally not exist. The Committee suggest that the Director General, Border Roads, should keep a special watch over the evacuation of machinery from field to the Base Workshops by prescribing suitable returns and by exercising necessary checks through his Inspectorate. The Committee need hardly stress that every effort should be made to move the machines expeditiously to the Base Workshops so as to reduce

their wear and tear due to exposure to the vagaries of the weather as also to reduce the chances of parts being spirited away from the machines.

[Sl. No. 16 of Appendix IV (Para No. 2.16) of PAC's Forty Second Report (Fourth Lok Sabha) 1968-69].

Action taken

Out of 726 items of machinery, vehicles etc. awaiting evacuation to Base Workshops as on 31-5-67, 664 Nos. have since been evacuated and 29 Nos. still remain at project sites. Definite information is not available in respect of 33 Nos.

2. As on 1-4-69, 537 Nos. of machinery, equipment requiring overhaul|Base repairs are lying in projects. This figure is exclusive of 62 Nos. (29+33) mentioned in para 1 above. The break-up of 537 Nos. is given below:—

Tractors (Crawler and wheeled)	63
Motor Graders	5
Compressors	72
Vehicles (Jeeps|1-ton|3-ton|Tippers etc.)	254
Road Rollers	45
Stone Crushers	22
Tar Boilers	18
Rock|Wagon drills	18
Generating, pumping and welding sets	26
Other items	14

3. DGBR has done a special study of the problems connected with the evacuation of the equipment from project sites. The two main reasons for delay in evacuation of equipment are: (i) Non-availability|insufficiency of medium Recovery vehicles and (ii) certain administrative delays in the finalisation of technical opinion about the categorisation of equipment as one, which requires Base Repairs and overhaul.

4. DGBR has taken steps to reduce the delays in finalising the categorisation of equipment and is personally watching the position. The Chief Engineers have been directed to pay personal attention to this problem and ensure that there is no avoidable delay. For maintaining a continuous watch a monthly return showing the progress of evacuation is rendered by project authorities to D.G.B.R.

5. As regards recovery vehicles, Government have agreed to the purchase of 25 medium recovery vehicles at an approximate cost of Rs. 21.53 lakhs. In view of the urgent need of Border Roads, AHQ have been persuaded to agree that 17 Nos. would be diverted from the deliveries due to them to DGBR. These are expected to be available by December, 1970. The remaining number are expected to be available within 2 years. As a short term measure, the army has also agreed to assist in evacuation of some of the equipment lying in areas where the army has recovery facilities and is in a position to spare some resources temporarily. The details are being worked out by DGBR in consultation with Director, Electrical and Mechanical Engineering of Army HQrs.

6. Ministry of Finance (B|R) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10) | B.R.D.B. | 68-69 | P.A.C. dated 8-9-1969.]

Further information required by the Action Taken Sub-Committee

"Please state (with statistical data) the improvements, if any, since 1st April, 1969 in the matter of evacuating unserviceable machinery from Project sites as reflected in the monthly returns which are stated to have been received from Project authorities."

Reply

The progress made in evacuating repairable plant and machinery from the project sites since 1st April, 1969 is indicated in the statement given below showing the position as on 30th September, 1969. Out of 537 machines and vehicles lying in projects on 1st April, 1969, the number awaiting evacuation as on 30th September, 1969 was only 258.

Position of 537 Veh./Equipment

Veh/Eqpt.	As on 1-4-69	Evacuated upto 30th Sept. 69	Balance
1. Earth moving and construction plant	162	80	82
2. Other machines	118	49	69
3. Vehicles	257	150	107
Total	537	279	258

[Min. of Transport and Shipping (BRDB) U.O. No. F. 1(10)/B.R.D.B./ 68-69/PAC dated 8-12-1969]

Recommendation

“The Committee also notice from the statement that there is a multiplicity of models of various equipment with the Border Roads Organisation. This would undoubtedly complicate the problem of procurement of spares. The Committee would like Government to consider how best, in the interests of rationalisation, the equipment to be procured, could be standardised.”

[Sl. No. 19 of Appendix IV (Para No. 2.24) of PAC's Forty Second Report (Fourth Lok Saha) 1968-69.]

Action taken

In the past, different types of models of equipment and vehicles were purchased because (i) of the urgency of supplies; (ii) the availability of aid and foreign exchange and (iii) lack of adequate experience of the equipment after they have been used in difficult terrain and high altitude areas.

2. The question of standardisation of equipment and vehicles has, however, been engaging the attention of Government and it has been decided in principle that in respect of equipment which is to be imported, the organisation will standardise on one type. In the case of indigenous equipment, only 2 types of equipment would be purchased. In regard to certain equipment like Crawler tractors, Wheeled tractors, Jeeps and 1-ton vehicles, decisions have already been taken. In regard to the remaining major items like compressors, motor graders, road rollers, stone crushers, concrete mixers, paves, generating sets, recovery vehicles, snow clearance equipment, 3/5 Ton vehicles, etc., D.G.B.R. has stated that certain data on specifications, maintainability, reliability and efficiency have already been collected and since standardisation would depend largely on users performance reports, action has been taken to obtain them. D.G.B.R. expects to evaluate these reports and submit his recommendations by March 1970. It is expected that decision on main items of equipment will be taken by December 1970.

3. Ministry of Finance (BR) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/P.A.C., dated 8-9-1969].

Recommendation

“The Committee also note that, in the past three years, no indents for spares were withdrawn due to non-availability of foreign exchange and that for the future the Secretary, Border Roads Development Board, has been given powers to release foreign exchange upto certain limits. The Committee are, however, alarmed to find that 263 indents for spares valued at Rs. 1,603 lakhs are pending with various authorities like the Director General, Supplies and Disposals, Director General, Ordnance Factories and Bharat Earth Movers Ltd. 101 of these indents valued at Rs. 774 lakhs have been pending for over a year, the value of indents pending for over three years being Rs. 436 lakhs. The fact that substantial indents are pending over a long period of time raises the question whether the Border Roads Organisation have taken adequate follow-up action on the indents and maintained close liaison with the supply organisations concerned. The Committee would urge Government to have the matter looked into closely so that delays at various stages are eliminated.”

[SI. No. 20 para 2.25 of Appendix IV of Forty Second Report (4th Lok Sabha) of P.A.C. 1968-69].

Action taken

The value of 263 indents (Rs. 1,603.89 lakhs) indicated in the Statement I forwarded under U.O. F.1(10)/BRDB/68-69/PAC dated 18th November, 1968 represents the total value of indents including those against which supplies had been completed by 31st March, 1968. The outstanding indents on 31st March, 1968 were 147 Nos. valued at Rs. 1,086.46 lakhs. The corresponding position as on 31st March, 1969 is given below:

	As on 31-3-68	As on 31-3-69
(i) Total No. of indents placed so far.	623	297
(ii) Total value of indents at (i) above.	Rs. 1,603.89 lakhs	Rs. 1,844.25 lakhs
(iii) No. of indents pending.	147	128
(iv) Value of pending indents at (iii) above.	Rs. 1,086.46* lakhs	Rs. 973.61* lakhs

*These figures are not exclusive of the value of spares which have been delivered against the indents as the figures of cost of the items delivered are not readily available.

2. The break-up of 128 indents which were pending on 31st March, 1969 is given below:

	No.	Agency of Supplies		
		DGS&D	BEML	DGOF
Pending over 3 years	28	21	5	2
Pending over 2 years	32	19	8	5
Pending over 1 year	34	23	8	3
Pending Less than 1 year	34	24	10	..

3. With a view to expediting deliveries against indents already placed, Director General Border Roads and his officers have been having periodical meetings and discussions with the Director General, Supplies and Disposals and his officers. During 1967-68 six meetings were held in the room of DGS & D at DGBR's request. Similarly, periodical discussions took place with officers of DGOF. Director General Border Roads has reported that as a result of the above discussions and personal contacts, there has lately been an improvement in the supply of spares.

4. The Department of Supply are taking steps to expedite the conclusion of rate running contracts, the placing of ATs as early as possible and also the question of imposition of suitable penalty in the form of liquidated damages in case of failure of the suppliers to conform to the delivery schedule.

5. Ministry of Finance and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F.1(10)/B.R.D.B./68-69/P.A.C. dated 8-9-1969].

Recommendation

"While the Committee note the assurance given by the Director General that the practice of cannibalisation has been checked, they feel concerned that the number of references for cannibalisation continue to be of the order of six per month".

"The Committee consider that the practice of cannibalisation is fraught with danger and should be firmly checked. The Committee would like to stress that the Director General should exercise
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every care to see that permission for cannibalisation is given only in very exceptional circumstances after making sure that a serviceable machine would not thereby be permanently impaired and rendered inoperative”.

[Sl. No. 21, para 2.29 of Appendix IV of Forty Second Report (Fourth Lok Sabha) of P.A.C.—1968-69.]

Action taken

As already stated in the note on Point No. 10 forwarded under this Ministry's U.O. No. F. 1(10) BRDB|67-68|PAC dated 15-4-1969, orders banning the cannibalisation of equipment and vehicles were issued by D.G.B.R. in February 1965 in pursuance of a directive from Government in this regard.

2. At present permission for cannibalisation is being granted in very exceptional cases with a view to ensure better utilisation of equipment|vehicles. The D.G.B.R. has laid down guide lines for Director of Technical Administration (a Brigadier of the Corps of E.M.E.), who alone is competent to authorise cannibalisation in exception and inescapable cases.

3. Director General Border Roads has reported that during 1967-68, in all, permission for cannibalisation was granted in 26 cases involving a total number of 77 equipment|vehicles. During 1968-69 out of 53 requests received from Chief Engineers seeking permission for cannibalisation, permission was granted in 41 cases involving a total number of 98 machines.

4. Ministry of Finance and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)| B.R.D.B./68-69/P.A.C., dated 8-9-1969].

Supplementary Information required by the Action Taken Sub-Committee

It has been stated that during 1967-68 permission of cannibalisation was granted in 26 cases involving a total number of 77 equipment|vehicles and during 1968-69 in 41 cases involving a total number of 98 machines.

Please state the reasons for increase in the number of equipment| machines permitted for cannibalisation during 1968-69.

Reply

The increase in the number of cases in which sanction was accorded for cannibalisation was mainly due to non-availability of spares from the normal source of supply. Further as the equipment gets older it needs more spares and if the spare-parts are not available the number of cases requiring cannibalisation increases.

D.A.D.S. has seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)|
B.R.D.B./68-69/P.A.C., dated 4-12-1969].

Recommendation

"The Committee trust that with a long-term forecast of the requirements of spares by the Border Roads Organisation and the accompanying prospect of a Sustained demand over a period of time, the Organisation will be able to induce more manufacturers to undertake the responsibility for the supply of spares. The Committee also trust that the proposals for indigenous manufacture of Komatsu tractor spares will get under way soon".

[Sl. No. 22, para 2.31 of Appendix IV of Forty Second Report (Fourth Lok Sabha) of P.A.C.—1968-69.]

Action taken

The requirement of spares, the cost of which exceeds Rs. 5 lakhs. is intimated to Director General, Supplies & Disposals, who arranges for its supply. In the case of equipment purchased from Director General Ordnance Factories and Bharat Earth Movers Ltd., orders for spares are placed direct on them. Director General Supplies & Disposals, Director General Ordnance Factories and Bharat Earth Movers Ltd. locate indigenous sources of the spares in respect of the imported equipment whenever possible. In certain cases, the Department of Defence Supplies helps to find indigenous manufacturers of spare parts.

2. Department of Defence Supplies tried to induce the indigenous manufacturers to take up production of spare parts required for International Harvester tractors, Ingersoll and compressors. For this purpose, an assessment of requirement of spares was made in 1966. The Department of Defence Supplies arranged an exhibition of spare parts of the above tractors and compressors at Delhi and invited various firms including small scale manufacturers to visit it. The response was not encouraging. Ultimately on 8 firms accepted contracts for supply of 56 items of spares at a total cost of Rs. 2.95,182.65. The main reasons for the poor response are (i)

the requirement is so small that it does not come to an economical unit of manufacture in many cases; (ii) there is no assurance for further demands as these items will be wasted out and no fresh purchases are likely to be made by Border Roads Organisation; and (iii) there are a number of series or models with a small percentage of commonality of spares.

3. Both Director General Ordnance Factories and Bharat Earth Movers Ltd. are attempting on a planned basis to increase the indigenous content of the equipment and vehicles, which are being manufactured by them in collaboration with foreign firms. However the observations of the Public Accounts Committee have been brought to the notice of the Departments of Defence Production and Supplies.

4. Ministry of Finance and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10) B.R.D.B./68-69/P.A.C., dated 8-9-1969].

Supplementary Information required by the Action Taken Sub-Committee

Please state what further steps have been taken to promote indigenous manufacture of tractor spares.

Reply

The efforts made to promote indigenous manufacture of spares for TD-9 and TD-25 series of tractors have already been placed before the Committee. In regard to other types of tractors, the following action is being taken.

Lists containing spares required for T-100M tractors have been forwarded by the DGBR to the E-in-C's Branch for incorporating their requirements and bulking the demand wherever possible so that the order may become an economic unit of manufacture and attract indigenous manufacturers. E-in-C has taken up the matter with the Ministry of Defence and the Technical Committee (Vehicles) and these items are proposed to be displayed in the ordnance sample room.

As regards Komatsu tractor, BEML are already engaged in progressive indigenisation of these tractors. It has been ascertained

from them that in regard to D-80 tractors the indigenous components, which were approximately 25 per cent in 1967 have now risen to approximately 65 per cent in 1969. It is anticipated that with the progressive indigenisation of these tractors, more spares will be indigenously manufactured.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/P.A.C., dated 4-12-1969.]

Recommendation

"The Committee consider that, as the workshops have not been able to fulfil their repair obligations over a period due to various factors, it is possible that some part of the staff on the rolls of the workshops may be in excess of requirements. The Committee consider that it should be possible to so adjust the strength between the Base Workshops and the mobile workshops that it is not in excess of actual requirements. The Committee also suggest that the works study by the Director of Scientific Evaluation may also specifically deal with the question of staffing in the workshops so that the strength of staff is fixed on a rational basis with reference to the actual out-turn."

[Sl. No. 23 of Appendix IV (Para No. 2.33) of Forty Second Report of PAC (Fourth Lok Sabha) 1968-69]

Action taken

Director General Border Roads has examined the output of the Base Workshops and reported that the output of the Western Base Workshop at Pathankot was commensurate with its productive capacity. The Eastern Base Workshop's output did not, however, come upto its full capacity until March 1968. The main reason was lack of and difficulty in the procurement of spares.

2. A general watch on the manpower position is kept by the Directorate and personnel not required by Base Workshops are posted away to other units including the Field Workshops, most of which are still not upto the authorised strength.

3. The Director of Scientific Evaluation has indicated to DGBR that the Works Study in progress would cover partly the Base Workshops also. The planning of the load, actual output and the quality of output of the Base Workshops are being looked into by them. In the light of the report, the question of undertaking a more detailed and comprehensive work study, of the two Base Workshops and Field Workshops would be considered.

4. Ministry of Finance (B|R) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/P.A.C., dated 8-9-1969.]

Supplementary information required by the Action-taken Sub-Committee

“Please state the reasons for delay in submission of the Report of Director of Scientific Evaluation.”

Reply

According to the Director of Scientific Evaluation the finalisation of the report has been delayed as information on a number of points had to be collected from Border Roads units located in far away places. DGBR has stated that a number of important points in the Report submitted by the Director of Scientific Evaluation in September 1969 require discussions with him. These discussions are currently being held and as submitted to the Convenor, Action-taken Sub-Committee of the PAC in the discussions held on 22-10-69, a copy of the report will be submitted by 30th November 1969 with the comments of DGBR.

[B.R.D.B., U.O. No. F. 1 (10)/B.R.D.B./68-69/PAC dated 4-12-1969.]

CHAPTER III

RECOMMENDATIONS|OBSERVATIONS WHICH THE COMMITTEE DO NOT LIKE TO PURSUE IN VIEW OF THE REPLY OF GOVERNMENT

Recommendation

“The Committee also suggest that Government may consider the question of suitably reinforcing the mobile workshop units temporarily by sending men from the Base Workshops to attend to repairs to machinery which cannot be easily movee to the Base Workshops.”

[Sl. No. 17 of Appendix IV (Para No. 2.17) of P.A.C.'s Forty Second Report (Fourth Lok Sabha) 1968-69.]

Action taken

The question of attending to repairs to machinery in the forward areas was tried in the past as follows:—

- (a) Various teams from the Base Workshops were sent to the Field to carry out repairs to tractors at site.
- (b) An experiment was carried out by DGBR to put back on road a limited number of tractors which were lying in class 'C' condition in Ladakh, essentially by exchanging assemblies which require repair.

2.1. In regard to (a) above, DGBR had reported that this experiment did not succeed. In his opinion, it looked technical staff of Base Workshops for prolonged periods and consequently work relating to overhauling and heavy repair in the Base Workshops suffered.

2.2. As regards (b) above, it was reported by DGBR that the progress in regard to this experiment was also very slow. On his recommendation, the matter was viewed as closed.

2.3. It may also be added in this connection that the concept of having repairs done in the forward area, to avoid unnecessary backloading of heavy equipment, was thought of in the initial

stages of the organisation, i.e., during 1960—64 but the scheme could not be implemented due to various practical difficulties.

3. Ministry of Finance (BR) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.&B.) U.O. No. F.I (10) |
B.R. & B. 68-69/P.A.C., dated 8-9-1969.]

CHAPTER IV

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

NIL

CHAPTER V

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

Recommendation

The Committee find it hard to understand how, after having embarked on the construction of a lateral roadway on a priority basis in 1963 and entered into commitments, Government could abruptly decide in 1966 to downgrade the priority and virtually suspend further work on the project. In the result, the roadway has come up in unconnected stretches and in several sections had not progressed beyond the stage of earthwork which, not being metalled, could well be eroded by the rains. The Committee also note with concern that out of machinery and equipment worth Rs. 825 lakhs ordered for the project, about one-third of the machinery and equipment of the value of Rs. 282 lakhs (including imported machinery of the value of Rs. 154 lakhs) has already been rendered surplus. It is evident that orders for the equipment and machinery were placed without thorough and detailed investigation in consultation with the State Governments. The Committee cannot help feeling that the whole project, in fact was planned in haste and without a careful assessment of the long-term requirement *vis-a-vis* available resources.

[Sl. No. I of Appendix IV, Para 1.15 of Forty Second Report (4th Lok Sabha).]

Action taken

The conclusions of the Committee are noted.

The question is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM-1 (1)/67, dated the 6th October, 1968 (Annexure I), and its recommendations and Government's decisions thereon will be furnished to the Public Accounts Committee when available.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. Z-29(6) 69, dated 21-10-1969.]

Supplementary information required by the Action-taken Sub-Committee

"Please state by what period extension has been given to the Road Building Machinery Committee for submission of their Report and for what reasons."

Reply

The Road Building Machinery Committee was given extension upto 15th October, 1969 for submission of its report. The extension was given on the representation received from the Chairman of that Committee, the reasons were as follows:

- (a) the volume of work was sufficiently larger than originally anticipated and it needed more time to collect information and other data from the State Governments with whom the machines were actually working;
- (b) the procedure, which was evolved by the Committee for its work, covered inspection of machinery in the various States, and discussions with the State Chief Engineers and other Officers of the State Governments concerned, these inspections and discussions took longer time than anticipated; and
- (c) discussions with the Border Roads Organization and the Director General, Supplies and Disposals regarding purchase procedures etc. were also necessary and took some more time.

2. The Committee met a number of times and is reported to have come to some conclusions. But the drafting of the report and discussions chapter by chapter, is presently in hand and this work will take time.

3. The Chairman of the Committee has now intimated on 1st November, 1969 that in view of the quantum of work involved in the drawing up of the report, it has not been possible for the Committee to complete its work by the last extended date of 15th October, 1969. He has intimated that as a substantial portion of the report has yet to be finalised, the term of the Committee need be extended to 15th January, 1970. He has assured that he would make efforts to complete the report as early as possible and before the above date. The Chairman is hopeful that submission of the report might be achieved before the above indicated date. The proposal from the Chairman of the Committee is being examined further in

the light of details of work done and work yet required to be done specially the finalisation of the report and the time that is necessarily needed by the Committee for the purpose. As soon as a decision is taken on the request of the Chairman of the Committee about further extension of time, the Lok Sabha Secretariat will be informed of the position further.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29/(6)/69, dated 20-12-1969.]

Recommendation

The Committee note that out of orders for machinery and equipment for Rs. 4.97 crores pending at the time the project was downgraded in priority, Government have been able to cancel orders for only Rs. 1.52 crores. The Committee would like Government to examine in detail how best the Standing commitments in this respect could be got over, keeping in view the changed requirements and financial implications.

(Sl. No. 4 Appendix IV) Para 1.18 of 42nd Report (4th Lok Sabha)

Action taken

The question is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM.1(1)67, dated the 7th October, 1968 (Annexure I). The Public Accounts Committee will be informed about recommendations of the Road Building Machinery Committee and Government decision thereon.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29(6) 6 dated 21-10-1969.]

Recommendation

Government should also consider how the machinery already purchased or in the process of supply could be diverted to gainful use elsewhere. The Committee would like in this connection to draw special attention to the observations of the Study Team that these machines have been lying unwatched and exposed to the weather and that these have neither been used so far nor are likely to be used in the execution of the project. The Committee would like Government to take adequate steps to ensure that the machines should be protected against loss, theft, pilferage, cannibalisation or damage due to inclemencies of weather.

[(Sl. No. 5 Appendix IV) Para 1.19 of 42nd Report (Fourth Lok Sabha) 1968-69].

Action taken

The question of diverting the machinery already purchased to gainful use elsewhere is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM-1(1)/67, dated the 7th October, 1968.

The following machinery has so far been transferred from LRP works to other States/Projects:—

Imported

(i) Grab Dredging Cranes	4 Nos.	
(ii) Mobile Cranes	*29 Nos.	*Out of the 30 Nos. intimated to Lok Sabha Sectt. earlier, the transfer order in respect of one crane was cancelled because the transferee cancelled his demand.
(iii) Tractor Dozer Crawler (Pushers)	3 Nos.	

Indigenous

(i) Diesel Road Rollers 8-10 ton capacity.	2 Nos.	
(ii) Portable Stone Crushers	19 Nos.	
(iii) Granulators	16 Nos.	
(iv) Tractors 24-37 H.P.	10 Nos.	
(v) Graders	2 Nos.	
(vi) Diamond Core Drilling Machines	1 No.	
(vii) Concrete Mixers	6 Nos.	
(viii) Concrete Vibrators Immersion type	12 Nos.	
(ix) Power Winches with Grabs	2 Nos.	
(x) Air Compressors 210 & 315 cfm.	12 Nos.	

Steps are also being taken to utilise all the other surplus machines. This Ministry's Superintending Engineer (Mech.) posted at Gauhati and Patna have been requested *vide* letter No. RM-3(37)/68, dated 19th August, 1969 (Annexure-II) to exercise proper check over the maintenance and safe custody of the machines by periodical inspections etc., and send their reports to this Ministry from time to time (say once a quarter). It may also be explained in this behalf that we had sanctioned in October 1965, estimates for workshops and sheds in all the four States concerned with the LRP and also the purchase of tarpaulines and alkathine sheets to protect the Machinery in U.P. as desired by U.P. Government. In December, 1966 we requested these four State Governments to make arrangements for overhauling the equipment, when necessary, so that the equipment was kept in serviceable condition (*vide* letter No. LRM-1(4)/65, dated 20th December, 1966 (Annexure-III). In October 1967, we informed this Ministry's Superintending Engineers (Mechanical) posted in Assam and Bihar that one of their duties and functions was to

ensure proper maintenance and repairs of all the machinery purchased out of Central funds for all the road projects vide letter No. RM-30(2)/67, dated 26th October, 1967 (Annexure-IV). In September 1968, we requested the Chief Engineers of these States to ensure proper storage and maintenance of the machinery. A detailed procedure for this purpose was suggested to them in our letter No. RM-3(37)/68, dated the 11th September, 1968.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29(6)/69, dated 21-10-1969].

Recommendation

In the interest of economy, the Committee would go to the extent of suggesting that further purchases of road building equipment should not be made without first bringing the surplus machinery into use. Government should also profit by their experience in this case and evolve realistic criteria for the purchase of machinery for road building projects in future so that precious resources are not squandered. To ensure that such machinery is put to sustained use, Government should also consider the question of standardisation of the equipment, so that machinery purchased for a project could after its completion be used without difficulty on other new projects.

Supplementary information required by the Action-taken Subcommittee

Please state whether a system has been evolved for inspecting the machinery lying at various works with the State Governments. When was such inspection done?

Reply

Machines lying in the custody of the State Governments are inspected by this Ministry's Officers who have been posted in the States, besides the States' own inspection arrangements. These Officers usually submit their inspection reports to this Ministry, which are forwarded to the State Governments for necessary action wherever necessary. The Chief Engineer (Mechanical) of this Ministry has also inspected the machines lying in the States of Bihar, Orissa and West Bengal and has submitted his reports of the inspections. Commencing from March 1967 when the Ministry's Superin-

tending Engineers (Mechanical) were posted in the States such inspections have been carried out from time to time, last inspections having been made by different officers on dates such as—

- (1) 10-10-1968 to 20-10-1968.
- (2) 24-10-1968 to 25-10-1968.
- (3) 2-6-1969 to 5-6-1969.
- (4) 23-7-1969 to 26-7-1969.
- (5) 24-8-1969 to 29-8-1969.

The Road Building Machinery Committee is going into the whole question and it is expected that it will make some recommendations in regard to the system for inspection of machinery lying at various sites in the States while reporting on the existing arrangements for maintenance, repairs and upkeep of the machines and improvements necessary in that respect.

[Min. of Transport and Shipping (Road Wing) O.M. No. B-29(6)/69, dated 20-12-1969].

(S. No. 6 Appendix IV) Para 1.20 of 42nd Report, (4th Lok Sabha)

Action taken

The conclusions of the Committee are noted.

The question is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM-1(1)/67, dated the 7th October, 1968 (Annexure I), and its recommendations and Government's decisions thereon will be furnished to the Public Accounts Committee when available.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29(6)/69, dated 21-10-1969].

Recommendation

The Committee would also like Government to examine whether the procedure of supply of machinery to the State Governments for the works entrusted to them on behalf of the Centre on an agency basis should not provide that after completion of the projects the machinery is returned to the Centre for utilisation elsewhere. Government may consider whether they should not

create a Central Pool of much machinery so as to ensure their utilisation in similar projects undertaken in other States so that purchase of fresh machinery for those projects could be minimised.

(Sl. No. 7 Appendix IV) Para 1.21 of 42nd Report (4th Lok Sabha)

Action taken

The conclusions of the Committee are noted.

The question is under examination of the Road Building Machinery Committee appointed by Government *vide* Memorandum No. RM-1(1)67, dated the 7th October 1968 (Annexure I) and its recommendations and Government's decisions thereon will be furnished to the Public Accounts Committee when available.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29 (6) 69, dated 21-10-1969].

Recommendation

The Committee hope that the High Level Committee set up in October, 1968 will finalise its Report with expedition. The Committee may be apprised of the main recommendations of the High Level Committee together with Government's decision thereon.

(Sl. No. 8 Appendix IV, Para 1.22 of 42nd Report (4th Lok Sabha).

Action taken

The Road Building Machinery Committee has already been reminded to expedite its Report. The Public Accounts Committee will be apprised of the main recommendations of the Committee together with Government's decision thereon in due course.

This note has been seen and concurred in by the Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29 (8) 69, dated 21-10-1969].

ANNEXURE I
GOVERNMENT OF INDIA
MINISTRY OF SHIPPING & TRANSPORT
(ROADS WING)

Telegrams:
 "ROADIND"

No. RM-1(1)/67.

Transport Bhavan
 No. 1, Parliament Street
 New Delhi-1, the 7th October, 1968.
 15th Asvina, 1890.

MEMORANDUM

SUBJECT:—Constitution of a Committee for making a review of the surplus stocks of road making machinery and the arrangement for their proper upkeep and maintenance.

The question of evolving proper procedures for the procurement, maintenance and proper utilization of machinery purchased out of Central funds for use on Central Road Projects has been engaging the attention of Government for some time. In the past, machinery have been purchased for execution of National Highway works through the State Governments. In the recent past, specialised items of road/bridge making machinery have been purchased by the Government of India for the execution of International Development Association project, emergency works, lateral road projects and strategic road programmes.

2. Works covered by the International Development Association programme have been almost completed, while works on lateral and emergent road projects have been slowed down due to non-availability of adequate funds. It has come to notice that the machinery purchased for these projects are not being fully utilized by the Executive agencies. Maintenance and up-keep of the machinery also by these agencies leaves much to be desired. Some of the machinery have also been declared surplus by the State Governments where the road projects have been slowed down.

3. The Government of India are, therefore, of the view that an examination should be undertaken of the various issues relating to the purchase, maintenance and use of such machinery. It has accordingly been decided to set up a Committee consisting of the following:—

- (i) Shri A. K. Venkataraman.
 Retd. Chairman and Managing Director,
 National Project Construction Corporation,
 New Delhi. Chairman

- (ii) **Shri R. Ramakrishna,**
Deputy Secretary, Internal finance, Ministry
of Transport and Shipping, New Delhi **Member**
- (iii) **Shri Kartik Prasad,**
Chief Engineer (Bridges),
Ministry of Transport and Shipping (Roads
Wing), New Delhi. **Member**
- (iv) **Shri B. P. Patel,**
Superintending Engineer (Roads),
Ministry of Transport and Shipping, (Roads
Wing), New Delhi **Member**
- (v) **Shri G. V. Chellam,**
Executive Engineer (Mech.), Ministry of
Transport & Shipping (Roads Wing).
Delhi **New
Member-Secretary**

3. The Committee will be required to:—

- (i) examine the arrangements for planning the procurement and purchase of the machinery for **National Highways, I.D.A., Lateral Roads, Emergent Roads, Strategic Roads** and such other Road programmes within the purview of the **Ministry of Transport and Shipping (Roads Wing)** and suggest improvements therein to the extent required.
- (ii) examine the existing arrangements for transfer of the machinery from the **Central Government** to the **State Government** and suggest an appropriate procedure for the same in future.
- (iii) review the extent to which such machinery has been put to proper use on **Central Road Projects**.
- (iv) examine the arrangements for the proper accounting, maintenance and repairs of machinery allotted to the **State Governments** for use on **Central Road Projects** and suggest improvements wherever necessary.
- (v) examine the existing procedures (accounting and otherwise) for generation of the necessary resources for the proper maintenance and storage of the machinery both during its use and non-use.
- (vi) examine the criteria for declaring such equipment as surplus, as related to road programmes for which they have been procured and the methods of disposals of the same by transfer or otherwise after such declaration.

(vii) examine the possibility of creating a Central Cell for the maintenance of the machinery during periods when they are declared surplus till such times as they are utilized on other projects.

(viii) suggest measures for the optimum utilization of the surplus machinery on the road and bridge works in future.

4. The Committee is requested to make a quick review in accordance with the above terms of reference and submit its recommendations within a period of about six months at the latest.

5. This supersedes this Ministry's Memorandum No. RM-1(1)/67, dated the 13th February, 1968, setting up a Committee under the Chairmanship of Shri R. S. Bhalla for making a quick review of the surplus stocks of road making machinery and other related matters.

Sd/- K. RANGANATHAN,

Deputy Secretary to the Govt. of India.

To

The Chairman and Members of the Committee for road-building Machinery.

Encl: NIL.

A copy of the Memorandum is forwarded for information and necessary action to all the State Governments/State Chief Engineers/Regional Officers of the Ministry of Transport and Shipping (Roads Wing).

Sd/- D. A. R. WARRIER,

Under Secretary to the Govt. of India.

ANNEXURE II

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING & TRANSPORT

(ROADS WING)

Telegrams:

Transport Bhavan,

"ROADIND"

No. 1, Parliament Street

No. RM-3(37)/68.

New Delhi-1, the 19th August, 1969.

To

- (1) The Superintending Engineer (M),
Ministry of Shipping and Transport (Roads Wing),
Boring Road, Patna—1.

(2) The Superintending Engineer (M),
 Ministry of Shipping and Transport (Roads Wing),
 Sambhuram Borah Lane, Lamb Road,
 Ujan Bazar, Gauhati.

SUBJECT:—Safe custody and proper up-keep of the Central Governments road/bridge building machinery.

Sir,

I am directed to invite your attention to this Ministry's endorsement No. RM-3(37)/68. dated the 11th September, 1968 and to say that reports are still being received that the road bridge building machinery purchased out of Central funds for the various Central projects is not being given the proper attention and care it deserves. It is essential to ensure that the machines do not remain unwatched and exposed to the weather. Adequate steps must be taken by the respective State Governments to protect the machines and equipments against loss, theft, pilferage, cannibalisation or damage due to inclemencies of weather.

2. I am to request that you may kindly exercise proper check in respect of the above matter by periodical inspections etc. and send your reports from time to time (say once a quarter).

Yours faithfully,

Sd/- R. C. GUPTA,

Under Secretary to the Govt. of India.

ANNEXURE III

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT & AVIATION
 DEPARTMENT OF TRANSPORT AND SHIPPING
 (ROADS WING)

Telegrams:

ROADIND

No. LRM-1(4)/65.

'Transport Bhavan'

No. 1, Parliament Street

New Delhi-1, the 20th December, 1966

29 Agrahayana, 1883.

To

The Secretary to the Govt. of Uttar Pradesh
 Bihar
 West Bengal
 Assam,

Public Works Department, Lucknow

Patna

Calcutta

Shillong.

SUBJECT:—*Hire charges in respect of machinery to be loaned to the contractors.*

Sir,

In continuation of this Ministry's letter No. WVIII—1(4)/65-IRM, dated the 7th September, 1966, I am directed to forward herewith the following:—

- (i) Scale of hire charges of the machinery and assumptions made for calculating the charges;
- (ii) Conditions for issuing machinery to contractors for use on L. R. P. or National Highway works; and
- (iii) Specimen form of agreement to be executed by the contractor for taking the machinery on hire.

The hire charges prescribed may please be recovered from the contractors' bills and proper accounts maintained.

2. It is suggested that the account of recovery of hire and other charges for tools and plants issued to contractors may be kept in a register in the enclosed form both in the Divisional and Sub-Divisional Offices. This Register would be subsidiary to the Register of Tools and Plants in the Public Works Department. Instructions may please be issued to the Sub-Divisional Officers to submit to the Divisional Officers a true copy of the Register so maintained as an annexure to the monthly return of receipts and issue of the Tools and Plants.

3. Arrangements for overhauling the equipment when necessary, may be made so that the equipment is kept in serviceable condition. Any shut-down during the working season of a machine hired out to the contractor except for major overhauls, however long it may be, should be treated as idle time.

4. These hire charges should be reviewed periodically with the concurrence of this Ministry on the basis of the actual expenses incurred during the previous years.

Yours faithfully,

Sd/- B. MAZUMDAR,
Under Secretary to the Govt. of India.

Encl:

- (i) Form of Agreement.
 - (ii) Conditions for issuing the Machinery to the contractors.
 - (iii) Proforma register.
 - (iv) Scale of hire charges and assumptions made.
- Copy to all Chief/Additional Chief Engineers concerned.

Sd/- B. MAZUMDAR,

Under Secretary to the Govt. of India.

AGREEMENT FOR LOAN OF GOVERNMENT TOOLS AND
PLANTS

(FOR CONTRACTORS)

THIS AGREEMENT made the.....of
one thousand nine hundred and sixty
between

(hereinafter referred to as "The Hirer" which expression shall, unless excluded by or repugnant to the context, include his heirs, executors, administrators and assigns) of the one part, and the Governor of.....(hereinafter referred to as the "the Governor which expression shall, unless excluded by or repugnant to the context, include his successors in office and assigns) of the other part.

Whereas the Hirer is desirous of hiring the tool and plant of the Public Works Department of the.....Government and more particularly specified in the schedule hereunder written hereinafter referred to as "the tools and the plant".

And whereas Government has agreed to let on hire the tools and plant to the Hirer on the terms and conditions hereinafter mentioned.

Now it is hereby agreed by and between the parties hereto, as follows:—

- (1) In consideration of the agreement that hire charges be recovered from their bills for work executed on which this machinery will be used or any other dues standing in the name of contractor in the books of the department or any other Government department, the Government agrees to let the Hirer, the tools and the plant for a period

of to be computed from the date of delivery of the tools and plant to the hirer at the P.W.D. workshop at.....,

- (2) The rate of hire charges will be as mentioned in the schedule.
- (3) The Hirer shall not transfer, assign or sub-let or in any way part with the tools and the plant or any part thereof without the previous written approval of the Engineer. Incharge.
- (4) On the expiry of the period of the hire the Hirer shall return the tools and the plant to the Public Works Department.....Workshop/Store-yard at..... in the same good condition in which they were received by him.
- (5) In the event of the tools and the plant not being returned on the expiry of the above mentioned period, the hirer shall without prejudice and any other liability pay to the Government an amount equivalent to the rate of hire specified for the working period and an increase of ten per cent.
- (6) The tools and plant shall be open for inspection at all times to the officers of the Government.
- (7) The Hirer shall not operate the tools and plant so hired for more than one shift/two shifts of 8 hours each per day without the prior sanction of the Engineer Incharge. If the hirer operates the tools and plant beyond the afore-said limit with the prior sanction of the Engineer Incharge, he shall pay to the Government additional hire charges as well as overtime charges for staff for such excess operation at the rate approved by the Engineer Incharge from time to time.
- (8) In case of break-down repairable at site within a period of 3 days, hire charges as specified in the schedule will be levied except in case of major repairs.
- (9) Normally, the tools and plants will be supplied with operating staff.
- (10) The Hirer shall be responsible for any claims for compensation for loss of life, injury or damage to property,

etc. arising due to any cause whatsoever during the period the machinery is in his charge.

- (11) All municipal or other dues and taxes payable on account of the use or operation of the tools and plant for the period of hire, shall be defrayed by the Hirer.
- (12) The Hirer shall make good any loss or damage, arising out of causes other than fair wear and tear, to the tools and the plant, during the period of hire. The cost recoverable from the hirer shall be the full replacement value as determined by the Engineer Incharge. In the event of any loss or damage not being made good by the Hirer to the satisfaction of the said Engineer Incharge, that officer shall be at liberty to make good himself such loss or damage and recover the cost thereof from the hirer. The Hirer shall pay to the said Engineer Incharge on demand, such such as shall be necessary to make good the loss or damage failing which the same will be recovered from his dues as in case of hire charges.
- (13) On the breach of any term of condition of this agreement by the Hirer, the Engineer Incharge shall be entitled to demand the return of the tools and the plant and the Hirer shall return the tools and the plant within 72 hours from the date of receipt of such order in writing. In case of failure on the part of the/Hirer to comply with such order, he shall be liable to pay such penalty as may be imposed by the Engineer Incharge for the period the tools and plant are detained provided that the maximum penalty shall not exceed the cost of replacement of the tools and plant.
- (14) In the case of any dispute between the Hirer and the Government..... the decision of the Superintending Engineer shall be final.
- (15) In case any question, dispute or difference shall arise between the Engineer Incharge and the hirer as to what additions, if any ought in fairness to be made to the amount of the hire by reason of break-down of the machinery shut down of the work due to reasons beyond the control of the hirer through no fault of the hirer, also due to the increase in quantities of the work beyond that included in the contract, or due to any other matter or thing arising under or out of this contract except as to

the matters left to the sole decision or requisitions of the Engineer Incharge under the clauses in the contract then such questions, dispute, difference should be referred to the arbitration and decision of an arbitrator to be chosen by both the parties to the contract. The award of such arbitrator shall be equivalent to a final decision of the matter.

- (16) This agreement shall be operated by the Engineer Incharge on behalf of the Government and the term Engineer Incharge shall include all officers duly authorised by him to exercise powers on his behalf.

THE SCHEDULE

Sl. No.	Name and description of the Articles	Nos.	Amount of hire per hour
---------	--------------------------------------	------	-------------------------

In witness whereof the Hirer and the Engineer Incharge has for and on behalf of the Governor of the State have set their respective hands the day and the year herein above written.

Signed by

In the presence of

- 1.
- 2.

Signed, sealed and delivered by

Seal

In the presence of

- 1.
- 2.

REGISTER SHOWING RECOVERY OF HIRE CHARGES, ETC. OF TOOLS AND PLANT HIRED TO CONTRACTORS

..... Division (..... Sub-Division).

Name of work—

Name of Contractor—

Sl. No.	Description of articles issued	Value of each article	Date of issue	Date of return stipulated	Date of actual return	Period and Rate of normal hire charges	Period & Rate of enhanced hire charges	Total hire charges	Recovery of hire charges	Initial of Sub-Divisional Officer	Remarks		
												Working	Idle	Date	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14

(Reference to log book etc. should be recorded including record of compensation recovered for loss or damaged.)

*Signature of the
Officer Incharge.*

HIRE CHARGES FOR MACHINERY PROCURED FOR LATERAL ROAD PROJECT

Sl. No.	Description of Plant	Usage charges per hr. when P.O.L. is supplied by Department	Usage charges per hr. when P.O.L. is supplied by Contractor.	Idle Charges	Remarks
1	2	3	4	5	6
<i>Road Making Machines</i>					
1	Motorised Scraper	99.00	80.25	18.75	
2	Towed Scraper	67.25	55.00	12.80	
3	Pusher	56.00	44.25	11.00	
4	Tractor Dozer	78.00	58.25	15.00	
5	Motor Grader	49.25	37.75	10.30	
6	Road Roller(Agrind moore)	14.75	9.40	3.70	
7	Do. (Britannia-Marshall)	12.80	9.80	3.60	
8	Tandem Road Roller	8.90	7.50	3.10	
9	Tractor 40—50 H.P.	10.60	5.45	2.20	
10	Diesel Truck/Tripper/ Truck mounted water tanker (for pucca roads only) 50% extra for kacha roads.	16.00/hr. 1.40/mile	9.50 hr. 1.00/mile	—	Which- ever is higher is to be re- covered.
11	Stone Crusher	19.50	12.75	3.30	
12	Granulators	17.10	10.20	3.80	
13	Air Compressor—315 C.F.M.	20.10	11.60	3.60	
14	Air Compressor— 210G.F.M.	14.00	8.20	2.80	
15	Diesel Driven Pump—5 H.P.	2.80	1.90	1.00	
16	Diesel Driven Pump—10 H.P.	4.30	3.25	1.25	
17	Bitumen Boiler 250/300 gallons.	3.05	1.25	0.90	

Where $c =$ Crank case capacity $= 0.06 \times \text{H.P.}$ in gallons.
 $t =$ time for changing oil $= 100$ hours.

- (c) The other lubricants grease, cottonwaste, etc. are assumed to cost twice the cost of lubricant oil in case of heavy machinery. In case of the rest, it is to cost same as lubricant oil,
- (d) Wages of operating Staff: Although the staff will be paid for the whole year, the actual working days have been assumed to be 250 days of 8 hours each. The hourly wages have, therefore, been calculated accordingly.
7. Overhead 5% of the total charges per hour.
8. (i) C.I.F. cost = F.A.S. or F.O.B. + 10% of cost of M/c for ocean freight.
- (ii) Customs duty and clearance charges = 50 per cent of C.I.F. Value (35 per cent customs duty + 10 per cent regulatory duty + 3 per cent clearance charges).
- (iii) Loading and unloading charges @Rs. 7 per ton.
- (iv) Railway freight charges are calculated taking the average distance of various destinations from Calcutta in the case of each equipment.
- (v) Idle charges per hour = $\frac{1}{4}$ th of depreciation per hour + Interest Wages of work charged staff per hour + Overheads @ 5 per cent of the total charges per hour.

CONDITIONS FOR ISSUE OF PLANT AND MACHINERY TO CONTRACTORS ON HIRE

Tools and Plants will be issued to the contractors only if it is desirable in the interest of Government work and if these can be spared without inconvenience to the department. The sanction of the Superintending Engineer shall be necessary in each case. The contractor shall arrange his programme of work according to the availability of the plant and machinery and no claim, whatsoever, will be entertained for any delay in supply by the Department.

2. An agreement shall be entered into by the contractor to the effect that these hire charges are recoverable from the bills of the contractor regularly and the final payment for the work including the refund of security deposit will not be made until the total

amount due to Government on account of hire of machinery etc. is recovered in full. Full amount of hire charges due from the contractor at any time shall be recovered from his next subsequent bill.

3. All transit and incidental charges in connection with the despatch of tools, plant and machinery from workshop/shed/depot and return thereto will be borne by the contractor.

4. The hire charges shall be recovered at the prescribed rates from and inclusive of the date the plant and machinery is made over upto and inclusive of the date of its return, even though the same may not have been utilised for any reason except for a major breakdown which may take more than 72 hours for repairs. The contractor shall immediately intimate in writing to the Engineer Incharge when any plant or machinery gets out of order requiring major repairs.

5. The hire charges are for clock hours. In case of Tar boilers, Hot Mix plant and any other machinery requiring similar preparation, the working hours will include the time required to make up the boiler temperature and bringing the plant to operating conditions before the actual start of work.

6. The machine will work in shifts of 8 hours each. Extra charges towards overtime wages, if any, of the operating and maintenance staff will be leviable. These charges will be fixed by the Engineer Incharge from time to time. In no case the tools and plants shall be operated beyond 8 hours in any shift without prior written permission of the Engineer Incharge.

7. The contractor shall release the plant and machinery as and when required for periodical servicing and maintenance. He shall also provide for any labour and water required for washing the plants. In the case of concrete mixers, pavers, and similar equipment, the contractor shall arrange to get the hopper cleaned and the drum etc., washed at the close of the work each day.

8. The plant and machinery once issued to a contractor shall not be returned by him on account of lack of arrangements of labour and materials etc. on his part. The same will be returned only

when they require major repairs or when, in the opinion of the Engineer Incharge the work or a portion of work for which the same was issued is completed.

9. The tools and plant shall, while in transit and in the custody of the contractor, be at his sole risk and responsibility for damage and/or loss except fair wear and tear. The damage or loss, as assessed by the Engineer Incharge shall be made good by the contractor. In the event of a disagreement as to the extent of damage or the value of articles lost, the decision of the Superintending Engineer, shall be final. The contractor shall on or before the supply of the plant and machinery sign an agreement indemnifying the Government against loss or damage to the machinery. The contractor shall also be responsible for any claims for compensation for loss of life, injury or damage to property etc. arising from any cause whatsoever. The contractor shall provide full time chowkidar for guarding the plant and machinery at site.

10. If the articles are not returned within the date originally specified or extended by the Engineer Incharge, in addition to the normal hire charges a surcharge equal to 10 per cent of the hire charges will be levied for the period that the machinery is not returned. Such periods will be treated as working time and charged as working time.

11. In the event of the non-return of the machinery, the full value of the articles at the current market prices will be recovered from the contractor's outstanding bills, or any bills that may become due in respect of his other works under the State Public Works Department. The decision of the Superintending Engineer shall be final in case of disputes.

12. *Formal Agreement:* The contractor shall, before taking possession of the machinery, enter into an agreement with the Engineer Incharge or his nominee in the form attached.

13. Log Book for recording the hours of daily work for each of the plant and machinery supplied to the contractor will be maintained by the Department and will be attested by the contractor or his authorised agent daily. In case the contractor contexts the correctness of the entries and/or fails to sign the Log Book, the decision of the Engineer Incharge shall be final and binding on him. Hire charge will be calculated according to the entries in the Log Book and will be binding on the contractor.

ANNEXURE III

GOVERNMENT OF INDIA

MINISTRY OF TRANSPORT & SHIPPING (ROADS WING)

TELEGRAMS:

TRANSPORT BHAVAN

"ROADING"

No. I PARLIAMENT STREET

No. RM-30(2)/67.

New Delhi-1, the 26th October, 1967.

To

The Superintending Engineers (Mechanical), Ministry of Transport & Shipping (Roads Wing), posted at Gauhati (Assam) and Khagaria (District Monghyr,—Bihar).

SUBJECT:—*Duties and powers of the Superintending Engineers (Mechanical) posted in States.*

Sir,

I am directed to refer to this Ministry's letter No. LR-8(2) 67, dated the 6th September 1967, addressed to the State Governments of Uttar Pradesh, Bihar, West Bengal and Assam and copy endorsed to you, intimating that with reference to the Lateral Road Project the work relating to distribution, use and maintenance of the (Mechanical) and not by the Superintending Engineers (Roads/Bridges). In this connection it is now amplified that similar work with regard to the machinery obtained for other Projects of this Ministry would also be done by you. Your duties and functions will thus include, *inter alia*, the following:—

- (a) to ensure proper maintenance and repairs of all the machinery purchased out of Central Funds for all the road projects;
- (b) to ensure proper maintenance of the Log Books, History Sheets, Registers, etc;
- (c) to ensure proper recovery and adjustment of hire charges; and
- (d) to send to this Ministry requisite reports regularly by the due dates in the proforma prescribed by this Ministry from time to time for the purpose.

Yours faithfully,

Sd/- BRIJ RATAN LAL,
Under Secretary to the Govt. of India.

Encl: Nil.

Copy forwarded for information to the Superintending Engineers (Roads|Bridges), Ministry of Transport and Shipping (Roads Wing). posted at Lucknow|Patna|Siliguri|Shillong.

Sd/- BRIJ RATAN LAL,

Under Secretary to the Govt. of India.

Encl.: Nil.

Recommendation of the Committee

The Committee note that the Government of India are themselves not satisfied with the existing arrangements for the execution of agency work, as they leave scope for important decisions bearing on the cost of work being taken by the State Government, without prior consultation with the Government of India and that this issue is under examination. They hope that steps will be taken suitably to streamline the procedure so that the Government of India's concurrence is invariably obtained before important decisions affecting the financial interests of the Central Government are taken by the State Government. The Committee would also like to be apprised of the recovery from the State Government of the extra expenditure incurred in this case.

[Sl. No. 9 of Appendix IV (Para No. 1.33) of the Forty Second Report (Fourth Lok Sabha)].

Action taken by Government

The recommendations/observations of the Public Accounts Committee deal with the following issues:—

- (i) Streamlining the procedure in regard to execution of National Highway Works by the State Governments on agency basis;
- (ii) Recovery of extra expenditure from the Government of Rajasthan.

2. With regard to (i) above it may be stated that the question of evolving such procedure as would ensure that the Government of India's concurrence is invariably obtained before important decisions affecting the financial interest of the Central Government are taken by the State Government has been under active consideration in this Ministry for quite some time. As this question has many aspects, some of which are not free from controversy, it has not so far been possible to come to a final conclusion in the matter. Efforts are being made to ensure that this issue is finalised early. The Public Accounts Committee will be informed as soon as the issue is finalised.

2487 (Aii) L.S.—6.

3. As regards (ii) above, it may be stated that a final reply from the Government of Rajasthan to this Ministry's letter No. B-18(2)/67, dated the 29th October, 1968 (copy enclosed—Annexure I) is still awaited from them, despite reminders dated the 10th December, 1968, 31st December, 1968, 5th February, 1969, 18th April, 1969, 9th May 1969, 2nd June, 1969, 12th August, 1969 and 18th August, 1969. The latest communication (18th August, 1969—Annexure II) received from the State Government indicates that the matter is under discussion at the ministerial level and that every effort is being made by the State Government to send a final reply early. The Committee will be apprised of the final reply on receipt from the State Government.

4. This note has been vetted by Audit.

[Min. of Transport and Shipping (Roads Wing) O.M. No. B-29 (6), dated 21-10-1969].

ANNEXURE I

GOVERNMENT OF INDIA

MINISTRY OF SHIPPING & TRANSPORT (ROADS WING)

TELEGRAMS

TRANSPORT BHAVAN

ARADIND'

NO. 1 PARLIAMENT STREET

No. B-18(2)67.

New Delhi, the 29th October, 1968.

To,

The Secretary to the Government of Rajasthan,
Public Works Department,
Jaipur.

SUBJECT: *Audit para on non-recovery of extra expenditure from the Bharat Sewak Samaj included in the Central Audit Report, 1968.*

ir,

I am directed to refer to the correspondence resting with D.O. letter No. F.11(10)PWD/67, dated the 26th June, 1968, from Shri Khem Chand, Secretary Public Works Department, Rajasthan and to say that the State Government had entered into a contract with the Bharat Sewak Samaj for the execution of the seven works on National Highway No. 11. The Samaj failed to carry out their obligation and, therefore, the State Government had the incompleta

works executed through another agency during 1965-66 and 1966-67 at extra costs. The extra cost are recoverable under the terms of the contract from the Bharat Sewak Samaj.

2. However, the State Government waived the recovery of the amount due from the Samaj without the prior approval of the Central Government with the result that the total liability of the Central Government was increased to the extent of the amount waived by the State Government. It will be appreciated that the Central Government cannot be expected to meet the extra liability which has been incurred without their prior consent. Their liability is restricted to the amount for which they had accorded technical approval and financial sanction in pursuance of rules 3 and 5 of the National Highway Rules, 1957 viz. Rs. 10.40 lakhs and the extra expenditure incurred on the works due to the waiver of the recovery from Bharat Sewak Samaj amounting Rs. 1.49 lakhs is correctly chargeable to the State revenues.

3. In the circumstances, I am to request that if the estimates of the works in question have not yet been finally closed, necessary credit may kindly be afforded to the estimates for the works by debiting an equivalent amount from the State revenues. In case, the estimates have been closed, necessary credit may kindly be afforded to the following head of Central account under intimation to this Ministry and to the Accountant General, Central Revenues, Delhi:—

“Major Head 103—Capital Outlay on Public Works: Deduct Receipts and Recoveries on Capital Account”.

4. As the further developments in this case are required to be reported to the Public Accounts Committee, the Government will be glad if the action suggestion above is taken forth-with and this Ministry informed at a very early date.

Yours faithfully,

Sd/- D. A. RAMA WARRIAR,

Under Secretary to the Government of India.

ENCL: NIL.

Copy forwarded for information to the Accountant General, Central Revenues, New Delhi.

Sd/- D. A. RAMA WARRIAR,

Under Secretary to the Government of India.

ENCL: NIL.

ANNEXURE H

K. N. SHARMA
CHIEF ENGINEER-cum-
ADDL. SECRETARY TO GOVERNMENT.

PUBLIC WORKS DEPARTMENT (B & R)
RAJASTHAN, JAIPUR

D.O.No. 5(4)DP/66-67/AS/3469

18th August 1969.

SUBJECT: *Audit Para--Non-recovery of extra expenditure from the Bharat Sewak Samaj included in the Central Audit Report, 1968.*

My dear Shri Marya,

Kindly refer to your telephone today on the above subject, I have to inform you that the matter is under discussion at the ministerial level and every effort is being made to expedite this case.

As the original decision was taken at the ministerial level, I am awaiting reply and as soon as the same is received it shall be communicated to you. I am sorry that the matter has been delayed but it was beyond my control.

With due regards,

Yours sincerely,
Sd/- K. M. SHARMA

Shri J. S. Marya,
Addl. Director General (R.D.)
Ministry of Transport & Shipping,
Roads Wing, Transport Bhawan,
1-Parliament Street, New Delhi.

Recommendation

The Committee note that Government have claimed a sum of Rs. 139.89 lakhs as liquidated damages from a firm for the belated supply of dredger and that the matter is being referred to arbitration. They would like to be apprised of the outcome of the arbitration proceedings.

[Sl. No. 10 Appendix IV (Para No. 1.37 of 42nd Report 4th Lok Sabha)].

Action taken

The arbitration proceedings have been completed. However, the award has not so far been received. The award, when received, will be intimated to the P.A.C.

Supplementary Information required by the Action Taken Sub-Committee

- (i) What was the arbitration procedure envisaged in the contract for the dredgers?
- (ii) Has the Ministry reminded India Supply Mission, Washington regarding delay in the arbitration award?

The contract provided for the recovery of liquidated damages. As regards the procedure for the recovery of liquidated damages, India Supply Mission's Legal Adviser recommended arbitration in New York, provided both the parties agreed, on the ground that it would be more advantageous to the Government than Court procedure. In consultation with the Ministry of Law, a supplemental agreement for arbitration was entered into with the firm by India Supply Mission on the 31st January, 1968 as there was no arbitration clause in the contract. The arbitration is governed by the provisions of New York arbitration Law.

The arbitrators heard the evidence during the latter half of February, 1969. The India Supply Mission, Washington was under instructions to intimate to the Ministry the arbitration award as soon as it was given. They have intimated in their letter No. SE. 168/396/7629, dated the 18th August, 1969 that "the arbitrators have not yet handed down their award but our Legal Adviser thinks that it would be forthcoming in the very near future."

[Ministry of Transport and Shipping (Transport-Wing) O.M. No. 18/PD II(14)/69, dated 5-9-1969].

Recommendation

The Committee also note that liquidated damages are proposed to be claimed from certain other firms for delay in the supply of tugs and barges. They would like to be informed in due course of the settlement of these claims.

[Sl. No. II of Appendix IV (Para No. 1.38 of 42nd Report 4th Lok Sabha)]

Action taken

Tugs—The contract for tugs was placed through the D.G.S. &D. The question of liquidated damages is still under the consideration of D.G.S.&D.

Barges—The barges are yet to be delivered. This contract again has been placed through the D.G.S. & D. D.G.S. & D. will take up the matter of liquidated damages with the firm after the delivery of the barges has been completed. It may take more than a year, as the delivery of the barges itself is for the present expected to be completed by the end of April, 1970.

The Public Accounts Committee will be informed of the settlement of these claims in due course as desired by them.

Supplementary Information required by the Action Taken Sub-Committee

Tugs: (i) "Has the Ministry taken up with the Director General, Supplies and Disposals?

(ii) Has the Ministry assessed the quantum of liquidated damages? Reasons for delay."

According to the stipulation in the contract for the manufacture and supply of tugs, the first tug was to be delivered within 12 months from the receipt of an official order, import licence, approval of drawings and all steel at the manufacturer's works provided the imported items arrived at the works five months before the delivery date. The provisional delivery date for the first tug was stipulated as 31st August, 1965 and for the second tug as 31st October, 1965. The first tug was delivered in December, 1966 and the second tug in April, 1967. Before the quantum of liquidated damages for the delay in the delivery of three tugs could be assessed, the Director General of Supplies and Disposals has been asked to intimate, in the first instance, the extent of delay in the delivery which could be attributed to circumstances of a *force majeure nature*. The Director General of Supplies and Disposals was addressed in this regard on the 30th December, 1967. They are being periodically reminded to settle the issues involved in this contract.

Barges: "How many times extensions have been granted for the barges? Have the extensions been granted subject to Governments' right to recover liquidated damages?"

According to the contract, the first barge was to be supplied within 9 months from the date of receipt of order, subject to approved drawings and Steel materials being made available at firm's works and subject further to the receipt of machinery at firm's works and subject further to the receipt of machinery and other equipment from abroad and the Director General of Supplies and Disposals' *force-majeure* clause; the balance three barges within a period of 6 months thereafter".

The first barge was delivered on the 12th August, 1969. The other three are yet to be delivered. The Director General of Supplies and Disposals first extended the date of delivery upto 30th September, 1967. Subsequently in November, 1967, a further extension upto 30th June, 1968 and in September 1968, a further extension upto 30th April, 1969 were granted without prejudice to any claim that may have to be made against the firm for liquidated damages for late delivery (except to the extent of delay in delivery admitted by the Director General of Supplies and Disposals as being due to circumstances of a force majeure nature). Since the above delivery dates could not be adhered to by the firm, the Director General of Supplies and Disposals made a proposal for extending the dates of delivery upto the end of September, 1969 (first barge); December, 1969 (second barge); February, 1970 (third barge) and upto the end of April, 1970 (fourth barge). These extensions have been agreed to by the Ministry without prejudice to the claim for liquidated damages for the late delivery except to the extent of delay in delivery attributed to the circumstances of a force majeure nature.

[Min. of Transport and Shipping (Transport Wing) O.M. No. 18-PD II(14)/69, dated 5-9-1969].

Recommendation

"The Committee notice that no guide-lines for provisioning of spares were evolved in 1964-65 or thereafter, as they were given to understand during evidence. The Committee also note from the statement showing different types and models of machinery in use in the Border Roads Organisation that, with a few exceptions, the various types and models of machinery were brought into use between 1960 and 1963. The Organisation would seem to have sufficient experience of the working of these machines to be able to determine what spares are required for these machines. The Committee, are, therefore, unable to understand why the Organisation should face any difficulty on this account. The Committee have no doubt

that the matter will receive the due attention of the Director Scientific Evaluation, who is conducting a works study, *inter alia*, of the utilisation of the machinery and equipment. Another point the Committee would like to be considered in this context is whether, on the basis of such guide-lines and a realistic assessment of the recurring needs for spares, rate contracts could be executed with indigenous suppliers to facilitate procurement of spares and eliminate the delay involved in the normal procedure for procurement”.

[Sl. No. 18 of Appendix IV (Para No. 2.23) of Forty Second Report (Fourth Lok Sabha) of P.A.C. 1968-69].

Action taken

The existing system of provisioning of spares is based on ‘Stocking guides’ prepared for this purpose. The provisioning of spares for 2 years’ maintenance and one overhaul is determined by Initial Stocking guide, which is prepared on the recommendations of the manufacturers, the experience if any of the use of same or similar equipment and the best technical opinion available both of Border Roads and the army sides. The Initial Stocking guide is reviewed in the light of actual experience and consumption of spares. The indent for spares required for the maintenance of equipment for the next two years is also based on the Initial Stocking guide, which as mentioned above, is revised if necessary in the light of experience gained.

2. In regard to Rate Contracts and indents placed on the Director General, Supplies and Disposals, the Department of Supply have explained the position as follows:

“Rate contracts exist under which orders upto Rs 5 lakhs may be placed for spares. The indents for spares of value exceeding Rs. 5 lakhs are, however dealt with by Director General Supplies and Disposals separately and the rates are generally negotiated in order to obtain a bulk discount from the contractors.”

“The Department of Supply try to ensure that there is no time-lag between the rate contracts which are concluded annually and that negotiations in respect of indents valued at more than Rs. 5 lakhs are finalised expeditiously. Furthermore, in order to ensure supply to the Direct Demanding Officers within a reasonable period, instructions are being issued to the major indenting officers to the effect that before placing formal supply orders they should ask the contractors to indicate the period/date by which they

would agree to make the supplies against the order to be placed on them. On receipt of their reply, formal supply orders may be placed on them indicating the agreed delivery period so that it could be deemed as binding in terms of the contract."

3. As a result of the comprehensive review, Director General Border Roads has come to the conclusion that the present system, adopted from the army side, has certain inherent limitations. D.G. B.R. is not in favour of covering the entire requirement of spares by only two bulk indents based on Initial Stocking Guides. He has suggested a system under which the consumption of spares would be kept under continuous review and the future requirement will be determined or adjusted at comparatively short intervals. He has proposed that the indents for spares should be placed at short intervals. This and other allied proposals are being examined in consultation with Master General of Ordnance and Director, Electrical and Mechanical Engineering of Army Headquarters and decision is expected to be taken before the end of the calendar year.

4. Ministry of Finance (B/R) and Director of Audit (Defence Services) have seen.

[Min. of Transport and Shipping (B.R.D.B.) U.O. No. F. 1(10)/B.R.D.B./68-69/PAC, dated 15-9-1969].

Further information required by the Action Taken Sub-Committee

Please state the progress made in revising the 'stocking guides' for various types of equipment in the light of experience gained from its use.

Reply

DGBR has revised the stocking guides for 48 equipment as per* list enclosed based on the experience gained in the utilisation of spare parts on these equipment.

[B.R.D.B. U.O. No. F. 1(10)/BRDB/68-69 PAC, dated 6-12-1969].

NEW DELHI;
22nd December, 1969.
1, Pausa 1891 (S).

ATAL BIHARY VAJPAYEE,
Chairman,
Public Accounts Committee.

APPENDIX

Summary of main recommendations/conclusion

S. No.	Para No.	Ministry / Department	Recommendations/Conclusions
1	2	3	4
1	1.8	Transport and Shipping	<p>The Committee are not happy over the delay in the submission of the report by the Road Building Machinery Committee. This High Level Committee was constituted in October, 1968 to examine the arrangements for procurement and purchase of machinery for road works, review the extent to which existing machinery was being put to use and suggest measures for the optimum utilisation of surplus machinery etc. Though this Committee was to have submitted its report within a period of six months (i.e., by March, 1969), the report has not been submitted so far, in spite of an extension of time upto 15th October, 1969. A further extension of time upto 15th January, 1970 has now been asked for.</p> <p>The Committee hope that the report of this Committee would be finalised expeditiously and that it would provide firm guidelines to Government for procurement of machinery for road works on an economical basis, their optimum utilisation and proper upkeep.</p>
2	1.12	—Do—	<p>The Committee would like the Government of India to ensure that the State Governments of U.P., Bihar, West Bengal and Assam</p>

draw up a phased programme for completion of the lateral roadway by 1970-71. It is essential that the Government of India should maintain a strict watch over the progress of the work and co-ordinate and devetail the programmes of the concerned State Governments.

3 1.15 Transport and Shipping

In para 1.15 of their Forty-Second Report (Fourth Lok Sabha), the Committee had drawn attention to the fact that machinery and equipment of the value of Rs. 2.82 crores out of a total of Rs. 8.25 crores procured for the lateral roadway had been rendered surplus. The Committee note that the question of diverting this surplus machinery is under examination by the Road Building Machinery Committee and that Government are taking steps to transfer some of the items of surplus equipment and machinery to other States and projects. The report of the Road Building Machinery Committee is not now expected earlier than January, 1970 and the examination of the report and follow-up action thereon will take further time. The Committee would not like Government in the meanwhile to lose time in transferring the surplus machinery to other projects. The existing procedure of inspecting the machinery lying in the custody of the State Governments should also be reinforced so as to ensure their proper upkeep and maintenance.

85

4 1.20 —Do—

The Committee would like to be informed whether the claim for Rs. 139.89 lakhs pressed by Government against the firm for belated supply of dredgers has been upheld in arbitration.

1.21

Transport and Shipping

As regards tugs, the Committee note that though delivery was completed by April, 1967, a final decision on the question of liquidated damages recoverable from the firm for belated supply has still to be worked out. The Committee deprecate the inordinate delay on this count and would like the matter to be settled without further delay.

1.22

—Do—

In regard to barges, the Committee observe that, though delivery of the four barges was to have been completed in a phased manner before the end of 1966, only one barge has so far been delivered and that too after a delay of over 3 years. The Committee would like the delivery position in regard to the remaining barges to be closely watched and appropriate penalty for delay in delivery to be recovered from the firm.

5

1.29 Transport and Shipping (B.R.O.)

From the information furnished by the Border Roads Organisation, the Committee cannot but conclude that the state of affairs in the two base workshops is far from a happy one. As pointed out by a Committee of Officers which examined the staffing pattern of the workshops, there is "a large backlog" of class 'C' vehicles and equipment awaiting repairs, representing "over three times the total annual capacity of the workshops." A backlog of this magnitude, as rightly pointed out by that Committee, "could not be cleared by ordinary means." The Committee would like the Border Roads Organisation to give urgent and serious consideration to the question

how this backlog should be cleared. Apart from stepping up the output of the workshops, sustained measures will have to be taken to have as much of the repair/overhaul work off-loaded to Army Workshops and Trade as possible.

1.30

—Do—

In paragraph 2.12 of their Forty Second Report (Fourth Lok Sabha), the Committee had also referred to the heavy inventory of machinery, equipment and vehicles in the Border Roads Organisation costing over Rs. 31 crores and stressed the need to ensure that the equipment was put to optimum use. The Committee were then given to understand that the question of optimum utilisation of the machinery, equipment etc. was under study by the Director of Scientific Evaluation. The Committee note that the Director General Scientific Evaluation has since submitted his report on the utilisation of resources in the Border Roads Organisation and that the report is under the consideration of Government. The Committee would like final action on the Report to be taken expeditiously.

87

1.34

—Do—

In para 2.24 of their 42nd Report (Fourth Lok Sabha), the Committee had drawn attention to the fact that a multiplicity of models with the Border Roads Organisation had complicated the problem of procurement of spares. The lack of spares has in turn resulted in equipment and machinery stagnating in the repair workshops for long periods. The Committee note that steps for standardisation of

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machinery and equipment with the Border Roads Organisation are under study and that decisions in this regard affecting the main items of equipment will be taken by December, 1970 if not by October 1970. The Committee regret the inordinate delay in this regard and hope that decisions on these points will be speeded up.

8

1.38 Transport and shipping (B.R.O.)

The Committee find that the position regarding pending indents for spares has not shown any appreciable improvement. 128 indents for spares valued at Rs. 9.74 crores were still to be processed as on 31st March, 1969. Of these, 94 indents were pending for periods ranging from 1 to 3 years; the bulk of the indents with the Director General Supplies and Disposals. The Committee cannot help expressing dissatisfaction over this position and would like the supplying agencies concerned, particularly the D.G.S.&D., to take concerted steps to speed up procurement.

88

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
DELHI			33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	6
24.	Jain Book Agency, Connaught Palace, New Delhi.	11	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
25.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	35.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.	88
26.	Atma Ram & Sons, Kashmir Gate, Delhi-6.	9	36.	Hind Book House, 82 Janpath, New Delhi	95
27.	J.M. Jaina & Brothers, Mori Gate, Delhi.	11	37.	Bookwell 4, Sant Narakari, Colony, Kingasway Camp, Delhi-9.	96
28.	The Central News Agency, 23/90, Connaught Palace, New Delhi.	15	MANIPUR		
29.	The English Book Store, 7-L, Connaught Circus, New Delhi.	20	38.	Shri N. Chaoba Singh, News Agent, Ramlal Paul High School Annexe, Imphal.	77
30.	Lakshmi Book Store, 42, Municipal market, Janpath, New Delhi.	23	AGENTS IN FOREIGN COUNTRIES		
31.	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	39.	The Secretary, Establishment Department, The High Commission of India India House, Aldwych, LONDON, W.C.—2.	59
32.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66			

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