

**ESTIMATES COMMITTEE
1959-60**

EIGHTY-SEVENTH REPORT

(SECOND LOK SABHA)

MINISTRY OF STEEL, MINES & FUEL

HINDUSTAN STEEL LIMITED

General Service Charged at the Rourkela Steel Plant



**LOK SABHA SECRETARIAT
NEW DELHI**

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ESTIMATES COMMITTEE

1959-60

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(iv)

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INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Eighty-seventh Report on the Ministry of Steel, Mines & Fuel—Hindustan Steel Ltd.—General Service Charges at the Rourkela Steel Plant.

2. In the course of supplementaries to Starred Question No. 1145 answered in the Lok Sabha on the 18th December, 1958 (reproduced in Appendix I), the Speaker directed the Estimates Committee to investigate the reasons for increase in the estimates of general service charges at the Rourkela Steel Plant, as part of their examination of estimates relating to Hindustan Steel (P) Ltd.,—Rourkela, Bhilai and Durgapur Steel Projects.

3. The Estimates Committee (1958-59) had examined the estimates relating to the Hindustan Steel (P) Ltd.,—Rourkela, Bhilai and Durgapur Steel Projects *vide* their Thirty-third Report (Second Lok Sabha), the first draft of which was approved by the Committee on the 2nd December, 1958. The increase in the estimates of the Steel Projects and their reasons were generally dealt with and commented upon in the above Report. No special comments were, however, made on the increase in the General Service Charges at the Rourkela Steel Plant. Nor was this matter discussed specifically with the official witnesses who appeared before the Committee in July and September, 1958. The Committee, therefore, called for necessary information in this respect from the Ministry of Steel, Mines & Fuel (Department of Iron & Steel) on the 23rd December, 1958. But owing to non-receipt of complete information from that Department up to 4th March, 1959, the date on which the Thirty-third Report of the Committee was presented to the House, the Committee could not examine this matter as part of their examination of the Steel Projects. In the meantime the term of the Committee (1958-59) expired on the 30th April, 1959. Consequently, with the approval of the Speaker, the matter had to be carried forward for examination during 1959-60. The information called for from the Ministry of Steel, Mines & Fuel on the 23rd December, 1958 was furnished by September, 1959. After studying this material, the Committee issued a questionnaire in November, 1959 calling for certain further information. Replies to it were received in instalments, the last one on 16th March, 1960. The Sub-Committee of the Estimates Committee on Public Undertakings examined this matter on the 4th April, 1960 and the main Committee on the 7th April, 1960. The findings of the Committee are embodied in this Report.

4. When the draft Report, which was prepared on the basis of information supplied by the Ministry of Steel, Mines & Fuel upto the

16th March 1960, was sent for factual verification, the Ministry on the 14th April, 1960 furnished certain modified figures without any supporting data. There were no means of verifying the same at this late stage. No reasons were given as to why these figures could not be supplied earlier. These new figures are incorporated as footnotes to the relevant paragraphs.

NEW DELHI;
The 15th April, 1960
Chaitra 26, 1882 (S)

H. C. DASAPPA,
Chairman,
Estimates Committee.

A. Background

An integrated steel plant consists of the four main Sections, namely, Coke Ovens, Blast Furnaces, Steel Melting Plant and Rolling Mills. Besides, there are various ancillaries like power plant, blower plant, structural and machine shops, arrangements for water supply, distribution of electrical power and gases, telephone communication, electrical lighting, etc. These constitute the general services. The constituents of general services, however, vary from plant to plant.

B. General Services at Rourkela

2. According to a statement furnished to the Committee in September, 1959, the following items are included in the general services at the Rourkela Plant:—

- (1) Coke Oven gas supply
- (2) Tonnage oxygen plant
- (3) Blast furnace gas supply
- (4) Power distribution, power supply
- (5) Steam supply
- (6) Water supply
- (7) General Supdtt.'s Office building
- (8) Wash and locker rooms
- (9) Fuel control and instruments
- (10) Telephone system
- (11) Pneumatic tube system
- (12) Motor pool
- (13) Offices with garages
- (14) Outdoor lighting
- (15) Road bridges
- (16) Works roads
- (17) Drainage and sewer system; and
- (18) Administrative building.

The break-up of the general services, furnished to the Committee earlier in February 1959, did not include 'Administrative Building' (item 18) which is estimated to cost

Rs. 67.93 lakhs (D.M. 6,000,000). The estimates of cost of the individual items were not furnished at that time. This additional item was included in the statement furnished in September, 1959 which also indicated the estimated cost of each item, totalling to 175.4 million Deutsche Marks, equivalent to Rs. 19.21 crores.

Original and
Revised Esti-
mates.

3. The original estimates of the Rourkela Steel Project, prepared by the Consultants in November 1955, amounted to Rs. 128 crores. Of this, the estimates of cost of the general services amounted to Rs. 13.31 crores. When the Project estimates were revised to Rs. 170 crores in August 1956, the estimates of general services were revised to Rs. 19.21 crores.

Estimates of
Cost.

4. A statement showing the original as well as the revised estimates of the items constituting general services at Rourkela Steel Plant is given in Appendix II. It would be seen that there has been an increase of 44.3 per cent. (from Rs. 13.31 crores to Rs. 19.21 crores) in the estimates on the whole.*

C. Reasons for increase in estimates

5. The following factors are stated to have been responsible for the increase in the estimates:

- (1) Change in specifications;
- (2) Increase in material prices and wage rates;
- (3) Provision for additional equipment; and
- (4) under-estimation in the initial stages by the Consultants.

Detailed
Break-up of
increase in
Estimates.

6. From the statement furnished by Government, it was not possible to calculate the exact or approximate increase attributable to each of these factors, except due to under-estimation. The Committee, therefore, called for a detailed break-up of increase in the estimates of all the individual items constituting 'general services' indicating separately the extent of increase due to each of the above four factors. The Government have stated in reply that such a detailed break-up of the increase is not available. A break-up of the increase in the total estimates of each of the three steel

*At the time of factual verification of the Report on the 14th April, 1960, the Committee were informed that according to the latest estimates of Hindustan Steel Limited, the General Services at Rourkela would cost only Rs. 15.85 crores, as against the estimate of Rs. 13.31 crores in 1955 and Rs. 19.21 crores in 1956 and that, if the latest estimate was taken into account, the increase in Rourkela over the original estimate of 1955 would be only about 19%.

projects, on account of these factors, was furnished to the Committee earlier and has been reproduced in Appendix XVII of their Thirty-third Report (Second Lok Sabha). *The Committee are unable to understand how, if the increase in each item due to these factors is not available, the total increase for the Rourkela Plant attributable to the same factors was computed and furnished earlier. They regret to note that the information called for was not furnished in this case.*

7. The absence of detailed break-up of increase in the estimates renders the examination of or comments on the justification for increase in the estimates of individual items very difficult. Leaving out, however, cases where the increase has been stated to be due to change in specifications and provision for additional equipment, the increase in the following items is reported to be due to under-estimation or *exclusively* due to increase in material prices and wage rates:—

	From	To
	(In Deutsche Marks)	
(1) Due to increase in material prices and wage rate :		
Steam supply	149,000	192,750
Fuel control and instruments	1,399,000	1,552,000
Telephone system	990,000	1,091,000
Pneumatic tube system	907,000	998,000
	3,445,000	3,833,750
Equivalent in Rs.	39 lakhs	43·40 lakhs
(2) Due to under-estimation :		
Outdoor lighting	1,660,000	7,103,000
Equivalent in Rs.	18·79 lakhs	80·42 lakhs

8. It would thus be seen that the rise in the estimates of four items which is stated to be exclusively due to increase in material prices and wage rates amounts to Rs. 4·40 lakhs or 7 per cent. of the total increase of Rs. 5·90 crores in the estimates of general service charges. The estimates of 'outdoor lighting', which are stated to have been under-estimated originally, have gone up by about 328 per cent. (from Rs. 18·79 lakhs to Rs. 80·42 lakhs) and the increase amounts to 10·4 per cent. of the total increase of Rs. 5·90 crores. *The rise in material prices and wage rates and under-estimation do not appear to have contributed appreciably to the increase of 44·3 per cent. in the estimates of the general*

services. It is, therefore, obvious that the increase has been mainly due to change in specifications, extension of roads and drainage, improvements in internal installations and provision for additional equipment. The reasons which necessitated changes in specifications, provision for additional equipment etc. are not known. It is, however, stated that the estimates were revised in August 1956 'with a view to secure improved operational efficiency and convenience'. The Committee were informed that the changes in the scope of work in various items which resulted in increased cost were carefully considered and were undertaken by the Project after consulting the Consultants (Krupp and Demag), the Consulting Engineers to the Government (International Construction Company) and the Technical Adviser of the Rourkela Steel Project (Dr. H. Klinar). This explanation does not, however, enable the Committee to form any opinion regarding the justification for the increase in estimates.

9. The Committee are not in a position to express any opinion in regard to technical matters but considering the magnitude of changes made in the specifications, they feel that originally the estimates were not properly prepared. They would also invite a reference in this connection to paragraphs 149—152 of their Thirty-third Report (Second Lok Sabha) in which they have generally commented upon the increase in estimates of the Steel Projects due to the various factors mentioned above.

Administrative Building.

10. It would be observed from Appendix II that the Administrative Building at Rourkela is likely to cost Rs. 67·93 lakhs (D.M. 6,000,000). Besides this, the general services include General Supdt.'s Office Building which according to the revised estimates would cost Rs. 11·66 lakhs (D.M. 1,030,000). *As the original provision for both these buildings (Rs. 65·58 lakhs) itself was more than reasonable for a single project, the further increase of Rs. 14·01 lakhs (D.M. 1,238,000) does not seem to be justified.* It is interesting to note that the Bombay Sachivalaya has cost only about Rs. 64 lakhs for a floor space of nearly 2,82,000 sq. ft.*

D. Comparison with other Plants

11. The Committee were informed that the estimates of general services at the other two steel plants, viz. Bhilai and

*At the time of factual verification of the Report on the 14th April, 1960, the Committee were informed that as against the 1955 estimate of Rs. 65·58 lakhs for both the buildings and 1956 estimate of Rs. 79·59 lakhs, the latest estimate on the basis of contracts concluded was only Rs. 66·68 lakhs—an increase of Rs. 1 lakh over the 1955 estimate which, according to Government, could not be considered unreasonable, in view of the increases in prices and costs.

Durgapur, had also risen as shown below:—

	Original estimates (1955)	Revised estimates (1956)	Percentage Increase
	(In Crores of Rupees)		
Bhilai	9.34	12.14	30.0
Durgapur	6.43	7.68	19.4

The items which comprise the general services at these plants are shown in Appendix III.

12. In order to make a comparative examination of the rise in estimates of the general services at the three plants, the Committee called for particulars regarding the original as well as revised estimates of similar items in respect of Bhilai and Durgapur Projects also. In reply it was stated that in the estimates of costs prepared by the Consultants, the cost of these ancillaries had been shown differently. In certain cases, particularly in Bhilai and Durgapur Projects, some of these services were partly included in the costs of the major sections and it was difficult to separate them. It was further stated that although they were all one-million ton plants, there was considerable difference from plant to plant in the nature of individual units and the lay-out. The 'content' of general services was also different in the three steel plants. In view of this, the detailed break-up of the original and revised estimates of the items constituting general services at these plants was not furnished.

13. In this connection, the Committee would refer to the recommendation contained in paragraph 145 of their 33rd Report (Second Lok Sabha) that for a proper comparison of the estimates and the actual costs of the three Projects, the estimates should be analysed on a uniform basis after making allowance for the differences. Evidently no action has been taken so far in this regard. *The Committee reiterate the earlier recommendation and hope that early action would be taken in the matter.*

14. In the course of supplementaries to Starred Question No. 1145 in the Lok Sabha (Appendix I) doubts were expressed whether the firms, which had been awarded contracts for general services at Rourkela, had anything to do with advising the Project Authorities or whether they were connected with the Consultants, namely Messrs. Krupp and Demag. A list of firms which have been awarded contracts for the general services is given in Appendix IV. Names of petty contractors for civil engineering work have, however, not been

Firms whom
contracts
have been
awarded..

furnished to the Committee. *It would be observed from this statement that these contracts have not been awarded to the Consultants nor do the contractors appear to be their associates.*

E. Conclusion

15. This matter was referred to the Committee for detailed examination of the reasons for increase in the estimates of general service charges of the Rourkela Project. *The Committee regret that for want of adequate information it has not been possible for them to fully appreciate the reasons for the increase. The Committee consider that when big projects are planned, greater attention should be paid to such matters of detail.*

Further, judging from the scale of expenditure proposed for the administrative buildings, it would seem that there is room for economy in expenditure on the Project. The Committee hope that every effort would be made to explore the possibilities of reducing the expenditure to the utmost extent.

NEW DELHI;
The 15th April, 1960.

Chaitra 26, 1882 (S).

H. C. DASAPPA,
Chairman,
Estimates Committee.

APPENDIX I

[*Vide* Paragraph 2 of Introduction]

LOK SABHA

Starred Question No. 1145

Answered on the 18th December, 1958.

General Service Charge of Rourkela Steel Plant

***1145. Shri Morarka:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether it is a fact that the General Service Charges have increased from Rs. 13 crores to Rs. 19 crores at Rourkela;

(b) if so, the reasons for this increase; and

(c) how much is due to the increase of material and how much due to labour?

Answer

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):
(a) Yes Sir. The term "General Services" includes the tonnage oxygen plant, all interconnecting services for distribution of power, steam and water (these consist of physical items like pressure pipes, electrical conduits, cables, water supply pumps etc.), and items like office buildings, telephone and pneumatic tube system, motor pool and fuel control and instruments. The estimate of Rs. 13 crores for these items was included in the detailed project report of October/November 1955. The increase was known when the estimates were revised in 1956.

(b) The increase is on account of the following factors:

- (i) Change in specifications;
- (ii) Increase in material prices and wage rates;
- (iii) Provision for additional equipment; and
- (iv) Underestimation in the initial stages by the Consultants.

(c) The details are not available.

Shri Morarka: May I know whether before this increase was accepted, Government were consulted about this, and if so, what technical agency Government had, which justified this increase?

Mr. Speaker: To find out whether the increase was proper or not?

Shri Morarka: Yes.

Sardar Swaran Singh: This was scrutinised by the consultants and the project authorities were fully satisfied that this increase was justified.

Shri Morarka: May I know the name of the firm which would benefit by this increase, and whether that firm had anything to do with giving the advice or whether it is a part of the consultants?

Sardar Swaran Singh: I think a number of firms are involved. If a separate notice is given, I can give the list, because as I have read out, this contains a number of items.

Mr. Speaker: Evidently, what the hon. Member wants to know is this, namely whether the very persons who gave advice or whose advice was sought were themselves the contractors? Was any independent advice taken? That was the point.

Sardar Swaran Singh: No, at that time, we were at the stage of estimates. So, the question of contractors was not in the forefront at that stage.

Shri Ranga: Even when these estimates are made, they are expected to be at least 95 per cent. correct. But from the information given by the hon. Minister we find that that is not the case. Why is it that Government have allowed this change in specifications in the mid-period, and also why did they allow such a serious under-estimate in the original estimates themselves? Would that not give a very wrong idea of the amount of money that they would have to allot for this particular steel plant or for any other steel plant. It is against these things that the Public Accounts Committee has been complaining for years.

Sardar Swaran Singh: I think it will not be correct to say that there was change in the mid-period, because this was at the initial stages, when the original detailed project report was finalised; thereafter, the changes were made to make the plant more efficient; new items had to be added.

To give an illustration, in the case of the coke oven gas supply, the original estimate was 4·842 million D.M. The revised estimate was 7·11 million D.M. There was decrease in cost by selecting 50,000 cbm gas holder instead of 100,000 cbm gas holder, but there was increase in cost by giving a part of the main a larger diameter by adding a mixing station for rich and lean gas then, there was increase by adding main for rich gas from the works limit to the compressor station (fertiliser factory), and also equipment for control of the calorific value of rich gas, and also increase in material prices and wage rates. I have cited only one instance. But there are a number of such items, where the designs are altered, and that alteration has meant greater expenditure. If, technically, that alteration is necessary, merely to stick on to the earlier estimates will not be in the interest of the project or of the country.

Shri Sinhasan Singh: May I know whether any action was taken between the period of the original estimates and that of the revised estimates?

Sardar Swaran Singh: Action on what?

Shri Sinhasan Singh: Execution of work according to the original estimate.

Sardar Swaran Singh: No, Sir. No execution of work had taken place. This was at the very initial stages.

Shri Supakar: As regards the increase of Rs. 6 crores, what amount is due to change of specifications and what due to other causes?

Sardar Swaran Singh: I have already said that no break-up is available.

Shri T. B. Vittal Rao: The hon. Minister has said that the project authorities were satisfied with the increase. Am I to understand that Government were not at all consulted or they were consulted before they finally approved the estimate of Rs. 19 crores?

Sardar Swaran Singh: This happened in 1955, and I am sure Government must have been consulted.

Shri Narayanankutty Menon: Has there been any increase in the wages paid to labour there since the construction work started, and is at least a part of this amount of Rs. 6 crores due to increased labour costs in the construction?

Sardar Swaran Singh: No, I am afraid this has not got much to do with the increase of labour costs in the course of construction. This will be confined mostly to civil works. This increase in the estimates as such is because of a larger number of items being required.

Mr. Speaker: May I make a suggestion in this connection? On a prior occasion a few years ago when Shri Gadgil was Minister in charge of Works, Mines and Power, a matter arose regarding coal mines. Questions were asked about the number of persons who were unemployed, why the unemployment was not removed and so on. Hon. Members were very much interested in the matter. The Minister himself, and I also, agreed that the matter might be referred to the Estimates Committee for their examination. May I suggest that this matter, because it involves details and an expenditure of Rs. 6 crores, and hon. Members, evidently, are not yet satisfied with the answers given—not that they have any suspicion; but they want to know what exactly are the reasons for the increased cost from Rs. 13 crores to Rs. 19 crores—may be referred to the Estimates Committee for their investigation in detail, to find out exactly what has happened? In all such matters, the Estimates Committee are asked to investigate. They look into matters relating to various Ministries one after the other. Also whenever an important matter is brought before the House, we have been accustomed to refer such a matter *ad hoc* to them. I understand

the steel plants are already under the consideration of the Committee. I would instruct them to take up this matter immediately and then submit a report to the House as quickly as possible.

Sardar Swaran Singh: May I say by way of information that this very matter is very much before the Estimates Committee? And if I am not on the wrong side of the Estimates Committee, I have no hesitation in adding that this question appears to be based upon the information we have supplied to the Estimates Committee. We have really given a break-down, that such and such is the original estimate, such and such is the increase and such and such is the increase plant-wise. So this really arises out of that. They are looking into it and we are expecting their Report.

Shri Ranga: One vital piece of information has not been given to us till now. Were the same technical consultants responsible both at the earlier stages as well as at the later stage, in making first the original estimates and later on the revised ones?

Sardar Swaran Singh: As you have very rightly pointed out this matter will be examined in detail by the Estimates Committee. Really the same consultants were concerned at both the stages, but the increase is due to change in the specifications. That is the main item. So really there is nothing to complain against the consultants. For instance, if there were three rooms before and now they have to have four, the price will increase.

Shri Morarka: I wish to make a submission because the question stands in my name. The hon. Minister has on more than one occasion tried to create an impression in this House that this question arises out of the information that he or his Ministry has supplied to the Estimates Committee. But the Minister forgets that in answer to many questions on the floor of this House much of the information has already been supplied to the House itself, and my question has nothing to do with the information that the Minister might have supplied to the Estimates Committee. But again and again for the Minister to insinuate and create an impression in the House that I am asking this question out of the information that he has supplied to the Estimates Committee is not fair.

Shri Ranga: No, no.

Shri Morarka: What he has said is on record.

Mr. Speaker: Order, order. I do not know who is a Member of the Estimates Committee, unless an hon. Member tells me that he is a Member of that Committee. Evidently, the hon. Minister wanted to remove any impression being created that he wanted to hide anything from scrutiny. He has placed the whole matter before the Estimates Committee. He is ready and willing. Both are right. I understand that Shri Morarka is not a Member of the Estimates Committee.

Shri Morarka: No, Sir.

Mr. Speaker: Therefore, there is no difficulty at all, it is not as if he tabled this question from the information supplied to that Committee.

Shri Morarka: Even then, just now the hon. Minister said that the present question arose out of the information supplied to the Estimates Committee.

Shri Ranga: No, no.

Mr. Speaker: There is no leakage in the Estimates Committee. The hon. Member must certainly be congratulated on anticipating a number of things.

APPENDIX II

[Vide paragraph 4]

Statement showing the Original and Revised Estimates of General Services at Rourkela Steel Plant.

Item	Original estimate	Revised estimate	Remarks on Difference
ENERGY SUPPLY			
Coke Oven gas supply	D. M. 4,842,000	D. M. 6,836,000	Decrease in cost by selecting 50,000 cbm gas holder instead of 100,000 cbm gas holder, but increase in cost by giving part of the mains a larger diameter by adding a mixing station for rich and lean gas.
			Increase by adding main for rich gas from the works limit to the compressor station (Fertiliser factory); also equipment for the control of the calorific value of rich gas. Also increase in material prices and wage rates.
Tonnage-oxygen plant	18,876,000	25,330,000	O ₂ -purity increased from 99.0 to 99.5 pct. Buildings enlarged to house 5 units. In view of the fertiliser factory O ₂ -plant shifted further to the South-East, involving an increase in length of the O ₂ -supply system. Increase in material prices and wage rates.

Blast Furnace gas supply . . .	4,615,000	7,288,000	Mains net work extended by about 900 m. Increase by adding additional equipment in the control room for the gas supply and in the gas transfer points. Increase in material prices and wage rates.
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Power Distribution Power supply	24,558,000	39,573,000	Provision of additional facilities for <ul style="list-style-type: none"> (i) a sintering plant to be put up later—1,000 KW. (ii) expanded By-product plant—3000 KW. (iii) Preliminary Compression of gas (fertiliser factory)—approx. 10,000 KW. (iv) Increase in blast furnace capacity—approx. 500 KW. (v) Tonnage-oxygen plant—approx. 2,000 KW.
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Special construction of the trafos resulting from putting up in the open air (main station II).

Additional cost of difficult laying of cable and protection against ground water.

Additional cost for cable ducts with gangways at road crossings, increase in material prices and wage rates, alteration of voltage from 440 volts to 400 volts.

Steam Supply . . .	149,000	192,750	Increase in material prices and wage rates.
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Water Supply . . .	17,237,000	37,103,000	The Final Report was based on a capacity of 46,000 cbm/h. As requested by HSL, the supply system had to be laid out for a capacity of 8,000 cbm/h (including supply of Fertilizer I-factory) with an expansion to 12,000 cbm/h (2nd iron and steel works).
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D. M. D. M.

Additional expenditure for :
 10,000 cbm reserve-water reservoir, increase in capacity of control tank and pipes to emergency generating set provided to maintain make-up water supply, extra work in laying foundations for river pump station near Brahmani, approach road to pump station and bridge across Guradih Nalla.

G. S. Building	792,000	1,030,000	Building has been extended.
Wash & Locker rooms	600,000	700,000	Internal installations improved.
Fuel control & instruments	1,399,000	1,532,000	Increase in material prices and wage rates.
Telephone system	990,000	1,091,000	Increase in material prices and wage rates.
Pneumatic tube system	907,000	998,000	Increase in material prices and wage rates.
Motor Pool	7,063,000	6,963,000	
Offices with Garages.	930,000	930,000	No change in estimates.
Outdoor Lighting	1,660,000	7,103,000	Originally under-estimated.
Road Bridges	2,000,000	1,700,000	Revised on the basis of tenders received for similar works by Consultants.
Works Roads	9,400,000	13,500,000	Length of works roads has been increased.
Drainage & Sewer system	16,847,000	17,512,000	Length of Road System extended.
Admn. Building	5,000,000	6,000,000	
	<u>117,865,000</u>	<u>175,401,750</u>	

APPENDIX III

[Vide Paragraph 11]

Items which constitute General Services at the three Steel Plants

Rourkela (Rs. 19.21 crores)	Bhilai (Rs. 12.14 crores)	Durgapur (Rs. 7.68 crores)
(1) Coke Oven gas supply.	Gas supply.	Blast furnace and coke oven gas distribution systems.
(2) Blast furnace gas supply.		Oxygen plant and oxygen distribution system.
(3) Tonnage oxygen plant.	Oxygen supply.	Electrical power distribution system.
(4) Power distribution, power supply.	Power supply facilities.	Steam distribution system.
(5) Steam supply.	Steam and compressed air facilities.	Water supply distribution system.
(6) Water supply.	Water supply.	
(7) General Supdt's Office Building.	Personnel Training Department.	
(8) Wash & Locker rooms.		
(9) Fuel control and instruments.		
(10) Telephone System.	Communication and signalling.	
(11) Pneumatic tube system.		
(12) Motor Pool.		
(13) Offices with garages.		
(14) Outdoor lighting.		
(15) Road bridges.		
(16) Works roads.		
(17) Drainage and sewer system.	Sewerage.	Drainage and sewage system.
(18) Administrative Building.	Administrative Buildings.	

APPENDIX IV

[Vide Paragraph 14]

List of Firms to whom contracts have been awarded for the general services at Rourkela Steel Plant

Item of work	Name of Contractor	
	Plant & equipment	Civil Engineering
Coke Oven Gas, Blast Furnace Gas, Oxygen & Steam Distribution.	M/S. Mannesmann Seiffert.	M/S. Kippers.
Disc Gas Holder	M/S. Aug. Klönne.	M/s. Mckenzie's.
Tonnage Oxygen Plant	M/S. BOL	M/S. Gannon Dunkerly
Power Distribution	{ M/S. SSW M/S. AEG M/S. BBC	Different contractors numbering about 50.
Water Supply	M/S. Mannesmann Seiffert.	M/S. Modern India Construction Co' and several other petty contractors.
Fuel Control & Instruments	{ M/S. Siemens & Halske M/S. Siemens	M/S. Dalmiya & M/s. Mckenzie's.
Telephone system	Contract not awarded.	Contract not awarded.

Pneumatic Tube System	Contract not awarded.	Contract not awarded
Motor Pool	Contract partly awarded.	Different Contractors.
Outdoor lighting	M/S. BBC	Work not fully awarded.
G. S. Building	g	Aster Engg. Co. (P) and some other contractors.
Wash & Locker Rooms		Partly awarded to different contractors.
Offices with Garages		Do.
Road Bridges		M/S. Gammon.
Works Roads.		Partly awarded to different contractors.
Drainage & Sewer System		Do.
Administration Building		M/S. Dalmiya & Co.

APPENDIX V

*Summary of Conclusions/Recommendations of the Estimates Committee
relating to the Ministry of Steel, Mines and Fuel—Hindustan Steel
Limited—General Services at the Rourkela Steel Plant*

Serial No.	Ref. to the para No. of the Report	Summary of conclusions/recommendations
I	2	3
1	2	The break-up of the general services, furnished to the Committee in February 1959, did not include 'Administrative Building' which is estimated to cost Rs. 67.93 lakhs.
2	6	The Committee are unable to understand how, if the increase in the estimates of each item constituting general services at Rourkela, due to each of the four factors mentioned in paragraph 5 of the Report is not available, the total increase for the Rourkela Plant attributable to the same factors was computed and furnished earlier. They regret to note that the information called for was not furnished in this case.
3	8	The explanation furnished by the Government that the estimates were revised in August, 1956 'with a view to secure improved operational efficiency and convenience' and that the changes in the scope of work in various items which resulted in increased cost were carefully considered and were undertaken by the Project after consulting the Consultants, the Consulting Engineers to the Government and the Technical Adviser of the Rourkela Project does not enable the Committee to form any opinion regarding the justification for the increase in estimates.
4	9	The Committee are not in a position to express any opinion in regard to technical matters but considering the magnitude of changes made in the specifications they feel that originally the estimates were not properly prepared. They would also invite a reference in this

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connection to paragraphs 149—152 of their Thirty-third Report (Second Lok Sabha) in which they have generally commented upon the increase in estimates of the steel projects due to the various factors.

5 10 As the original provision for the administrative and General Superintendent's office buildings (Rs. 65·58 lakhs) itself was more than reasonable for a single project, the further increase of Rs. 14·07 lakhs does not seem to be justified.

6 12-13 In order to make a comparative examination of the rise in estimates of the general services at the three plants, particulars regarding the original as well as revised estimates of the items constituting general services at Bhilai and Durgapur projects were also called for. This information was not however furnished. The Committee recommended in paragraph 145 of their 33rd Report (2nd Lok Sabha) that for a proper comparison of the estimates and the actual costs of the three projects the estimates should be analysed on a uniform basis after making allowance for the differences. Evidently no action has been taken so far in this regard. The Committee reiterate the earlier recommendation and hope that early action would be taken in the matter.

7 15 (i) The Committee regret that for want of adequate information it has not been possible for them to fully appreciate the reasons for the increase in the estimates of general service charges of the Rourkela Project. They consider that when big projects are planned greater attention should be paid to such matters of detail.

(ii) Judging from the scale of expenditure proposed for the administrative buildings, it would seem that there is room for economy in expenditure on the project. The Committee hope that every effort would be made to explore the possibilities of reducing the expenditure to the utmost extent.

LIST OF AUTHORISED AGENTS FOR THE SALE OF PARLIAMENTARY PUBLICATIONS OF THE LOK SABHA SECRETARIAT, NEW DELHI-1

Agency No.	Name and address of the Agent.	Agency No.	Name and address of the Agent.	Agency No.	Name and address of the Agent.
1.	Jain Book Agency, Connaught Place, New Delhi.	26.	The International Book Service, Deccan Gymkhana, Poona-4.	50.	Chanderkant Chiman Lal Vora, Gandhi Road, Ahmedabad.
2.	Kitabistan, 17-A, Kamla Nehru Road, Allahabad.	27.	Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.	51.	S. Krishnaswamy & Co., P.O. Teppakulam, Tiruchirappalli 1.
3.	British Book Depot, 84, Hazratganj, Lucknow.	28.	City Booksellers, Sohan-ganj Street, Delhi.	52.	Hyderabad Book Depot, Abid Road, (Gun Foundry), Hyderabad.
4.	Imperial Book Depot, 268, Main Street, Poona Camp.	29.	The National Law House, Near Indore General Library, Indore.	53.	M. Gulab Singh & Sons (P) Ltd., Press Area, Mathura Road, New Delhi.
5.	The Popular Book Depot (Regd.), Lamington Road, Bombay-7.	30.	Charles Lambert & Co., 101, Mahatma Gandhi Road, Opp. Clock Tower, Fort, Bombay.	54.	C. V. Venkatachala Iyer, Near Railway Station, Chalakudi. (S.I.)
6.	H. Venkataramiah & Sons, Vidyavidhi Book Depot, New Statue Circle, Mysore.	31.	A. H. Wheeler & Co. (P) Ltd., 15, Elgin Road, Allahabad.	55.	The Chindambaram Provision Stores, Chidambaram.
7.	International Book House, Main Road, Trivandrum.	32.	M. S. R. Murthy & Co., Visakhapatnam.	56.	K.M. Agarwal & Sons, Railway Book Stall, Udaipur (Rajasthan).
8.	The Presidency Book Supplies, 8-C, Pycroft's Road, Triplicane, Madras-5.	33.	The Loyal Book Depot, Chhipi Tank, Meerut.	57.	The Swadesamitran Ltd., Mount Road, Madras-2.
9.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	34.	The Good Companion, Baroda.	58.	The Imperial Publishing Co., 3, Faiz Bazar, Darya ganj, Delhi-6.
10.	Book Centre, Opp. Patna College, Patna.	35.	University Publishers, Railway Road, Jullundur City.	59.	The High Commission of India Establishment Deptt. Aldych, London, W.C.-2.
11.	J. M. Jaina & Brothers, Mori Gate, Delhi-6.	36.	Students Stores, Raghunath Bazar, Jammu-Tawi.	60.	Current Book Stores, Maruti Lane, Raghunath Dada Street, Bombay-1.
12.	The Curtack Law Times Office, Curtack-2.	37.	Amar Kitab Ghar, Diagonal Road, Jamshedpur-1.	61.	International Consultants Corporation, 48C, Mared pally (East), Secunderabad, (A.P.)
13.	The New Book Depot, Connaught Place, New Delhi.	38.	Allied Traders, Motia Park, Bhopal.	62.	K. G. Aseervandam & Sons, Cloughpet, P. O. Ongoli, Guntur Distt. (Andhra).
14.	The New Book Depot, 79, The Mall, Simla.	39.	E.M. Gopalkrishna Kone, (Shri Gopal Mahal), North Chitrai Street, Madura.	63.	The New Order Book Co. Ellis Bridge, Ahmedabad.
15.	The Central News Agency, 23/90, Connaught Circus, New Delhi.	40.	Friends Book House, M. U., Aligarh.	64.	The Triveni Publishers, Masulipatnam.
16.	Lok Milap, District Court Road, Bhavnagar.	41.	Modern Book House, 286, Jawahar Ganj, Jabalpur.	65.	Deccan Book Stall, Ferguson College Road, Poona-4.
17.	Reeves & Co., 29, Park Street, Calcutta-16.	42.	M. C. Sarkar & Sons (P) Ltd., 14, Bankim Chatterji Street, Calcutta-12.	66.	Jayna Book Depot, Chap-parwala Kuan, Karol Bagh, New Delhi-5.
18.	The New Book Depot, Modi No. 3, Nagpur.	43.	People's Book House, B-2-829/1, Nizam Shahi Road, Hyderabad Dn.	67.	'Bookland' 663, Madar Gate, Ajmer (Rajasthan).
19.	The Kashmir Book Shop, Residency Road, Srinagar, Kashmir.	44.	W. Newman & Co. Ltd., 3, Old Court House Street, Calcutta.	68.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi.
20.	The English Book Store, 7-L, Connaught Circus, New Delhi.	45.	Thacker Spink & Co. (1938) Private Ltd., 3, Esplanade East, Calcutta-1.	69.	Makkala Pustaka Press, Belamandira, Gandhinagar, Bangalore-9.
21.	Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.	46.	Hindustan Diary Publishers, Market Street, Secunderabad.	70.	Gandhi Samriti Trust, Bhavnagar.
22.	International Book House Private Ltd., 9, Ash Lane, Bombay.	47.	Laxmi Narain Aggarwal, Hospital Road, Agra.	71.	People's Book House, Opposite Jaganmohan Palace, Mysore-1.
23.	Lakshmi Book Store, 42, M. M. Queensway, New Delhi.	48.	Law Book Co., Sardar Patel Marg, Allahabad.		
24.	The Kalpana Publishers' Trichinopoly-3.	49.	D. B. Taraporevala & Sons. Co. Private Ltd., 210, Dr. Naoroji Road, Bombay-1.		
25.	S. K. Brothers, 15A/65, W. E.A., Karol Bagh, New Delhi-5.				