

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

(SIXTH LOK SABHA)

**FIRST REPORT**

**ON  
EXTRAVAGANT AND INFRUCTUOUS  
EXPENDITURE ON ENTERTAINMENT  
BY PUBLIC UNDERTAKINGS**

*Presented to Lok Sabha on 3-4-1978*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 1978/Chaitra, 1900 (Saka)*

*Price : Rs. 3.80*

CORRIGENDA

FIRST REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS  
(SIXTH LOK SABHA) ON EXTRA VAGANT AND INFRACTUOUS  
EXPENDITURE ON ENTERTAINMENT BY PUBLIC UNDERTAKINGS

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<u>Page</u> <u>No.</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
Intro- duction	2	4	Add the word word 'BUSY'	"WITH" after the
Page (v) -do-	3	3	infructuous	infructuous
Page (vi)				
1	1	9	Add '1975-76'	after 1974-75
1	Footnote	13	vo vide	vide
2	4	2	from	form
4	Heading	Col. 8	tesses	losses
6	Serial No. 26	Col. 8	74. 14	75. 14
7	Serial No. 27	Col. 4	21. 74	121. 74
7	Serial No. 28	Col. 7	:9, 864	9, 864
8	Serial No. 36	Col. 4	6. 23	6. 25
8	Serial No. 37	Col. 9	15. 32	15. 52
8	Serial No. 38	Col. 9	456. 16	454. 16
9	10	Against Item 1 under 1974-75	3. 2	3. 23
	22	9	After the word 'details' add the word 'of' .	

<u>Page No.</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
13	Serial No.4	-	Insert an additional Asterisk mark.	
13	Footnote below the Table	-	Insert an additional Asterisk mark.	
17	41	1	Annexure G	Appendix VII
<u>APPENDIX III</u>				
36	Serial No. 18	Col. 8	336.29	448.29
37	Serial No.25	Col. 9	194.86	195.86
37	Serial No.30	Col.2	For the word "Ltd." occurring after the word "Chemicals" read the word "and".	
38	Serial No.43	Col.2	<u>Hochin</u>	<u>Cochin</u>
38	Serial No.47	Col.3	42,876	12,816
39	Sl. No.58	Col.9	31.3.7	31.3.77
41	Sl. No.80	Col.2	Delete Asterisk mark	
42	Sl. No. 94	Col.6	Delete the figure '7'	
<u>APPENDIX IV</u>				
45	Sl. No.31	Col.7	41,997	44,000
46	Sl. No.46	Col.7	31,190	31,190
47	Sl. No.53	Col.7	15,510	15,510
47	Sl. No.54	Col.7	17,487	17,467
47	Sl. No.56	Col.5	888	12,888
<u>APPENDIX V</u>				
49	Sl. No. 15	Col.3	2,190	2,190

<u>Page No.</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
<u>APPENDIX VII</u>				
55	Serial No. 6	Col. 6	CIWTC	BIWTC
56	Serial No. 15	Col. 6 Item 8	At the end add the word 'SBF'.	
57	Serial No. 1(b)	Col. 3	301.45	301.55
57	Serial No. 2	Col. 2	1. 1. 76	1. 1. 75
59	Serial No. 5	Col. 5 (item(iv))	21.50	31.50
59	Serial No. 6	Col. 5 item(iii)	117.60	117.50
60	Serial No. 7	Col. 5	40.40	40.20
60	Sl. No. 7(c)	Col. 6	Belony	Belovi
60	Sl. No. 8	Col. 2	5585	5535
60	Sl. No. 8	Col. 4	After item(iii) add the following as item(iv) and renumber the remaining items as (v) and (vi) respectively :- "(iv) 15. 10. 75 45, 00" Dr. Kante	"Durante"
61	Sl. No. 10	Col. 6 item(vi)		
62	Sl. No. 12	Col. 5 item(v)	25.50	26.50
63	Sl. No. 17	Col. 6 item(v)	Trodi	Trade
63	Sl. No. 18	Col. 6	Kppu	Kappel

<u>Page</u> <u>No.</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
64	Sl.No.23	Col.6 items (i)&(ii)	Surrer	Sarwar
64	Sl.No.23	Col.7 item(i)	38.00	43.00
64	Sl. No.23	Col.6 item(ii)	S. P. M.	S. P. Mahana
64	-do-	Col.6 item(iii)	B. Ganguli	B. M. Gangulj
64	Sl.No.24	Col.6	Delete H. D.	
64	-do-	Col.6	Nizam	Nigam
64	Sl.No.25	Col.6	P. G. Biswas	P. G. Biswas
65	Sl.No. 29	Col.7	9.87	49.87
66	Sl. No.1	Col.5	218.00	278.00
66	Sl. No.4	Col.2	S. R.	S. R. M.
66	Sl. No.4	Col.3	2271.57	271.57
67	Sl.No.7	Col.2	2617	72617
68	Against the year 1975-76	Col. 5 Item 8)	1 day	2 days
68	Against the year 1976-77	Col.4 Item (4)	Tncorin	Turicorin
68	-do-	Col.5 item(10)	1 day	3 days
68	-do-	Col. 2	Dt. 6/76	Dt. 30.6.76 & 2.7.77
68	-do-	Col.4 item (2)	Bhocher	Bhucher
68	-do-	Col.4 (Item(3)	Athena	Asthena
69	-do-	Col.5 Item(5)	4 days	1 day

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
69	Against the year 1976-77	Col.5 Item(9)		delete "4days"
69	-do-	Col.4 Item(3)	Mr. Basal	Mr. Basak
69	-do-	Col.2	Rs.30.00	Rs.30.00 dated 3.2.77
70	Serial No.7	Col.4	Bring the words "Cdr.K. Chelliah" under	Col.5
71	Serial No.10	Col.3	Voucher No.3177	Voucher No.3147
71	-do-	Col.10	Tow	Town
71	Serial No.12	Col.2	23.7.76	25.7.76
73	Serial No.27	Col. 10	Rs.70/-	Rs.41.70
73	Serial No.32	Col.2	Insert date "17.1.77"	
74	Serial No.36	Col.3	Insert 'Voucher' after the word 'Co's'	
75	Serial No.43	Col.5	Add M/S, S/E below CMD, PAD	

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
80	Col. 3	9	After the words "Metal Trading Corporation the"	insert the words "expenditure has jumped from Rs. 1.78 lakhs in"
83	Col. 3	20	spare	spree

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# COMMITTEE ON PUBLIC UNDERTAKINGS

(1977-78)

## CHAIRMAN

Shri Jyotirmoy Bosu

## MEMBERS

2. Shri O. V. Alagesan
3. Shri Maganti Ankineedu
4. Shrimati Chandravati
5. Shri Tridilb Chaudhuri
6. Shri Hitendra Desai
7. Shri Anant Ram Jaiswal
8. Shri L. L. Kapoor
9. Shri K. Lakkappa
10. Shri Dharamsinhbhai Patel
11. Shri Raghavji
12. Shri Padmacharan Samantasinhar
13. Shri Bhanu Kumar Shastri
14. Dr. Subramaniam Swamy
15. Shri Madhav Prasad Tripathi
- \*16. Dr. Rajat Kumar Chakrabarti
17. Shrimati Kumudben Manishankar Joshi
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19. Shri Ganesh Lal Mali
20. Shri K. L. N. Prasad
21. Shri Viren J. Shah
22. Shri Gunanand Thakur

## SECRETARIAT

Shri B. K. Mukherjee—*Joint Secretary.*

Shri G. D. Sharma—*Chief Financial Committee Officer.*

Shri T. N. Khanna—*Senior Financial Committee Officer.*

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

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to present the Report on their behalf, present this First Report on "Extravagant and Infructuous Expenditure on Entertainment by Public Undertakings.

2. IT IS A MATTER OF COMMON KNOWLEDGE THAT MANY OF THE PUBLIC SECTOR UNDERTAKINGS ARE MANAGED BY DISINTERESTED, UNSCRUPULOUS, INCONSIDERATE MERCENARIES, WHO ARE BUSY FULFILLING THEIR OWN SELF-INTERESTS RATHER THAN THE SERVICE OF THE PUBLIC SECTOR ENTERPRISES WHICH THEY ARE EXPECTED TO SERVE. THERE HAVE BEEN CASES OF MALPRACTICES, LAVISH EXPENDITURE ON NON-ESSENTIAL ACTIVITIES IN MANY PUBLIC UNDERTAKINGS DESPITE THEIR BEING IN THE RED FOR SUCCESSIVE YEARS. THERE ARE OCCASIONS WHEN LAVISH LUNCHES AND DINNERS ARE THROWN TO ENTERTAIN HIGH-UPS IN THE GOVERNMENT HIERARCHY, SEMI-GOVERNMENT AGENCIES, OFFICERS OF OTHER PUBLIC UNDERTAKINGS, BOARD MEMBERS, THEIR OWN CONTRACTORS AND OTHERS. EXTRAVAGANT AND RECKLESS SPENDING ON ITEMS SUCH AS ENTERTAINMENT, ADVERTISEMENTS, PUBLICITY AND OTHER INFRUCTUOUS ITEMS HAS TO BE DISCOURAGED BECAUSE, BESIDES ADVERSELY AFFECTING THE FINANCES OF THE UNDERTAKINGS, IT GIVES RISE TO SERIOUS ADVERSE REACTION AMONG SUBORDINATE EMPLOYEES AND GENERAL PUBLIC WHO GET DEMORALIZED BY SUCH LAVISH EXPENDITURE BY THE TOP EXECUTIVES. KEEPING IN VIEW THIS ASPECT OF THE MATTER THE COMMITTEE HAD CALLED FOR INFORMATION FROM THE BUREAU OF PUBLIC ENTERPRISES ON 23RD DECEMBER, 1977 ABOUT EXPENDITURE ON ENTERTAINMENT AND OTHER AREAS OF OPERATIONS OF 172 PUBLIC UNDERTAKINGS TO BE FURNISHED BY 22ND JANUARY, 1978. TILL 20TH MARCH, 1978 INFORMATION WAS RECEIVED FROM ABOUT 100 PUBLIC UNDERTAKINGS. IT IS OBVIOUS THAT THOSE WHO HAVE WITHHELD THE INFORMATION HAVE MANY THINGS TO HIDE. THIS REPORT OF THE COMMITTEE IS BASED ON THE ANALYSIS OF THE INFORMATION SO RECEIVED IN RESPECT OF EXPENDITURE ON ENTERTAINMENT FROM THESE 100 UNDERTAKINGS INCLUDING THE INFORMATION RECEIVED FROM CENTRAL INLAND WATER TRANSPORT CORPORATION. INFORMATION RECEIVED ON OTHER ITEMS IS UNDER EXAMINATION BY THE COMMITTEE AND SEPARATE REPORTS ON THEM WILL FOLLOW.

3. This Report of the Committee is intended to reveal the facts before all those (including the Ministries) who are interested in the

(vi)

welfare of the country's economy and are responsible for the management of Public Undertakings with the fond hope that public money shall not be spent recklessly on infructuous items which are not directly connected with the better management of the affairs of the undertakings and the welfare of the common people.

4. The Committee considered and adopted this Report at their sitting held on the 30th March, 1978.

NEW DELHI;

April 1, 1978.

Chaitra 11, 1900 (Saka).

JYOTIRMOY BOSU,

*Chairman,*

*Committee on Public Undertakings.*

## REPORT

### EXTRAVAGANT & INFRUCTUOUS EXPENDITURE ON ENTERTAINMENT BY PUBLIC UNDERTAKINGS.

The public sector must occupy a commanding height in all sectors of our nation's economy if planning has to be made successful. The Committee have noted with considerable concern that there are many areas of operations in public undertakings where extravagant, wasteful infructuous expenditure of considerable magnitude has been taking place with utter disregard of its effect on finances of the Undertaking and public reaction. In order to probe this aspect of the matter, initially the Committee called for some information from all the 172 public undertakings for the last three years, namely, 1974-75 and 1976-77 in regard to expenditure on entertainment. In addition to this, the Committee have also called for information about expenditure on other areas of their operations as given in Appendix-I.

2. It is regrettable and disappointing that although the Bureau of Public Enterprises (Ministry of Finance) were asked on 23rd December, 1977 to obtain information from all the public undertakings by 22nd January, 1978, information in respect of only 100 public undertakings has been furnished by the Bureau of Public Enterprises upto 20th March, 1978. The remaining 72\* undertakings listed in Appendix-II have not furnished any information so far even after a lapse of a period of about 3 months. This amounts to withholding of information and consequently may constitute a contempt of the Committee.

3. This Report deals with the expenditure incurred by 100 public undertakings on entertainment only at their Head Offices for the years 1974-75, 1975-76 and 1976-77.

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\*At the time of a factual verification the Bureau of Public Enterprises has stated that the following four Public Enterprises are not within the purview of the Bureau of Public Enterprises and hence the question of obtaining information from them did not arise :

- (1) Damodar Valley Corporation.
- (2) Agricultural Refinance and Development Corporation.
- (3) Industrial Development Bank of India.
- (4) Industrial Finance Corporation.

As the Bureau of Public Enterprises is responsible for Coordination and collection of information from all the Public Undertakings within the purview of the Committee on Public Undertakings *vide Para 4* of Introduction to the Annual Report on the working of Industrial and Commercial Undertakings of the Central Government, 1976-77, Vol. I (brought out by the Bureau of Public Enterprises) and as these four enterprises fall within the purview of the Committee on Public Undertakings *vide* 4th schedule—Pt. I of the Rules of Procedure and Conduct of Business in Lok Sabha, the non-obtaining of information from these 4 public undertakings is a serious lapse on the part of Bureau of Public Enterprises.

4. Most of the undertakings have given information regarding entertainment expenditure at Head Offices in a consolidated form only and have not given the break-up although they were expressly asked to give break-ups of the expenditure under three heads namely, (i) Liaison work, (ii) Hospitality and (iii) Expenditure on Hotels/Clubs. A most extraordinary case is that of the Uranium Corporation of India who have stated that:

**“NO SEPARATE ACCOUNT IS MAINTAINED IN RESPECT OF EXPENDITURE ON ACCOUNT OF HOSPITALITY. HOWEVER THE EXPENDITURE ON ACCOUNT OF MAINTENANCE OF GUEST HOUSES IS INCLUSIVE OF EXPENSES ON HOSPITALITY EXTENDED AT THE GUEST HOUSES.”**

5. Besides, the following 7 undertakings have stated that their expenditure on entertainment was “Nil”.

1. Hindustan Cables Ltd., Burdwan (West Bengal).
2. Hydro Carbons India Ltd., New Delhi.
3. Indian Railway Construction Co. Ltd., New Delhi.
4. National Hydro Electric Power Corporation Ltd., New Delhi.
5. Sambhar Salts Ltd., Jaipur.
6. Trade Fair Authority of India, New Delhi.
7. Bharat Refractories Ltd., Bokaro.

6. This indicates the extent of impunity with which these public undertakings have been violating the specific instructions of the Ministry of Finance, Bureau of Public Enterprises contained in their Memorandum No. 2(74)/67-FI dated the 17th October, 1967 to the effect that the Board of Directors should fix an annual grant for entertainment expenses in the annual budget of the Company and a statement of such expenditure should be placed periodically before the Board of Directors.

7. The total expenditure incurred by 92 undertakings on entertainment, hospitality etc., during the last three years, namely 1974-75, 1975-76 and 1976-77 amounted to Rs. 101.15 lakhs, the break-up of which year-wise is as under :-

<i>Year</i>	<i>Amount</i>
1974-75: . . . . .	25,35,526
1975-76: . . . . .	31,77,463 (a rise of 25.3%)
1976-77: . . . . .	44,02,585 (a rise of nearabout double as compar- ed to 1974-75).
	<hr style="width: 100%; border: 0.5px solid black;"/> <b>101,15,574</b> <hr style="width: 100%; border: 0.5px solid black;"/>

This works out to an average of about Rs. 37,000 per undertaking per year. The rise on entertainment expenditure from year to year is very substantial.

8. Details of expenditure on entertainment/hospitality etc., incurred by the 100 undertakings year-wise are given at Appendix-III. Out of these 100 public undertakings, 41 undertakings, whose details are given below, have incurred cumulative loss or losses during the years 1974-75, 1975-76 and 1976-77 :—

*Details of 41 undertakings who have been spending lavishly on entertainment and have incurred Cumulative loss or losses during the years 1974-75, 1975-76 and 1976-77.*

S. No.	Name of Undertaking	1974-75			1975-76		1976-77		Cumulative Loss (Rs. in lakhs)
		Expenditure on entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on entertainment (Rs.)	Loss (Rs. in lakhs)		
1	2	3	4	5	6	7	8	9	
1	Jessop & Co. Ltd., Calcutta.	1,66,103	82.46	93,802	11.59	97,772	64.58	1247.74 (as on 31-3-77)	
2	Indian Airlines, New Delhi.	1,02,000	..	52,000	..	68,000	..	96.87 (as on 31-3-77)	
3	Cochin Shipyard Ltd., Cochin;	36,583	..	89,855	6.70	68,911	14.02	20.72 (as on 31-3-77)	
4	Mining & Allied Machinery Corporation Ltd., Durgapur	55,000	..	67,000	..	85,000	..	3516.34 (as on 31-3-1977)	
5	Central Inland Water Transport Corporation, Calcutta	21,000	272.90	67,000	398.39	75,000	447.29	2143.87 (as on 31-3-77)	
6	Bharat Aluminium Co. Ltd., New Delhi.	8,000	555.00	21,000	482.00	69,000	361.00	1858.00 (as on 31-3-77)	

7	Garden Reach Shipbuilders and Engineers Ltd., Calcutta.	35,000	..	59,000	..	59,000	..	195.86 (as on 31-3-77)
8	Hindustan Antibiotics Ltd. Pipri.	33,571	328.88	27,832	291.53	55,502	54.27	895.56 (as on 31-3-77)
9	Bharat Heavy Plates & Vessels Ltd., Visakhapatnam	22,960	103.84	38,444	92.90	25,136	65.85	704.95 (as on 31-3-77)
10	Mineral Exploration Corporation, Nagpur.	35,071	85.11	25,286	73.28	16,829	..	101.95 (as on 31-3-77)
11	Cement Corporation of India.	16,538	17.29	20,397	..	36,230	118.81	..
12	Hindustan Housing Factory, New Delhi.	16,997	39.84	22,429	36.13	31,190	64.51	102.08 (as on 31-3-77)
13	Moghul Line Ltd., Bombay.	27,442	..	26,414	249.32	24,047	370.00	..
14	Western Coal fields Ltd., Nagpur.	14,093	414.00	27,278	802.00	21,474	284.00	..
15	Bharat Pumps and Compressors Ltd., Naini, Allahabad.	22,000	62.50	22,000	45.57	27,000	120.97	143.22 (as on 31-3-77)
16	Triveni Structurals Ltd., Naini, Allahabad.	11,946	52.63	14,328	..	26,787	..	318.87 (as on 31-3-77)
17	Delhi Transport Corporation, New Delhi.	12,000	1097.39	18,000	1242.99	26,000	1040.04	6224.45 (as on 31-3-77)



1 2\* 3 4 5 6 7 8 9

18	Biecco Lawrie Ltd., Calcutta . . . . .	13,859	32.49	22,631	14.18	17,467	37.84	100.69 (as on 31-3-77)
	National Building Construction Corporation Ltd., New Delhi . . . . .	13,834	..	12,888	..	21,900	..	106.34 (as on 31-3-77)
20	Central Electronics Ltd. New Delhi.. . . .	13,947	7.28	8,420	12.75	16,638	35.21	20.03 (as on 31-3-76)
21	Prags Tools Ltd., Secunderabad . . . . .	10,000	17.33	15,000	..	16,000	..	378.81 (as on 31-3-77)
22	Scooters India, Ltd., Lucknow . . . . .	15,000	106.92	13,000	327.63	7,000	266.05	638.22 (as on 31-3-77)
23	National Textile Corporation (Gujarat) Ltd., Ahmedabad . . . . .	3,075	185.67	12,605	276.80	14,302	111.82	574.29 (as on 31-3-77)
24	National Small Industries Corporation Ltd, Okhla, New Delhi. . . . .	10,000	..	9,000	..	12,000	..	455.50 (as on 31-3-77)
25	Bojani Ores Ltd., Calcutta . . . . .	11,516	48.22	11,566	..	5,151	47.09	108.28 (as on 31-3-77).
26	State Farms Corporation of India Ltd., New Delhi.	8,000	17.80	6,000	116.00	11,000	74.14	..

27	Bharat Ophthalmic Glass Ltd., Durgapur.	10,398	21,74	7,503	46,00	7,356	78,00	656.41 (as on 31-3-76)
28	Braithwaite & Co. Ltd., Calcutta	..	..	..	..	19,864	45,00	45,00 (as on 31-3-77)
29	National Instruments Ltd., Calcutta	7,549	..	7,755	..	7,896	39,97	285.07 (as on 31-3-77)
30	Bharat Gold Mines Ltd. Gorgum, Karnataka.	6,294	178.55	6,730	249,82	5,163	123,94	767.25 (as on 31-3-77)
31	India Firebricks & Insulation Co. Ltd., Murar, Hazaribagh.	..	..	..	36.61	6,000	19,83	503.77 (as on 31-3-77)
32	Artificial Limbs Mfg. Co. Ltd., Kanpur.	2,142	..	2,793	..	5,648	39,89	39,89 (as on 31-3-77)
33	Rehabilitation Industries Corporation Ltd., Calcutta.	2,541	118.43	4,553	150.92	5,419	151.00	880.74 (as on 31-3-76)
34	Burn Standard Co. Ltd. Calcutta	..	..	..	..	4,500	307.00	..
35	National Textile Corporation (Madhya Pradesh) Ltd. Indore.	969	393.93	4,004	899.02	3,213	635.98	100.47 (as on 31-3-76)

1	2	3	4	5	6	7	8	9
36	Indian Motion Picture Export Corporation Ltd., Bombay.	2,536	6.23	3,295	0.31	2,670		27.90 (as on 31-3-77)
37	National Research Development Corporation Ltd. New Delhi.	3,000	..	3,000		3,000		15.32 (as on 31-3-76)
38	Hydro Carbons India (P) Ltd. New Delhi.	Nil		Nil		Nil		456.16 (as on 31-12-76)
39	Sambhar Salt Ltd., Jaipur	Nil		Nil	31.81	Nil	40.00	27.26 (as on 30-9-76)
40	Uranium Corporation of India Ltd. Jaduguda (Bihar)	Nil	..	Nil	31.43	Nil	34.60	Nil
41	Bharat Refractories Ltd., Bokaro Steel City, Bokaro	Nil	8.91	Nil	21.62	Nil	23.47	54.00 (as on 31-3-77)

9. The details of the total loss in the case of the above 41 undertakings, year-wise are as follows:—

Year	Total Loss (Rs. in lakhs.)
1974-75 . . . . .	4445.89
1975-76 . . . . .	5995.92
1976-77 . . . . .	<u>4962.36</u>
TOTAL	<u>15404.17</u>

10. The expenditure on entertainment by the following 13 undertakings had exceeded Rs. 1 lakh in a year as indicated in bold figures:

Sl. No.	Name of Undertaking	Expenditure (Rs. in lakhs)		
		1974-75	1975-76	1976-77
1.	Mazagon Dock Ltd. . . . .	4.40	3.2	2.99
2.	Minerals & Metals Trading Corporation of India Ltd. . . . .	1.78	1.71	3.49
3.	Projects & Equipment Corporation of India Ltd. . . . .	1.16	1.44	3.16
4.	Engineering Projects (I) Ltd.	0.25	1.04	2.79
5.	Bharat Heavy Electricals Ltd.	0.82	1.77	1.65
6.	Engineers' India Ltd.	0.82	1.16	1.71
7.	Jessop & Co. Ltd. . . . .	<b>1.66</b>	0.94	0.98
8.	Hindustan Photo Films Mfg. Co. Ltd.	0.43	1.03	1.60
9.	Bharat Petroleum Corpn. Ltd. . . . .			1.32
10.	Rail India Technicals & Economic Services Ltd. . . . .	0.21	0.34	1.13
11.	Metallurgical & Engineering Consultants (I) Ltd. . . . .	0.42	1.12	0.94
12.	HMT (International) Ltd. . . . .	..	1.05	0.94
13.	Indian Airlines . . . . .	1.02	0.52	0.68

**11. IN THE CASE OF MINERALS AND METAL TRADING CORPORATION IT IS FOUND THAT WHEREAS THE EXPENDITURE ON ENTERTAINMENT WAS RS. 1.78 LAKHS IN 1974-75 AND RS. 1.71 LAKHS IN 1975-76, IT WENT UP TO RS. 3.49 LAKHS IN 1976-77, i.e., A RISE OF ABOUT 100 PER CENT.**

**12. IN THE CASE OF MAZAGON DACK LTD., THE EXPENDITURE ON ENTERTAINMENT DURING 1974-75 TO 1976-77 AMOUNTED TO RS. 10.62 LAKHS.**

13. In the case of Projects and Equipment Corporation of India Ltd., the expenditure on entertainment in 1974-75 was Rs. 1.16 lakhs; it rose to Rs. 1.44 lakhs in 1975-76 and jumped to Rs. 3.16 lakhs in 1976-77. In the case of Hindustan Photo Films Manufacturing Co., the expenditure on entertainment was Rs. 0.43 lakhs in 1974-75. It increased to Rs. 1.03 lakhs in 1975-76 (Emergency) and further rose upto Rs. 1.60 lakhs in 1976-77. In the case of Rail India Technical and Economic Services Ltd. the expenditure on entertainment was Rs. 0.21 lakh in 1974-75 and Rs. 0.34 lakh in 1975-76 but shot up to Rs. 1.13 lakhs in 1976-77, i.e. 5 times. In the case of Metallurgical Engineering Consultants(I) Ltd. the expenditure of Rs. 0.42 lakh in 1974-75 rose up to Rs. 1.12 lakhs in 1975-76 (Emergency).

**14. INCIDENTALLY, IT MAY BE MENTIONED THAT OUT OF 13 UNDERTAKINGS LISTED ABOVE A TYPICAL CASE IS THAT OF JESSOP & CO. LTD., WHICH DURING THE LAST THREE YEARS HAD INCURRED A LOSS OF RS. 158.73 LAKHS AND DESPITE THE LOSSES THE COMPANY IS CONTINUING TO INCUR HEAVY EXPENDITURE ON ENTERTAINMENT.**

15. In the case of each of the 56 Undertakings listed in Appendix IV the annual expenditure on entertainment was above Rs. 20,000 except in certain years as indicated therein. While the total expenditure incurred by these Undertakings in 1974-75 was Rs. 23.79 lakhs it went up to Rs. 31.41 lakhs in 1975-76 and it further jumped to Rs. 42.25 lakhs in 1976-77.

16. The annual expenditure on entertainment by each of the undertakings listed in Appendix V, varied between Rs. 10,000 to Rs. 20,000 except in certain years as indicated therein. The total expenditure incurred by these undertakings during 1974-75, 1975-76 and 1976-77 was Rs. 94522, Rs. 1,45,816 and Rs. 1,79,014 respectively. It is worth nothing that of these undertakings the following six undertakings incurred a cumulative loss amounting to Rs. 2175.16 lakhs as indicated against each.

1. Central Electronics Ltd.	. . . . .	Rs. 20.03 lakhs.
2. Praga Tools Ltd.	. . . . .	Rs. 378.81 lakhs.
3. Scooters India Ltd.	. . . . .	Rs. 638.22 lakhs.
4. N. T. C. (Gujarat) Ltd.	. . . . .	Rs. 574.29 lakhs.
5. National Small Industries Corporation	. . . . .	Rs. 455.53 lakhs.
6. Bolani Ores Ltd.	. . . . .	Rs. 108.28 lakhs
TOTAL	. . . . .	<u>Rs. 2175.16 lakhs.</u>

17. The details of the few undertakings where the annual expenditure on entertainment was upto Rs. 10,000 are shown in Appendix VI. Out of these, 9 undertakings incurred a cumulative loss of Rs. 3565.51 lakhs.

18. HMT (International) Ltd. has stated that the expenditure on hospitality represents Delegation and Sales Promotion expenses. Bharat Heavy Plate Vessels Ltd. has stated that the entire expenditure was incurred for the entertainment of the Customers and other guests as a Sales Promotion strategy. The Indian Airlines and Jessop & Co. Ltd. have stated that all the entertainment expenditure incurred by them was for Sales Promotion. Indian Dairy Corporation have stated that expenditure incurred on hospitality at head office was mainly on lunch, tea and snacks to Directors in the course of Board Meetings and lunch, light snacks, tea and soft drinks to visitors. The Electronics Trade and Technology Development Corporation Ltd. have stated that the expenditure includes gifts to business associates and trade partners booked under Sales and Business Promotion to Export Market Development expenses.

19. Bharat Heavy Electricals Ltd. has stated that entertainment expenditure is for business lunches arranged for meetings with collaborators, foreign and Indian customers, Auditors, inter-plant meetings etc.

20. During the course of examination of the Central Inland Water Transport Corporation, the Committee have come across instances of most extravagant expenditures incurred on entertainment of Government officers, officers of public undertakings, nationalised banks, other semi-Government organisations, contractors including their own contractors, officers and other guests. The Committee were shocked to learn that though this Corporation had lost about Rs. 21.43 crores during the last few years, the entertainment expenses escalated from Rs. 9000 in 1973-74 to Rs. 75,000 in 1976-77.

21. Table below shows the expenditure incurred by the Corporation on entertainment during the years 1972-73 to 1976-77:—

	(Rs. in lakhs.)
1972-73 . . . . .	0.17
1973-74 . . . . .	0.09
1974-75 . . . . .	0.21
1975-76 . . . . .	0.65
1976-77 . . . . .	0.75 (Estimated)

22. The Committee asked for full details viz., persons/parties entertained, purpose served, names of officers who were entertained, etc. during the last three years. The Corporation, while furnishing these particulars (given in Appendix VII) *inter alia* stated:—

“During the last 2 years we had several new diversified activities. We had to meet various officials from many concerns of India as well as foreign countries. Elementary courtesy demands that we should extend our hospitality to our prospective customers—details officers entertained in each case are not available as there was no system of collecting such information from the senior officers of the Company.”

23. It was further added that officials of the Central Government are entertained not for any commercial bargain but as a matter of courtesy and hospitality. As regards the entertainment of officials of public/sector undertakings, it was stated that “such entertainments may be regarded as reciprocal hospitality as we are also entertained when we visit other public sector undertakings.”

24. It will be seen from Appendix VII that during the two years i.e. 1975-76 and 1976-77, entertainment parties were given by Chairman-cum-Managing Director (Shri Chelliah) on 15 occasions, by the Principal Adviser (Shri Yusuf Khan) now working as Chairman-cum-Managing Director on *ad hoc* basis on 138 occasions and by other senior officers on over 30 occasions. These parties of ‘lunches’, ‘dinners’ and ‘drinks’ were given in leading Clubs and Restaurants in Calcutta in honour of/or visits of Minister, Secretary and other officials of the controlling Ministry foreign delegations, officials of Public Sector Undertaking, non-officials Directors etc. The invitees to these parties included Central Inland Water Transport Corporation’s own officials and their ladies, officials of other Public Undertakings, Nationalised Banks, Central and State Government officials etc. in Calcutta. The expenditure in a number of cases ranged between Rs. 55 and Rs. 144 per head, per occasion as per instances given below:

Officials entertained	Amount	Remarks
1	2	3
1. Shri M. Ramakrishnayya, Secretary, Ministry of Shipping & Transport and others ( <i>vide</i> Calcutta Club Bill No. 72 dated 11-9-1976).	*Rs. 2932	Total 36 persons including officers of Corporation, other public undertakings etc. (average Rs. 81/- per head).

1	2	3
2. Ministry of Transport Officials (vide Calcutta Club Bill No. dated 16-2-1976).	Rs. 1300	Details not available.
3. Chairman, Calcutta Port Trust and others (Vide Calcutta Club Bill No. dated 30-3-1976).	Rs. 1875	Total 13 persons including officers of Calcutta Port Trust (average Rs. 144/- per head).
*4. Drinks to Shri S.C. Dikshit, Director, Ministry of Shipping & Transport and others (vide Bengal Club Bill No. dated 7-2-1977).	Rs. 337	Total 6 persons (average Rs. 56/- per head).
5. Lunch & evening drinks to Mr. P. K. Dutta, Director, Ministry of Shipping & Transport and others (vide Bengal Club Bill No. dated 21-2-1977).	Rs. 323	Total 4 persons (average Rs. 81/- per head).

\*But in a written note submitted by Shri S. C. Dikshit and furnished by the Ministry, he stated that "I am a vegetarian, teetotaler and a non-smoker. I am not interested in alcoholic drinks". Therefore the statement of CIWTC is false.

25. \*On the lunch party given to the then Secretary of the Ministry of Shipping and Transport (Shri M. Ramakrishnayya) in August 1975 by Chairman-cum-Managing Director (Shri Chelliah), Rs. 2931.45 were spent, vide Calcutta Club Bill No. 3190 dated 11-9-1975. Including the Secretary, there were 35 invitees listed below:—

1. Shri M. Ramakrishnayya, I.A.S., Transport Secretary, Government of India.
2. Shri M. L. Narayan Rao, 11A, Raja Basanta Roy Road, Calcutta.
3. Shri S. N. Chakravarty, Jute Commissioner, Calcutta.
4. Dr. S. K. Bhattacharya, Chief Hydraulic Engineer, CPT.
5. Shri M. M. Kusari, IAS, Transport Secretary, Govt. of W. Bengal.
6. Shri M. Yusuf Khan, MD, CIWTC.
7. Shri P. C. Mitra, Chairman, Calcutta Port Trust.
8. Capt. P. N. Batra, Deputy Director, Marine Deptt., CPT.
9. Shri G. Kaushik, Manager, IOC, Refineries, Calcutta.
10. Shri S. C. Ghosh, Branch Manager, IOC, Marketing Division, Calcutta.
11. Shri R. C. Mohan, Principal Officer, MMD.
12. Shri K. Subramaniam (Veg), Director, IMET, Calcutta.
13. Shri R. N. Sen Gupta, I.A.S., Labour Secretary, Govt. of W. Bengal.



14. Shri V. Misra, PWD Secretary, Govt. of West Bengal.
  15. Shri Sidney Kitson, IP, Joint Commissioner of Police.
  16. Capt. C. M. Vyas, N. M. Naval Officer-in-charge Commanding Officer, INS "Netaji Subhas".
  17. Major Genl. T. B. Nanda, Chief Engineer, Eastern Command.
  18. Brig. PNH Chand, Sub-Area Commander, Eastern Command.
  19. Shri N. Ghosh, Managing Director, Hooghly Docking.
  20. Shri B. P. Poddar (Veg), Hong Kong House, Calcutta.
  21. Shri S. P. Acharya, Managing Director, Shaw Wallace.
  22. Maj. Genl. P. Chowdry, Shaw Wallace.
  23. Shri N. M. Trivedi (Veg), Manager, Scindia Navigation Co.
  24. Shri M. L. Jha, Angus Co., Calcutta (Veg).
  25. Shri A. P. Verma, Chairman & Managing Director, Balmer Lawrie.
  26. Shri Sanjay Sen, General Manager, Rajabaga Dockyard.
  27. Shri P. G. Biswas, FA&CAO, CIWTC.
  28. Shri H. K. Sen, Secretary, CIWTC.
  29. Shri V. R. Ramaswamy, Lionel Edwards Ltd., Calcutta.
  30. Shri S. C. Roy, Chairman, Lionel Edwards.
  31. Shri J. Gopal, Secretary, Bata Shoe.
  32. Capt: J. K. Bose, Senior Nautical Surveyor, MMD.
  33. Shri P. K. Dutta, NPC.
  34. Lt. Genl. J. S. Arora, Williamson Magor.
  35. Shri C. N. Penn-Antheny, Power Commissioner, Govt. of West Bengal.
26. Explaining this, Chairman-cum-Managing Director (Shri Chelliah) said:

"If the Secretary of the Ministry visits us, we throw a party in his honour. This has been the practice."

**27. THE COMMITTEE ENQUIRED HOW MUCH MONEY, OUT OF A TOTAL OF RS. 2932 WAS SPENT ON ALCOHOL, THE CHAIRMAN-CUM-MANAGING DIRECTOR (SHRI CHELLIAH) FIRST SAID, "I DON'T THINK ALCOHOL WAS SERVED," WHEN**

**ASKED HOW MUCH DID A LUNCH USUALLY COST PER HEAD IN THE ABOVE CLUB, HE SAID:**

**"IN THE DINING ROOM IT MAY BE RS. 15/- BUT WHEN IT IS ORDERED IT WILL BE ABOUT RS. 35/- (i.e. ABOUT RS. 1200/-)."**

**THE REST (ABOUT RS. 1800/-), HE ADMITTED WAS SPENT ON ALCOHOL.**

28. During evidence of representatives of the Corporation, the Committee enquired from the FA&CAO (Shri Biswas) how did he allow these payments and what was the procedure in this regard, he stated:

"According to the delegation of powers, the Managing Director is the competent person to sanction it. There are some 'confidentials', they do not want to disclose (details) to the FA also".

29. When enquired whether the Chairman had been sanctioning this expenditure, he said, "Yes, Sir." Asked in how many cases did he sanction it, he said, "In six cases when the Chairman was not there. I got it sanctioned from the Chairman also."

30. When enquired how many times had he entertained other officers, he stated:—

"I took Captain/Engineers of 'Kapetan Markos' Cos. officers for lunch and the amount spent was Rs. 426.35".

31. Asked whether any entertainment allowance was allowed to the officers of the Corporation, the FA&CAO stated:

"The entertainment allowance without production of vouchers in the case of Shri Chelliah is Rs. 500/- p.m.; Shri Yusuf Khan Rs. 250/- p.m., all heads of the departments are allowed Rs. 100/- p.m...."

32. The Committee then enquired from the Principal Adviser, Shri Yusuf Khan (at present working as Chairman-cum-Managing Director on ad hoc basis) what sort of business representatives did he entertain and with what purpose, he stated:—

"These business organisations and other people visit CIWTC.. these entertainments are usually done in the Club."

33. When asked why did he entertain officials of State Bank of India, ONGC, IOC and South Eastern Railway, he stated regarding S.B.I. officials that:—

“At that time, we were discussing with the Bank officials over a number of facilities about CIWTC.”

34. Regarding ONGC and IOC officials he said, “this was for the facility of getting fuel oil for the barge transportation.” In regard to S.E. Railway officials he said:—

“They are one of our clients. We are running a passenger ferry service for them. They came to us for some discussion. So, we took them out for lunch. There were five or six of them.”

35. When asked how was it that an amount of Rs. 615 was spent on six S.E. Railway officials he stated “Each one of them may have taken one or two bottles of beer.”

36. The Committee also noted that Shri Yusuf Khan entertained some officials of Labour Department, Government of India in Bengal Club and an expenditure of Rs. 1100 was incurred. Asked how many persons were there and how the amount was spent, he (Shri Yusuf Khan) stated:—

“If I remember correctly, three or four persons came from the Labour Directorate, Delhi.”

37. On being pointed out that even assuming that invitees consumed only the choicest imported alcoholic drinks, the amount could not come to so much, he said “the cost of liquor is pretty steep in the Bengal Club.”

38. Asked why this bill had been put into his account and not that of Shri Chelliah's, he said, “if it is Bengal Club, I am an associate Member of that Club.”

39. Asked what did he do with his Entertainment Allowance of Rs. 250/- p.m., Shri Yusuf Khan stated:—

“It is for official entertainment at my residence, for which I do not have to give an account.”

40. When enquired whether they had entertained anybody in the office during office hours and if so how was it accounted for, the witness stated:—

“During office hours one can get only tea and ‘Pakora’ etc. no liquor is brought into the office. It is just a cash payment from the Accounts Department of the Office and is charged to the Entertainment head.”

41. It will be seen from the statement at Annexure G that the total expenditure on various entertainments hosted by Chairman-cum-Managing Director (Shri Chelliah) alone on 15 occasions during a period of about one and half years, i.e. from August/September, 1975 to March, 1977, was Rs. 12,647.

42. The Committee called for all the vouchers pertaining to entertainment for the period 1-4-1976 to 31-3-1977. From an analysis of the vouchers supplied by the Corporation (Appendix VIII) it would be seen that while in some cases the break-up of the expenditure on wine and food is not available, in other 19 cases where this break-up is available, the percentage of expenditure on wine to the total expenditure works out to 42.

43. On a number of occasions the Company had entertained foreign delegations (Norwegian, Dutch delegations, etc.)—e.g. expenditure incurred on a ‘House Party’ given by Shri Chelliah to Dutch delegation in March, 1977 was Rs. 2069.40.

There were only 3 Dutch delegates and 23 other officers were invited to the party. Asked about reasons for this, Chairman-cum-Managing Director (Shri Chelliah) said:—

“We have got to invite all the people connected with the business of fishing trawlers to introduce them so that our credibility is known to them.”

**44. WHEN ASKED WHAT BUSINESS THEY HAD BEEN ABLE TO GET OUT OF THIS, HE SAID, “WE DID NOT GET ANYTHING.”**

45. On another occasion, i.e. on 10-5-1976, the Chairman-cum-Managing Director held a dinner in honour of Minister of State (Shri Trivedi), in which 39 other guests were invited and the total expenditure was Rs. 1229.90.

46. The entertainment expenditure on Board meetings has on occasions been to the order of Rs. 700. Asked what business interests were intended to be served in entertaining Board members other than

influencing them, the Chairman-cum-Managing Director (Shri Chelliah) stated:—

“It is a practice followed everywhere. When we have a Board meeting, we have a lunch.”

He also stated that on an average six or seven members plus four Company's officers attended the Board meetings which meant expenditure of about Rs. 70/- per head.

47. The Committee also noted that the Company spent Rs. 2000/- on entertainment on the occasion of handing over ceremony of naval tanker “PURAN” built at Rajabagan Dockyard. Asked about the reasons for this, the Chairman-cum-Managing Director said:—

“It was a naval tanker costing Rs. 1 crore and odd. You cannot just ask them to come and take it. It was a handing over ceremony.....”

48. Asked how did he spend his entertainment allowance of Rs. 500/- p.m., the Chairman-cum-Managing Director (Shri Chelliah) said:—

“In my capacity as the Chairman, a lot of people visit me and I have to entertain them and take them to the Club also.”

49. The Committee further noted that the club expenditure incurred by Chairman-cum-Managing Director (Shri Chelliah) on private account was also included in the entertainment bills submitted by the clubs and the same was paid by the Corporation. It was stated to have been subsequently recovered from the Chairman-cum-Managing Director.

50. During the evidence of representatives of the Ministry, the Committee enquired how many times they were entertained by the Company in Clubs and Restaurants, the Chief Engineer-cum-Administrator (Shri Dikshit) stated “Five or six times”.

51. The Committee also enquired from the Ministry how did they explain such an expenditure on entertainment in the context of mounting losses of the Corporation and what, if any, instructions had been issued by Government in the matter, the Ministry in a written note *inter alia* stated as follows:—

“Some expenditure on entertainment may be necessary in the interest of maintaining good relations with customers and as a matter of normal courtesy. The Ministry of Shipping

and Transport, however, agree that CIWTC should observe austerity in the matter of entertainment expenses.

**NO GUIDELINES HAVE BEEN ISSUED BY THE MINISTRY OF SHIPPING AND TRANSPORT. THE BPE, HOWEVER, VIDE O.M. NO. 2(74)/67-FI DATED 17-10-67 (COPY AT APPENDIX IX)** has issued guidelines for entertainment expenditure for public enterprises to be followed by each enterprise within its framework. As per these guidelines, the Board of Directors is required to fix annual Grant entertainment and provide in the annual budget, prescribe which of the officers may operate on the entertainment grant and the limits upto which each officer can incur expenses on the entertainment of the guests of the Company. All entertainment expenses should invariably be supported by proper bills and vouchers. Expenses incurred for entertaining the guests of the Company by officers at their residences might be reimbursed on the basis of a certificate to this effect. A statement of expenditure incurred on entertainment is also required to be placed before the Board for information."

52. During the course of evidence of representatives of the Corporation, the Committee enquired what amount did they provide in the Budget estimates for entertainment, the FA&CAO (Shri Biswas) stated:—

"In the budget provision there is no such head as Entertainment. There is a 'General Charges' head and under this there are 17 to 18 sub-heads. We make a token provision on the basis of the previous year."

53. On being enquired how much did they provide under the sub-head 'Entertainment', he said, "In commercial organisations budgeting is not done so meticulously as it is done in Government" and that the amount was shown only against the head 'General Charges' and not under various sub-heads. When asked why don't they put a separate head "Entertainment" in the accounts, the Chairman-cum-Managing Director (Shri Chelliah) said "It should have been done. It is our lapse."

54. Noting the colossal amount of expenditure incurred on the entertainment of the Government officers and officers of other Public Undertakings, etc. by CIWTC, the Committee was constrained to make specific recommendations to Government for elimination of extravagant expenditure. At their sitting held on 9-1-1978 the Committee made the following recommendations which were forwarded

to the Bureau of Public Enterprises, Ministry of Finance for implementation by all public undertakings:—

“It has come to the notice of the Committee that Public Undertakings of Government of India are incurring expenditure on extravagant entertainment of Government officers, Officers of other Public Undertakings, Nationalised Banks and other semi-Government organisations. The Committee, after considering the matter in all its aspects, strongly feel that such a practice results not only in avoidable expenditure to the Public Undertakings concerned but is also against the spirit of the Conduct Rules relating to the officers concerned.

The Committee accordingly recommend that all public undertakings should observe utmost austerity particularly in the entertainment of any officer belonging to the Central Government, other Public Undertakings, State Governments, Union Territories, local Self-Government, Nationalised Banks including Reserve Bank and State Bank of India or semi-Government organisations and legislators and such expenditure should not exceed Rs. 2/- per head per occasion and there should not be more than two occasions in one day. The Committee desire that the Central Government should immediately issue strict instructions on the above lines to all concerned.”

55. This Committee have decided and are observing in practice also that they would accept no free hospitality from a Central Government Public Undertaking. This Committee would appreciate if other Committees also consider to follow the above mentioned practice.

56. The Committee are concerned to note that out of 172 public undertakings which were asked to furnish information on various matters on 23rd December, 1977, as many as 72\* public undertakings

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\*At the time of factual verification the Bureau of Public Enterprises has stated that the following four Public Enterprises are not within the purview of the Bureau of Public Enterprises and hence the question of obtaining information from them did not arise.

- (1) Damodar Valley Corporation.
- (2) Agricultural Refinance & Development Corporation.
- (3) Industrial Development Bank of India.
- (4) Industrial Finance Corporation.

As the Bureau of Public Enterprises is responsible for coordination and collection of information from all the Public Undertakings within the purview of the Committee on Public Undertakings *vide* Para 4 of Introduction to the Annual Report on the working of Industrial and Commercial Undertakings of the Central Government, 1976-77, Vol. I (brought out by the Bureau of Public Enterprises) and as these four enterprises fall within the purview of the Committee on Public Undertakings *vide* 4th Schedule Pt. I of the Rules of Procedure and Conduct of Business in Lok Sabha, the non-obtaining of information from these four public undertakings is a serious lapse on the part of Bureau of Public Enterprises.

have withheld information upto the 20th March, 1978 i.e., even after about three months of the calling of information. The Committee see no valid reason why the requisite information could not be collected by these public undertakings. The Committee consider that deliberate non-supply of information even after a period of three months amounts to withholding of information which is very vital for accountability of undertakings to Parliament. This may amount to a contempt of the Committee. This, in the opinion of the Committee, is reprehensible.

57. The Committee would further require that the heads of the defaulting public undertakings should be asked to explain the reasons for not furnishing the information to the Committee within the stipulated time.

58. The Committee are greatly perturbed to note that the expenditure on entertainment in the case of 92 public undertakings amounted to Rs. 101.15 lakhs during the three years 1974-75, 1975-76 and 1976-77.

59. It is noteworthy that the total expenditure incurred by 92 undertakings during 1974-75 amounted to Rs. 25.35 lakhs but it increased manifold during Emergency period of 1975-76 and further increased in 1976-77 to Rs. 44.02 lakhs. Thirteen undertakings, namely, Mazagon Dock Ltd., Minerals & Metals Trading Corporation, Projects and Equipment Corporation of India Ltd., Engineering Projects (India) Ltd., Bharat Heavy Electricals Ltd., Engineers India Ltd., Jes-sop & Co. Ltd., Hindustan Photo Films Manufacturing Co. Ltd., Bharat Petroleum Corporation, Rail India Technical and Economic Services Ltd., Metallurgical & Engineering Consultants India Ltd., HMT (International), and Indian Airlines Corporation have each spent more than Rs. 1 lakh in a year on this account. In the case of one undertaking, viz., Mazagon Dock Ltd., the expenditure had gone upto Rs. 10.62 lakhs during the three years ending 1976-77 which works out to Rs. 29,500 per month or Rs. 1000/- per day. In the case of another undertaking, viz., minerals and Metals Trading Corporation, the expenditure had increased to Rs. 3.49 lakhs in 1976-77 which also works to about Rs. 1000/- per day.

60. The Committee are constrained to observe that there has been a steep increase in the expenditure on entertainment from year to year in the case of a number of undertakings. In the case of Minerals and Metals Trading Corporation the expenditure has jumped from Rs. 1.78 lakhs in 1974-75 to Rs. 3.49 lakhs in 1976-77.



In the case of Projects and Equipment Corporation of India Ltd. the expenditure has galloped from Rs. 1.16 lakhs in 1974-75 to Rs. 3.16 lakhs in 1976-77. In the case of Engineering Projects(I) Ltd., the expenditure has increased from Rs. 0.25 lakh in 1974-75 to Rs. 2.79 lakhs in 1976-77. In the case of Hindustan Photo Films Manufacturing Company the expenditure has gone up from Rs. 0.43 lakh in 1974-75 to Rs. 1.60 lakhs in 1976-77. Similarly, in the case of Rail India Technicals & Economic Services Ltd., the expenditure has gone up from Rs. 0.21 lakh in 1974-75 to Rs. 1.13 lakhs in 1976-77, which is about 55 per cent increase.

61. Even a number of Public Undertakings which are incurring heavy losses have spent lavishly on this account. For example, the Central Inland Water Transport Corporation with a cumulative loss of Rs. 2143.87 lakhs at the end of 1977, spent Rs. 75,000 on entertainment during 1976-77, Jessop & Co. Ltd. with a cumulative loss of Rs. 1247.47 lakhs till 1976-77 spent Rs. 97,772 on entertainment during 1976-77. Bharat Aluminium Co. Ltd. with a cumulative loss of Rs. 1858 lakhs at the end of 1976-77, spent Rs. 69,000 on entertainment during 1976-77. Cochin Shipyard Ltd. with a cumulative loss of Rs. 20.72 lakhs till 31-3-1977 spent Rs. 89,855 during 1975-76. Garden Reach Shipbuilders & Engineers Ltd. with cumulative loss of Rs. 195.86 lakhs till 31-3-1977 spent Rs. 59,000 on entertainment during each of the years 1975-76 and 1976-77. Hindustan Antibiotics Ltd. with a cumulative loss of Rs. 835.56 lakhs till 31-3-1977 spent Rs. 55,502 on entertainment during 1976-77. Mining and Allied Machinery Corporation with a cumulative loss of Rs. 3516.34 lakhs as on 31-3-1977 spent Rs. 67,000 in 1975-76 and Rs. 85,000 on entertainment during 1976-77.

62. The Committee are perturbed to note that the Central Inland Water Transport Corporation which has been incurring heavy losses from year to year and whose losses amounted to over Rs. 21 crores during the last few years, has been spending lavishly on entertainment. There has been a steep increase of over 700 per cent in the entertainment expenditure which was only Rs. 9,000 in 1973-74 escalated to Rs. 75,000 in 1976-77. It is a matter of great concern that in spite of the deterioration in the financial condition of the Corporation when it was difficult even to find resources to pay the employees their monthly wages, sumptuous entertainment parties of lunches and dinners were given by the top officers of the Corporation on over 183 occasions during the last 2 years i.e., 1975-76 and 1976-77. Of these 183 occasions, the principal adviser who is now working as Chairman-cum-Managing Director on ad-hoc basis entertained on as many as 138 occasions during this period. During these entertainment parties

which were held in posh Clubs and Restaurants in Calcutta, drinks at times were freely served. On one occasion, over Rs. 2900 were spent for a lunch for entertaining the Secretary of the Ministry and other civil and military officers which totalled 35. Of this amount, about Rs. 1800 were spent on alcohol alone. In many cases the expenditure ranged between Rs. 55 and Rs. 144 per head while an ordinary lunch or dinner would cost between Rs. 15 to Rs. 20 only per head even in those leading Clubs. The Committee are surprised that most of these parties were held to entertain the visiting officers of the Ministry, brother officers from other public undertakings, Board members, including CIWTC's own officials, nationalised banks officers etc. At times even the wives of officers and contractors of the same undertaking were also invited.

63. From the instances quoted in the previous paragraphs the Committee have come to the inescapable conclusion that a number of public undertakings have been incurring extravagant and lavish expenditure on entertainment in utter disregard of the interests of the poor tax-payers. It is on record that one public undertaking had spent huge amounts on entertainment where on various occasions, drinks were freely served to entertain fellow-officers of the undertakings, officials of the Ministry, officials of the nationalised banks and semi-Government Organisations and personal guests. Extravagant expenditure in entertaining high ups by public undertakings and other Government/semi-Government agencies gives rise to avoidable adverse reaction among other subordinate employees and people in general who get demoralised by such lavish expenditure by the top executives.

64. The Committee are unable to appreciate the huge expenditure incurred on sales promotion by commercially non-competitive Public Undertakings like Indian Airlines Corporation who have got monopoly in business. The Committee are also not able to understand as to why some of the public undertakings, like Bharat Heavy Electricals Ltd., have been spending a lot on entertaining Indian customers most of whom are from sister public undertakings, in inter-plant meetings and on auditors. It has also come to the notice of the Committee that Members of the Board are also entertained to lunches/dinners besides the fees that they get where applicable, when Board meetings are held. The Committee are unable to appreciate why the officers of nationalised banks, other public undertakings and also Ministries/Departments are to be entertained for doing their legitimate official duties. The Committee strongly deprecate this practice which should stop forthwith. In the opinion of the Committee, such hospitality at the expense of the undertak-

ings, is a clear violation of the conduct rules of the Government officers who are also entitled to their travelling and daily allowances. The non-official Directors also receive handsome remuneration for attending Board meetings. This spending spree on their part and tendency to have a good time at public expense and to further their personal social standing are deplorable.

65. While the Committee realise that there may be some justification for entertainment expenditure especially in the case of trading organisations, they cannot too strongly stress the need for observing utmost economy on such expenditure. The Committee have already recommended a ceiling of Rs. 2/- per head per occasion on such expenditure.

66. The Committee further recommend that the heads of the undertakings as also the Government Director on the Board of the Undertakings should critically review the entertainment expenditure incurred during the preceding three years and see how far such expenditure was justified. If the review reveals that unwarranted expenditure was incurred by any officials of the undertaking, responsibility therefor should be fixed and such expenditure recovered from the erring officials.

67. The Committee would urge that each undertaking should lay down strict guidelines for regulating the expenditure on entertainment on the various occasions so as to keep it to the minimum, keeping in view their earnings and the morale of the subordinates and of the people in general. The Board should also ensure that these guidelines are rigidly followed. A strict watch over this expenditure should be kept and periodical review should be made at the Board level. The Heads of the respective public undertakings should be held responsible for non-compliance of the guidelines.

68. The Bureau of Public Enterprise should also review the position in regard to this and lay down firm guidelines for fixing a ceiling on lunches and dinners and also lay down the criteria as to who should be entertained. They should also ensure that the guidelines issued in this regard are followed by all undertakings in letter and spirit.

69. The Committee further require that expenditure on entertainment should always be clearly reflected in the annual reports of the undertakings.

70. The Committee understand that some of the top officials of the undertakings are also allowed sumptuary allowance/entertainment allowance to entertain guests at their residences. The Com-

mittee recommend that Government/Bureau of Public Enterprises should review the need of such an allowance and wherever found necessary, lay down definite guidelines for the utilisation of that money by the officials concerned.

71. The Committee cannot but observe that Public Sector would never succeed if it is left in the hands of disinterested, unscrupulous, inconsiderate mercenaries. Unless there is a true sense of involvement and determination to produce the desired results the condition of Public Sector is bound to be what it is today in many cases. It is unfortunate that because of certain unscrupulous Managers of Public Undertakings, huge losses occur to the Public Sector Undertakings which are ultimately borne by the general public who have to contribute their mite by way of payment of taxes direct and indirect.

72. The Committee have decided and are observing in practice also that they would accept no free hospitality from a Central Government Public Undertaking.

This Committee would appreciate if other Committees also consider to follow the above-mentioned practice.

NEW DELHI;

April 1, 1978.

Chaitra 11, 1900 (Saka).

JYOTIRMOY BOSU,

Chairman,

Committee on Public Undertakings.

## APPENDIX I

(Vide para 1 of Report)

*List of points on which information was called for from all the*

### *Public Undertakings*

(Information sought is on annual basis for three years i.e. 1974-75, 1975-76 & 1976-77).

1. The location of the Head Office and Units, if any.
2. The dates on which the undertaking was set up, commenced production/business. Was it according to schedule? Please indicate subsequent variations in the schedule.
3. Authorised and paid-up capital.
4. Names and addresses of Chairman/Managing Directors/Directors indicating whether full-time or part-time with period during which they remained in office, the manner in which they were selected, terms and conditions of their appointment, their monthly salary|Commission|emoluments|remuneration and other amounts, if any, drawn and also annual expenditure incurred in providing perks to them.
5. The names and addresses of the Board of Directors who were/are connected with private sector undertakings as Chairman/Managing Directors/executive drawing more than Rs. 1500/- per month and also the names and addresses of such private sector undertakings.
6. *Loan/Advances/Interest/Compensation:*
  - (a) Break up of yearly loans, if any, obtained by the Undertaking (with names of creditors), interest paid to them, waiver of such loans/interests, obtained from creditors including Government/Banks/Public Financial Institutions etc.
  - (b) Break-up of interest (with rates) paid to each private party (with names/and addresses) e.g., on loans obtained or interest liability incurred due to breach of contractual obligations etc.

- (c) Break-up of advances/credit given to private parties annually with their names and addresses, rate of interest, annual recoveries made, names of defaulters, credit and interest waived if any, directly or indirectly by not depositing the cheques received for realisation within a few days period party-wise. . . . .
- (d) Yearly break-up of expenditure incurred by way of legal fees to advocates/legal attorneys (please give their names and addresses).
- (e) Break-up of compensation, if any paid to, and the amount of claim foregone in favour of each private party (with name and address) indicating whether the amounts were paid or foregone as a result of Court decisions/Arbitrator's award/or private negotiations.

## 7. Guest Houses: .. ..

- (a) Place of location of each Guest House maintained by the Undertaking and the covered area thereof.
- (b) If the Guest House is owned by the Undertaking, the total capital cost with break-up of money spent in purchase/acquisition of land (if land purchased) from private party, the name and address of the party and the year of purchase, construction and finishing (hard and soft furnishings, air-conditioning/central heating) of the building.
- (c) Break-up of annual expenditure incurred on the maintenance of each guest house and officers clubs break-up e.g., expenditure on Civil Works, hard and soft furnishing, air conditioning, Central heating, Swimming pools, if any, soft furnishings, electricity, personnel employed for upkeep of the Guest House, cars and other transport vehicles.
- (d) If the guest house building has been taken on rent, the name and address of the owner of the building and also whether the owner was related to any Minister/Politician/official (give details) floor area, the dates of agreement and occupation, the advance rent paid, the amount of rent, Municipal and other taxes, electricity and water charges paid annually, the expenditure, if any, incurred on civil works and furnishings—soft and hard—air-conditioning, central heating, if any, the manner in which the rent was negotiated and what efforts if any, were made to secure

Government built accommodation for the purpose and the period for which hired. ..

- (e) The justification for having a separate Guest House in each case.

#### 8. Head Office

- (a) Location of the head office building, the covered area thereof and number of Class I, II, III personnel working in the same area and the date of occupation.
- (b) If the building is owned by the Undertaking, the total capital cost with break-up of money spent in purchase|acquisition of land (if land purchased from private party, the name and address of the party and the year of purchase), construction and furnishing (hard and soft air-conditioning|central heating) of the building.
- (c) Break-up of the annual expenditure incurred on the maintenance of Head Office buildings e.g., expenditure on civil works, hard and soft furnishings, electricity, air-conditioning|central heating, horticulture and personnel employed for its upkeep.
- (d) If the building|s is|are on hire, the name and address of the owner of the building|s and also whether the owner was related to any Minister|Politician|official (give details), the date on which hired, the advance rent paid, the amount of annual rent paid, the expenditure, if any, incurred on civil works and furnishing—soft and hard; the manner in which the rent was negotiated and what efforts, if any, were made to secure Government built accommodation.
- (e) Expenditure on HeadOffice establishment—officers and others to be shown separately.

#### 9. Rent paid for residence of Chairman|Managing Directors etc.

- (a) Expenditure on rent for the residence of Chairman and Managing Director with addresses, floor area occupied by each.
- (b) Such expenditure for other Directors and Executives drawing more than Rs. 2000 p.m.

#### 10. Rent for godowns|ware-houses

- (a) Monthly rent paid to private parties with their addresses and the area rented. Amount of advance, if any, given to

the owner, date on which the advance was given and the effective date from which warehouse was taken on rent.

- (b) Rent paid to Warehousing Corporation and other public institutions.

**11. Expenditure on Travels by Directors other Executives:**

- (a) Capital cost of Aircrafts, vehicles (show passenger carrying and goods carrying separately) and other vehicles for travel.
- (b) Break-up of maintenance cost of aircraft and vehicles—repairs, fuel, depreciation etc., in respect of vehicles used for transport of passengers maintained at the head office and units of the Undertaking at its Guest House, Clubs and at work site and liaison offices in cities, like Delhi, Bombay, Calcutta, Hyderabad, Bangalore, etc.
- (c) The expenditure incurred on hiring of Taxis and cars in the cities and elsewhere.
- (d) Expenditure on air travel (internal and Foreign—separate).

**12. Details of Foreign Travels undertaken by the Chairman/Managing Directors and Officers drawing more than Rs. 1800 per month, expenditure incurred on such travel giving:**

- (a) Period of travel (with dates).
- (b) Places in foreign countries visited.
- (c) Purpose of foreign travel.
- (d) Whether travelled with Ministers/officials of the Ministry or separately for the purpose and in connection with the working of the Undertaking (give details).
- (e) While abroad any hospitality availed of or other benefit from any foreign company/Corporation/financial or commercial institution/or Government availed of.
- (f) Total expenditure incurred individually.
- (g) Total Foreign Exchange sanctioned for such travel and the amount actually spent.

**13. Entertainment expenditure at Head Office:**

- (a) Liaison Work
- (b) Hospitality
- (c) Expenditure on hotel/clubs/entertainment bills.



**14. Expenditure on Decorations :**

- (a) Expenditure on decorating office building, interior decoration and other items.
- (b) Expenditure on interior decoration at/residence of Chairman/Managing Director/Directors/other executives.

**15. Expenditure on Advertisements/donations:**

- (a) Advertisement and publicity charges paid to:
  - (i) Private parties with details (viz. names and addresses of parties and the total amount paid to each party).
  - (ii) Directorate of Audio-visual Publicity.
  - (iii) AIR/T.V.
- (b) Expenditure on production of pamphlets and brochures and other advertising materials.
- (c) Donations and subscriptions for charity (particulars of parties and amounts paid to be given).

**16. Production**

- (a) Total licensed capacity of the Undertakings in respect of various products manufactured by it.
- (b) Installed capacity.
- (c) Actual production. If there is shortfall or excess as compared to licensed capacity and installed capacity.
- (d) Value of production/turnover.
- (e) Profit/loss and its percentage prior to payment of tax and after payment of tax (i) to assets and (ii) to sales.
- (f) (i) Total excise duty paid annually.  
(ii) Total income tax paid annually.
- (g) Has any special exemption or relief been given to the Undertaking by Central Government or State Government in respect of Customs/Central Excise/Sales Tax/other Taxes relating to production, sale or profits? If so, what is the total amount of relief availed of year-wise?
- (h) If the Undertaking has been incurring losses what is the cumulative loss at the end of the accounting period 1976? What is the proportion of this loss to the capital?

- (i) Total outstandings due to the Undertaking.
- (j) Total outstandings under dispute. Also give names and addresses of parties owing more than Rs. 10,000 and since when.

17. (a) What is the total emoluments and wage bill during the past four years in respect of all the divisions of the undertaking? Please give a break-up in regard to the following categories:

- (i) Persons drawing in total, more than Rs. 3000/-
- (ii) Persons drawing, in total, between Rs. 1800 and Rs. 3000/-
- (iii) Persons drawing in total, between Rs. 700 and Rs. 1800/-
- (iv) Persons drawing in total, between Rs. 300 and Rs. 700/-
- (v) Persons drawing, in total, below Rs. 300/.

## APPENDIX II

(Vide Para 2 of Report)

*Particulars of 72 Public Undertakings which have not furnished the requisite information till 20-3-1978.*

1. Air India
2. Air India Charters Ltd.
3. Andaman & Nicobar Islands Forest & Plantation Development Corporation.
4. Banana & Fruit Development Corporation Ltd.
5. Bharat Coking Coal Ltd.
6. Bharat Earth Movers Ltd.
7. Bharat Electronics Ltd.
8. Bokaro Ispath Ltd.
9. Bridge & Roof Co.(I) Ltd.
10. Central Coal Fields Ltd.
11. Central Cottage Industries Corpn. of India Ltd.
12. Central Fisheries Corporation Ltd.
13. Central Warehousing Corporation Ltd.
14. Central Road Transport Corporation.
15. Coal India Ltd.
16. Cotton Corporation of India Ltd.
- \*17. Damodar Valley Corporation
18. Eastern Coalfields Ltd.
19. Fertilizers & Chemicals (I) Ltd.
20. Fertilizer Corporation of India Ltd.
21. Film Finance Corporation Ltd.
22. Food Corporation of India.
23. Goa Shipyard Ltd.
24. Gresham & Craven of India Ltd.
25. Handicrafts & Handloom Export Corporation of India Ltd.
26. Heavy Engineering Corporation Ltd.
27. Hindustan Copper Ltd.

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\*Please see footnote on page 34 at the end of Appendix-II

28. Hindustan Paper Corporation Ltd.
29. Hindustan Petroleum Corporation Ltd.
30. Hindustan Steel Ltd.
31. Hindustan Steel Works Construction Ltd.
32. Hindustan Zinc Ltd.
33. India Tourism Development Corporation Ltd.
34. Hotel Corporation of India Ltd.
35. Indian Drugs & Pharmaceuticals Ltd.
36. Indian Iron & Steel Co. Ltd.
37. Indian Oil Blending Company Ltd.
38. Indian Oil Corporation Ltd.
39. Indian Petro-Chemicals Corporation.
40. Indian Telephone Industries Ltd.
41. Indo-Burma Petroleum Corporation Ltd
42. Lubrizol India Ltd.
43. Mandya National Paper Mills Ltd.
44. Manganese Ore India Ltd.
45. Mica Trading Corporation of India Ltd.
46. Modern Bakeries (I) Ltd.
47. Nagaland Paper & Pulp Mills Ltd.
48. National Mineral Development Corporation Ltd.
49. National Newsprint and Paper Mills Ltd.
50. National Projects Construction Corporation Ltd.
51. National Seeds Corporation Ltd.
52. National Textile Corporation.
53. National Textile Corporation, (Andhra Pradesh, Karnataka, Kerala, Mahe) Ltd.
54. National Textile Corporation (Delhi, Punjab & Rajasthan) Ltd.
55. National Textile Corporation (Mharashtra North) Ltd.
56. National Textile Corporaton (South Maharashtra) Ltd.
57. National Textile Corporation (Tamil Nadu & Pondicherry) Ltd.
58. National Textile Corporation (Uttar Pradesh) Ltd.
59. National Textile Corporation (West Bengal, Bihar, Assam and Orissa) Ltd.

60. North Eastern Handicrafts and Handloom Development Corporation.
61. Neyveli Lignite Corporation Ltd.
62. Oil & National Gas Commission
63. Pyrites, Phosphates & Chemicals Ltd.
64. SAIL International Ltd.
65. Shipping Corporation of India Ltd.
66. State Trading Corporation (India) Ltd.
67. Steel Authority of India Ltd.
68. Tannery & Footwear Corporation of India Ltd.
69. Tungabhadra Steel Products Ltd.
70. \*Agricultural Refinance & Development Corporation.
71. \*Industrial Development Bank of India.
72. \*Industrial Finance Corporation.

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\*At the time of factual verification the Bureau of Public Enterprises has stated that the following four Public Enterprises are not within the purview of the Bureau of Public Enterprises and hence the question of obtaining information from them did not arise:—

- (1) Damodar Valley Corporation.
- (2) Agricultural Refinance and Development Corporation.
- (3) Industrial Development Bank of India.
- (4) Industrial Finance Corporation.

As the Bureau of Public Enterprises is responsible for coordination and collection of information from all the Public Undertakings within the purview of the Committee on Public Undertakings *vide* Para 4 of Introduction to the Annual Report on the working of Industrial and Commercial Undertakings of the Central Government 1976-77, Vol. I (brought out by the Bureau of Public Enterprises) and as these four enterprises fall within the purview of the Committee on Public Undertakings *vide* 4th Schedule—Pt. I of the Rules of Procedure and Conduct of Business in Lok Sabha, the non-obtaining of information from these four public undertakings is a serious lapse on the part of Bureau of Public Enterprises.

### APPENDIX III

(Vide para 8 of Report)

*Details of Expenditure on Entertainment/Hospitality etc. incurred by individual Undertakings during three Years 1974-75, 1975-76 and 1976-77*

Sl. No.	Name of Undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs)
		Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	
1.	Mazagon Dock Ltd., Bombay	4,40,000	X	3,23,000	X	2,99,000	X	X
2.	Minerals & Metals Trading Corporation of India, Delhi	1,78,500	X	1,70,600	X	3,48,700	X	X
3.	Projects & Equipment Corporation of India Ltd., New Delhi	1,16,615	X	1,44,480	X	3,15,872	X	X
4.	Engineering Projects (India) Ltd., New Delhi	25,000	X	1,04,000	X	2,79,000	X	X
5.	Bharat Heavy Electricals Ltd., New Delhi	82,000	X	1,77,000	X	1,65,000	X	X
6.	Engineering India Ltd., New Delhi	82,000	X	1,16,000	X	1,71,000	X	X
7.	Jessop & Co Ltd., Calcutta	1,66,103	82.46	93,802	11.69	97,772	64.58	1247.74 (as on 31-3-77)
8.	Hindustan Photo Films Mfg. Co. Ltd., Ootacamund.	43,000	X	1,03,000	X	1,60,000	X	X
9.	Bharat Petroleum Corporation Ltd., Bombay	X	X	X	X	1,32,000	X	X
10.	Rail India Technical & Economic Services Ltd., New Delhi	20,980	X	33,902	X	1,12,906	X	X

Sl. No.	Name of Undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs)
		Expenditure on Enter-tainment	Loss (Rs. in lakhs)	Expenditure on Enter-tainment	Loss (Rs. in lakhs)	Expenditure on Enter-tainment	Loss (Rs. in lakhs)	
11.	Metallurgical Engineering Consultants (India) Ltd. Ranchi	42,000	X	1,12,000	X	94,000	X	X
12.	H.M.T. (International) Ltd. Bangalore	X	X	1,04,839	X	94,519	X	X
13.	Indian Airlines, New Delhi	1,02,000	X	52,000	X	68,000	X	96.87 (as on 31-3-77)
14.	Cochin Shipyard Ltd. Cochin	36,583	X	89,855	6.70	68,911	14.02	20.72 (as on 31-3-77)
15.	Mining & Allied Machinery Corporation Ltd. Durgapur, Burdwan	55,000	X	67,000	X	85,000	X	3516.34 (as on 31-3-77)
16.	Rural Electrification Corporation Ltd. New Delhi	46,237	X	58,685	X	82,432	X	X
17.	National Industrial Development Corporation, New Delhi	18,540	X	87,498	X	15,473	X	X
18.	Central Inland Water Transport Corporation, Calcutta	21,000	272.90	67,000	398.39	75,000	336.29	2143.87 (as on 31-3-77)
19.	General Insurance Corporation, Bombay	55,955	X	63,272	X	72,574	X	X
20.	Electronics Trade & Technology Development Corporation Ltd. New Delhi	6,000	X	28,000	X	72,000	X	X
21.	Madras Fertilizers Ltd. Madras	38,951	X	70,265	X	71,755	X	X
22.	Bharat Aluminium Co. Ltd. New Delhi	8,000	635.00	21,000	482.00	69,000	361.00	1858 (as on 31-3-77)

23	Hindustan Machine Tools Ltd., Bangalore	65,000	X	49,000	X	58,000	X	X
24	Kudremukh Iron Ore Co., Ltd., Bangalore	X	X	X	X	59,331	X	X
25	Garden Reach Shipbuilders and Engineers Ltd., Calcutta	35,000	X	59,000	X	59,000	X	194.86 (as on 31-3-77)
26	Indian Rate Earths Ltd., Bombay	44,000	X	40,000	X	66,000	X	X
27	Hindustan Antibiotics Ltd. Pimpri, Poona	33,571	338.83	27,832	291.53	55,502	54.27	895.56 (as on 31-3-77)
28	Hindustan Organic Chemicals Ltd., Rasayani, Kolaba	22,076	X	37,042	X	50,337	X	X
29	The New India Assurance Co. Ltd., Bombay	38,106	X	35,115	X	45,362	X	X
30	State Chemicals Ltd. Pharmaceuticals Ltd., New Delhi	X	X	X	X	44,515	X	X
31	Electronics Corporation of India Ltd., Hyderabad.	14,000	X	35,000	X	44,000	X	X
32	Water & Power Division Consultancy Service (I) Ltd., New Delhi	5,774	X	11,258	X	41,997	X	X
33	International Airports Authority of India, New Delhi	16,843	X	24,739	X	40,355	X	X
34	Hindustan Aeronautics Ltd., Bangalore	29,743	X	37,162	X	40,000	X	X
35	Bharat Heavy Plate & Vessels Ltd. Visakhapatnam	22,960	103.84	39,444	92.90	25,136	65.85	704.95 (as on 31-3-77)
36	Jute Corporation of India, Calcutta.	24,000	X	37,000	X	29,000	X	X
37	Cement Corporation of India, New Delhi	16,538	17.29	20,397	X	36,230	X	118.81
38	Balmer Lawrie & Co. Ltd., New Delhi	35,219	X	28,407	X	20,758	X	X



Sl. No.	Name of Undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs) (Rs. in lakhs.)
		Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakh)	Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakhs)	
39	Mineral Exploration Corporation, Nagpur	35,071	85.11	25,286	73.28	16,829	X	101.95 (as on 31-3-77)
40	Salem Steel Ltd., Salem	35,719	X	24,677	X	31,885	X	X
41	Richardson & Cruddas Ltd., Calcutta	21,000	X	19,000	X	35,000	X	X
42	LIC of India, Bombay	34,986	X	16,852	X	15,848	X	X
43	Hochim Refineries Ltd., Cochin	22,744	X	19,374	X	33,764	X	X
44	Madras Refineries Ltd., Madras	30,097	X	30,075	X	32,503	X	X
45	Hindustan Insecticides Ltd., New Delhi	11,243	X	16,558	X	31,801	X	X
46	Hindustan Housing Factory, New Delhi	16,997	39.84	22,429	36.13	31,190	64.51	102.08 (as on 31-3-77)
47	Cashew Corpn. of India Ltd., Cochin	42,876	X	29,653	X	26,246	X	X
48	Mogul Line Ltd., Bombay	27,442	X	26,414	249.32	24,047	370.00	X
49	Western Coal Fields Ltd., Nagpur	14,093	414.00	27,278	802.00	21,474	248.00	X
50	Bharat Pumps & Compressors Ltd., Naini, Allahabad	22,000	62.50	22,000	45.57	27,000	120.97	143.22 (as on 31-3-77)
51	Triveni Structurals Ltd., Naini, Allahabad	11,946	52.63	14,328	X	26,797	X	318.87 (as on 31-3-77)

52.	Delhi Transport Corporation, New Delhi.	12,000	1097.39	18,000	1242.99	26,000	1040.04 (as on 31-3-77)	6224.45 (as on 31-3-77)
53	Export Credit & Guarantee Corporation Ltd., Bombay	18,121	X	25,339	X	15,510	X	X
54	Biccoco Lawrie Ltd., Calcutta	13,859	32.49	22,631	14.18	17,467	37.84 (as on 31-3-77)	100.69 (as on 31-3-77)
55	National Fertilizers Ltd., New Delhi	8,000	X	12,000	X	22,000	X	X
56	National Building Construction Corporation Ltd., New Delhi	19,834	X	12,888	X	21,900	X	106.94 (as on 31-3-77)
57	Bongaigon Refinery & Petro-Chemicals Ltd., New Delhi	3,149	X	7,935	X	17,085	X	X
58	Central Electronics Ltd., New Delhi:	3,947	7.28	8,420	12.75	16,698	35.21 (as on 31-3-77)	20.03 (as on 31-3-77)
59	Praga Tools Ltd., Secunderabad	10,000	17.33	15,000	X	16,000	X	378.81 (as on 31-3-77)
60	Central Mine Planning & Design Institute Ltd., Ranchi	X	X	15,848	X	12,475	X	X
61	National Thermal Power Corporation Ltd., New Delhi.	X	X	X	X	16,135	X	X
62	Saooters Lactia Ltd., Lucknow.	15,000	106.92	13,000	327.63	7,000	266.05 (as on 31-3-77)	698.22 (as on 31-3-77)
63	National Textile Corporation (Gujarat) Ltd., Ahme- dabad	3,075	185.67	12,605	276.80	14,302	111.82 (as on 31-3-77)	574.29 (as on 31-3-77)
64	Instrumentation Ltd., Kota	8,000	X	10,000	X	13,000	X	X
65	Bharat Dynamic Ltd., Hyderabad	7,000	X	8,000	X	11,000	X	X

Sl. No.	Name of Undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs) (as on 31-3-77)
		Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Enter-tainment (Rs.)	Loss (Rs. in lakhs)	
66.	Hindustan Salts Ltd., Jaipur . . . . .	8,645	X	12,232	X	5,238	X	X
67.	National Small Industries Corpn. Ltd., New Delhi	10,000	X	9,000	X	12,000	X	455.53 (as on 31-3-77)
68.	Bolani Ores Ltd., Calcutta . . . . .	11,516	48.22	11,566	X	5,151	47.09 (1975-77)	108.28 (as on 31-3-77)
69.	State Farms Corporation Ltd., New Delhi: . . . . .	8,000	17.81	6,000	116.30	11,000	75.14	X
70.	Hindustan Teleprinters Ltd., Madras: . . . . .	4,000	X	7,000	X	11,000	X	X
71.	Metal Scrap Trading Corporation Ltd., Calcutta: . . . . .	2,190	X	9,210	X	10,990	X	X
72.	Bharat Ophthalmic Glass Ltd., Durgapur:	10,308	121.74	7,503	46,000	7,356	78.00	656.41 (as on 31-3-76)
73.	Braithwaite & Co. Ltd., Calcutta; . . . . .	X	X	X	X	9,864	45.00	45.00 (as on 31-3-77)
74.	Hindustan Latex Ltd., Trivandrum . . . . .	6,644	X	8,205	X	8,916	X	X
75.	Tea Trading Corporation of India Ltd., Calcutta:	3,645	X	8,156	X	3,711	X	X
76.	National Instruments Ltd., Calcutta: . . . . .	7,549	X	7,775	X	7,896	39.97	285.07 (as on 31-3-77)
77.	Indian Dairy Corpn. Baroda: . . . . .	7,634	X	7,773	X	7,145	X	X
78.	Housing & Urban Development Corporation Ltd., New Delhi . . . . .	4,131	X	4,718	X	7,615	X	X

79. Mishra Dhatu Nigam Ltd. Hyderabad;	3,000	X	7,000	X	3,000	X	X
80.* Bharat Gold Mines Ltd.	6,294	178.53	6,730	249.82	5,163	123.94 (as on 31-3-77)	797.25 (as on 31-3-77)
81. India Firebricks & Insulation Co. Ltd. Hazaribagh	X	X	X	36.61	6,000	19.83 (as on 31-3-77)	503.77 (as on 31-3-77)
82. Artificial Limbs Mfg. Co. Ltd. Kanpur:	2,142	X	2,733	X	5,648	39.89 (as on 31-3-77)	39.89 (as on 31-3-77)
83. Rehabilitation Industries Corpn. Ltd. Calcutta	2,541	118.43	4,553	150.92	5,419	151.00 (as on 31-3-76)	880.74 (as on 31-3-76)
84. Burn Standard Co. Ltd. Calcutta	X	X	X	X	4,500	307	(incorporated on 1-12-76 Loss not given)
85. National Textiles Corporation (Madhya Pradesh) Ltd. Indore.	969	394.93	4,004	899.02	3,213	635.98 (as on 31-3-76)	1000.47 (as on 31-3-76)
86. Bharat Leather Corporation Ltd. Agra	X	X	X	X	3,860	X	X
87. Indian Motion Picture Export Corporation Ltd. Bombay	2,536	6.25	3,295	0.31	2,670	X	27.90 (as on 31-3-77)
88. National Research Development Corporation of India, New Delhi	3,000	X	3,000	X	3,000	X	15.42 (as on 31-3-76)
89. Dredging Corporation of India Ltd. New Delhi:	X	X	X	X	2,772	X	X
90. Hindustan Shipyard Ltd. Visakhapatnam:	1,289	X	1,715	X	1,929	X	X
91. Computer Maintenance Corporation Ltd. Bombay	X	X	X	X	629	X	X
92. Indian Road Construction Corporation Ltd. New Delhi	X	X	X	X	577	X	X



## APPENDIX IV

(Vide para 15 of Report)

*Undertakings in whose Case Entertainment expenditure was above Rs. 20,000 in one of the three years, 1974-75, 1975-76 & 1976-77*

Sl. No.	Name of Undertaking	1974-75			1975-76			1976-77			Cumulative loss (Rs. in lakhs)
		Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)		
1	2	3	4	5	6	7	8	9			
1	Mazagon Dock Ltd. Bombay	4,40,000	X	3,23,000	X	2,99,000	X	X	X	X	
2	Minerals & Metals Trading Corporation of India New Delhi	1,78,500	X	1,70,600	X	3,48,700	X	X	X	X	
3	Projects & Equipments Corpn. of India Ltd. New Delhi.	1,16,615	X	1,44,480	X	3,15,872	X	X	X	X	
4	Engineering Projects (I) Ltd., New Delhi.	25,000	X	1,04,000	X	2,79,000	X	X	X	X	
5	Bharat Heavy Electricals Ltd., New Delhi.	82,000	X	1,77,000	X	1,65,000	X	X	X	X	
6	Engineers India Ltd., New Delhi.	82,000	X	1,16,000	X	1,71,000	X	X	X	X	
7	Jesop & Co. Ltd., Calcutta	1,66,103	82.46	93,802	11.69	97,772	64.58	1247.74 (as on 31-3-77)			
8	Hindustan Photo Films Mfg. Co. Ltd. Ootacamund.	43,000	X	1,03,000	X	1,60,000	X	X	X	X	
9	Bharat Petroleum Corporation Ltd., Bombay	X	X	X	X	1,32,000	X	X	X	X	

1 2 3 4 5 6 7 8 9

10	Rail India Technical & Economics Services Ltd. New Delhi.	20,950	X	33,902	X	1,12,906	X	X
11	Metlaserical Engineering Consultant (India) Ltd. (Ranchi.)	42,000	X	1,12,000	X	94,000	X	X
12	H.M.T. (International) Ltd., Bangalore.	X	X	1,04,839	X	94,519	X	X
13	Indian Airlines, New Delhi.	1,02,000	X	52,000	X	68,000	X	96.87 (as on 31-3-77)
14	Cochin Shipyard Ltd., Cochin	36,583	X	89,855	6.70	68,911	X	14.02 (as on 31-3-77)
15	Mining & Allied Machinery Corporation Ltd. Durgapur	55,000	X	67,000	X	85,000	X	3516.34 (as on 31-3-77)
16	Rural Electrification Corporation Ltd., New Delhi.	46,237	X	58,685	X	82,432	X	X
17	National Industrial Development Corporation, New Delhi.	18,540	X	87,498	X	15,472	X	X
18	Central Inland Water Transport Corporation, Calcutta	21,000	272.90	67,000	398.29	75,000	447.29	2143.87 (as on 31-3-77)
19	General Insurance Corporation, Bombay	55,955	X	63,272	X	72,574	X	X
20	Electronics Trade and Technology Development Corporation Ltd., New Delhi.	6,000	X	28,000	X	72000	X	X

	₹	₹	₹	₹	₹	₹
41 Madras Fertilizer Ltd., Madras . . . . .	98,991	70,889	X	71,755	X	X
22 Bharat Aluminium Co. Ltd. New Delhi. . . . .	8,000	21,000	655.00	69,000	482.00	361.00
23 Hindustan Machines Tools Ltd. Bangalore . . . . .	65,000	49,000	X	58,000	X	X
24 Kudrumukh Iron Ore Co. Ltd., Bangalore . . . . .	X	X	X	59,331	X	X
25 Garden Reach Shipbuilders and Engineers Ltd., Calcutta . . . . .	35,000	59,000	X	59,000	X	195.86 (as on 31-3-77)
26 Indian Rare Earths Ltd. Bombay . . . . .	44,000	40,000	X	66,000	X	X
27 Hindustan Antibiotics Ltd., Pimpri Poona ; . . . . .	33,571	27,892	328.88	55,502	291.52	54.27
28 Hindustan Organic Chemicals Ltd., Raasayani, Kalaba. . . . .	22,076	37,042	X	50,337	X	X
29 The New India Assurance Co., Ltd., Bombay. . . . .	38,106	36,146	X	45,362	X	X
30 State Chemicals and Pharmaceutical Ltd., New Delhi. . . . .	X	X	X	44,515	X	X
31 Electronics Corporation of India Ltd. . . . .	44,000	35,000	X	41,997	X	X
32 Water & Power Division Consultancy Service (I) Ltd. New Delhi. . . . .	5,774	11,258	X	41,997	X	X
33 International Airports Authority of India Ltd. New Delhi. . . . .	16,843	24,799	X	40,356	X	X



1 2 3 4 5 6 7 8 9

34	Hindustan Aeronautics Ltd. Bangalore	29,743	X	37,162	X	40,000	X	X
35	Bharat Heavy Plates and Vessels Ltd., Vishakhapatnam	22,960	103.84	39,444	92.90	25,136	65.85	704.95 (as on 31-3-77).
36	Jute Corporation of India Calcutta	24,000	X	37,000	X	29,000	X	X
37	Cement Corporation of India New Delhi	16,538	17.29	20,397	X	36,230	X	118.81
38	Balmer Lawrie & Co. Ltd. New Delhi	35,219	X	28,407	X	720,753	X	X ₹ 2.4
39	Mineral Exploration Corporation, Nagpur	35,071	85.11	25,286	73.28	16,829	X	101.95 (as on 31-3-77)
40	Salem Steel Ltd., Salem	35,719	X	24,677	X	31,885	X	X
41	Richardson & Cruddas Ltd., Calcutta	21,000	X	19,000	X	35,000	16.29	X
42	LIC of India, Bombay	34,986	X	16,852	X	15,848	X	X
43	Cochin Refineries Ltd., Cochin	22,774	X	19,374	X	33,764	X	X
44	Madras Refineries Ltd. Madras	30,097	X	30,075	X	32,503	X	X
45	Hindustan Insecticides Ltd. New Delhi	11,243	X	16,558	X	31,801	X	X
46	Hindustan Housing Factory New Delhi	16,997	39.84	22,429	36.13	31,190	64.51	102.08 (As on 31-3-77).
47	Capeew Corporation of India Ltd., Cochin	12,816	X	29,653	X	26,446	X	X

48	Moghul Line Ltd., Bombay.	27,442	X	26,414	249.32	24,047	370.00	X
49	Western Coal Fields Ltd., Nagpur	14,093	414.00	27,278	802.00	21,474	248.00	X
50	Bharat Pumps and Compressors Ltd., Naini Allahabad.	22,000	62.50	22,000	45.57	27,000	120.97	143.22 (As on 31-3-76)
51	Triveni Structural Ltd., Naini Allahabad.	11,946	52.63	14,328	X	26,787	X	318.87 (As on 31-3-77)
52	Delhi Transport Corporation, New Delhi.	12,000	1097.39	18,000	1242.99	26,000	1040.04	6224.45 (As on 31-3-77)
53	Export Credit and Guarantee Corporation Ltd., Bombay	18,121	..	25,339	..	15,510	..	..
54	Biecco Lawrie Ltd., Calcutta.	13,859	32.49	22,631	14.18	17,467	37.84	100.69 (As on 31-3-77)
55	National Fertilizers Ltd., New Delhi.	8,000	..	12,000	..	22,000	..	..
56	National Building Construction Corporation Ltd., New Delhi.	13,834	..	888	..	21,900	..	106.34 (As on 31-3-77)
TOTAL Rs.		23,79,232		31,40,907		42,24,688		

**APPENDIX V**

(Vide para 16 of Report)

*Undertaking in whose case entertainment expenditure ranged from Rs. 10,000 to Rs. 20,000 in one of the years 1974-75, 1975-76 and 1976-77.*

Sl. No.	Name of Undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs)
		Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs.)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs.)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs.)	
1	Bangalton Refinery & Petro-Chemicals Ltd., New Delhi.	3,149	..	7,935	..	17,085	..	..
2	Central Electronics Ltd., New Delhi.	3,947	7.28	8,420	12.75	16,698	35.21	20.03 (As on 31-3-76)
3	Praga Tools Ltd., Secunderabad.	10,000	17.33	15,000	..	16,000	..	378.81 (As on 31-3-77)
4	Central Mine Planning and Design Institute Ltd., Ranchi.	..	..	15,848	..	12,475	..	..
5	National Thermal Power Corporation Ltd., New Delhi.	..	..	..	..	16,195	..	..
6	Scoters India Ltd., Lucknow	15,000	106.92	13,000	327.63	7,000	266.05	698.22 (As on 31-3-77)

7	National Textile Corporation (Gujarat) Ltd. Ahmedabad.	3,075	185·67	12,605	276·80	14,302	111·82	574·29 (as on 31-3-77)
8	Instrumentation Ltd. Kota.	8,000		10,000		13,000		..
9	Bharat Dynamics Ltd., Hyderabad	7,000		8,000	..	11,000	..	..
10	Hindustan Salts Ltd. Jaipur.	8,645		12,232		5,238	..	..
11	National Small Industries Corporation Ltd., New Delhi.	10,000		9,000		12,000	..	455·52 (As on 31-3-77)
12	Bolani Ores Ltd., Calcutta.	11,516	48·22	11,566	X	5,151	47·09 (1975-77)	108·28 (As on 31-3-77)
13	State Farms Corporation Ltd. New Delhi.	8,000	17·81	6,000	116·30	11,000	75·14	..
14	Hindustan Teleprinters Ltd. Madras.	4,000	..	7,000	..	11,000	..	..
15	Metal Scrap Trade Corporation Ltd., Calcutta.	2,190	..	9,210		10,990	..	..
	TOTAL	94,522		1,45,816		1,79,014		

## APPENDIX VI

(Vide para 17 of the Report)

*Undertakings in whose case Annual Entertainment expenditure is up to Rs. 10,000 in 1974-75, 1975-76, and 1976-77.*

Sl. No.	Name of undertaking	1974-75		1975-76		1976-77		Cumulative Loss (Rs. in lakhs)
		Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	Expenditure on Entertainment (Rs.)	Loss (Rs. in lakhs)	
1	Bharat Ophthalmic Glass C Ltd., Durgapur . .	10,398	121.74	7,503	46.00	7,356	78.00	656.41 (as on 31-3-76)
2	Braithwaite & Co. Ltd., Calcutta . . . .	..	..	..	..	9,864	45.00	..
3	Hindustan Latex Ltd., Trivandrum . . . .	6,664	..	8,205	..	8,916	..	..
4	Tea Trading Corporation of India Ltd., Calcutta	3,645	..	8,156	..	3,711	..	..
5	National Instruments Ltd., Calcutta . . . .	7,549	..	7,755	..	7,896	39.97	285.07 (as on 31-3-77)
6	Indian Dairy Corpn. Baroda . . . . .	7,694	..	7,773	..	7,145	..	..
7	Housing & Urban Development Corporation Ltd., New Delhi.	4,131	..	4,718	..	7,615	..	..
8	Mishra Dhatu Nigam Ltd., Hyderabad . . . .	3,000	..	7,000	..	3,000	..	..
9	Bharat Gold Mines Ltd., Goggun Karnataka . .	6,894	178.53	6,730	249.82	5,163	123.94	767.25 (as on 31-3-77)

10	India Firebricks & Insulation Co. Ltd., Hazaribagh	..	..	98.81	6,000	19.88	303.77
11	Artificial Limbs Mfg. Co. Lt., Kanpur	2,142	2,733	..	5,648	39.89	39.89 (as on 31-3-77)
12	Rehabilitation Industries Corporation Ltd., Calcutta	2,541	4,533	150.92	5,419	151.00	880.74 (as on 31-3-76)
13	Burn Standard Co. Ltd., Calcutta:	..	..	..	4,500	Loss	(Incorporated on 1-12-76 Information withheld).
14	National Textiles Corporation Ltd., (Madhya Pradesh) Ltd., Indore.	960	4,000	899.02	3,213	635.98	1000.47 (as on 31-3-76)
15	Bharat Leather Corporation Ltd., Agra	..	..	..	3,860	..	..
16	Indian Motion Picture Export Corporation Ltd., Bombay.	2,536	3,295	0.31	2,670	..	27.90 (as on 31-3-77)
17	National Research Development Corporation of India, New Delhi.	3,000	3,000	..	3,000	..	15.42 (as on 31-3-76)
18	Dredging Corporation of India Ltd., New Delhi	..	..	..	2,772	..	..
19	Hindustan Shipyard Ltd., Visakhapatnam	1,289	1,715	..	1,929	..	..
20	Computer Maintenance Corporation Ltd., Bombay	..	..	..	629	..	..
21	India Road Construction Corporation Ltd., New Delhi.]	..	..	..	577	..	..
		<u>61,772</u>	<u>77,140</u>		<u>1,00,883</u>		

## APPENDIX VII

(Vide para 22nd and 24 of Report)

*Details of entertainment expenses incurred by officers of CIWTC during the year 1975-76, 1976-77*

Sl. No.	Voucher No. & Date	Amount		Entertainment		Officials Entertained	Rs. / Hd.	Name of Hotel & Club	Remarks
		Rs.		Date	Amount				
1	2	3	4	5	6	7	8	9	
1	3190 of 11-9-75	[2,931.45	24-8-75	2,931.45		1. Shri M. Ramakrishnaaya, IAS, Secretary, Government of India.		Transport Calcutta Club	
						2. Shri M. L. Narayan Rao, IIA, Raja Basanta Roy Road, Calcutta.			
						3. Shri S. C. Chakravarty, Jute Commissioner, Calcutta.			
						4. Dr. S. K. Bhattacharya, Chief Engineer, CPT.			
						5. Shri M. M. Kusari, IAS, Transport Secretary, Government of West Bengal.			
						6. Shri M. Yusuf Khan MD CIWTCI			
						7. Shri P. C. Mitra, Chairman, Calcutta Port Trust.			
						8. Capt. P. N. Batra, Deputy Director, Marine Deptt., CPT.			
						9. Shri G. Kaushik, Mangager, IOC, Refineries, Calcutta.			

10. Shri S. C. Ghosh, Branch Manager, IOC, Marketing Division, Calcutta.
11. Shri R.C. Mohan Principal Officer, MMD.
12. Shri K. Subramaniam (Veg). Director, DMET, Calcutta.
13. Shri B. N. Sengupta, IAS. Labour Secretary, Govt. of West Bengal.
14. Shri V. Misra, FWD Secretary, Govt. of West Bengal.
15. Shri Sidney Kitson, I. P. Joint Commissioner of Police.
16. Capt, C. M. Vyas, N. M. Naval Officer-in-charge and Commanding Officer, INS "Netaji Subhas"
17. Major Genl. T. B. Nanda, Chief Engineer, Eastern Command.
18. Brig. PNH Chand, Sub-Area Commander, Eastern Command.
19. Shri N. Ghosh, Managing Director, Hooghly Docking.
20. Shri B. P. Poddar (Veg), Hong Kong House, Calcutta.
21. Shri S. P. Acharya, Managing Director, Shaw Wallace.
22. Maj. Gen. P. Chowdry, Shaw Wallace.
23. Shri N. M. Trivedi (Veg), Manager, Scindia Navigation Co.
24. Shri M. L. Jha, Angus Co. Calcutta (Veg).



25. Shri A. P. Verma, Chairman & Managing Director, Balmer Lawrie.  
 26. Shri Sanjay Sen, General Manager, Rajabagan Dockyard.

27. Shri P. G. Biswas, FA&CAO, CIWTC.

28. Shri H. K. Sen. Secretary, CIWTC.

29. Shri V. R. Ramaswamy, Lionel Edwards Ltd., Ltd., Calcutta.

30. Shri S. C. Roy. Chairman, Lionel Edwards.

31. Shri J. Gopal, Secretary, Bata Shoe.

32. Capt. J. K. Bose, Senior Nautical Surveyor, MMD.

33. Shri P. K. Dutta, NPC.

34. Lt. Gen. J.S. Arora, Williamson Magor.

35. Shri C.N. Penn-Anthony, Power Commissioner, Govt. of West Bengal.

2.	5075 of 6-12-75	208.30	208.30	3 persons.	Calcutta Club	
3.	5811 of 5-1-76	686.85	686.85		..	
4.	16-2-76	1300.00	1300.00	M.O.T. Officials & others	..	
5.	30-3-76	1875.00	1875.00	1. Shri P. C. Mitra, Chairman. CPC	..	Details not Available.
				2. Shri R.M.H. Disilva, Dy. Chairman, CPT,	..	



1	2	3	4	5	6	7	8	9
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13. 7923 of 8-2-77 489.90 489.90 Norwegian Delegation and Shri D. L. Rao of Vazag  
Port.

14. 8504 of 2-3-77 142.00 142.00 M. O. T. Officers & Other representative

15. 9127 of 25-3-77 \* 2069.40 2069.40 Dutch Delegation

*House Party:*

1: Principal Adviser

2: General Manager

Dy: General Manager Rajabagan.

4: OSD.

5: F.A.

6: Secretary

7: Illegible

1 Rear Admiral Krishan Dev, AVSM, Chairman,  
GRW :

2 Mr. M.M. Bhagat and the Visiting party—3

3 Vice Admiral, J.T.C. Periera, PVSM, AVSM

4 Lt. Cdr. B.R. Menon, INS Netaji Subhas

5: Shri R.H.M.D. Silva, Deputy Chairman

6. Shri R. Monani, Financial Director, IIC Ltd.,  
Virginia House, 37, J.L. Nehru Road, Calcutta-  
16.

7 Shri H.H. Majumder, Chief General Manager,  
State Bank of India, Jeevan Deep, 1, Middleton  
Street, Calcutta-16.

8 Shri T. Shanmugam, General Manager (Opera-  
tion) :



1	2	3	4	5	6	7	8	9
		(b) 260.90	(i) 2-5-75 (ii) 8-5-75 (iii) 20-5-75 (iv) 22-5-75	171.00 55.15 15.75 19.00 <hr/> 260.90	1. Capt. & Mrs. Rahman BIWTC 2. Mr. S. M. Hyder	42.75	Tollygunge Club	Details not available
3	2171 of 29-7-75	(a) 479.30	(i) 2-5-75  (ii) 5-5-75 (iii) 15-5-75 (iv) 17-5-75  (v) 24-5-75 (vi) 29-5-75	135.50  84.25 21.50 133.75  32.00 72.30 <hr/> 479.30	1. Capt. Rahman, BIWTC 2. Mr. S.M. Hyder " 3. Mr. S.M. Ghosh CIWTC	33.87	Bengal Club	Do.
		(b) 121.50	(i) 1-6-75 (ii) 18-6-75 (iii) 26-6-75	20.60 37.10 63.80 <hr/> 121.50	1. Mr Rao & 2 others 2. Officers of VPT	33.44	Do.	Do.
4	3670 of 1-10-75	(a) 195.30	(i) 18-7-75 (ii) 20-7-75 (iii) 23-7-75 (iv) 24-7-75 (v) 26-7-75 (vi) 28-7-75	47.25 19.50 33.50 52.50 18.25 34.30 <hr/> 195.30	MMTG Officers	23.62	Bengal Club	Do.
		(b) 121.50	(i) 1-6-75 (ii) 18-6-75 (iii) 26-6-75	20.60 37.10 63.80 <hr/> 121.50			Tollygunge Club	Do.



1	2	3	4	5	6	7	8	9
7	4911 of 1-12-75	(a) 233.15	(i) 28-7-75 (ii) 28-8-85 (iii) 27-8-75 (iv) 29-8-75 (v) 30-8-75 (vi) 31-8-75	40.40 32.25 14.00 78.20 30.00 38.50 <hr/> 233.15			Delhi Golf Club	Details not available.
		(b) 93.50	(i) 4-9-75 (ii) 11-9-75 (iii) 19-9-75	20.00 19.50 54.00 <hr/> 93.50			Bengal Club	Do.
		(c) 189.30	(i) 8-10-75 (ii) 12-10-75 (iii) 17-10-75 (iv) 24-10-75 (v) 28-10-75	23.50 30.00 26.00 79.00 30.80 <hr/> 189.30	Mr. Belony French Counsel General.	39.50	Tollygunge Club	Do.
8	5585 of 24-12-75	(a) 412.95	(i) 4-10-75 (ii) 9-10-75 (iii) 10-10-75 (iv) 18-10-75 (v) 26-10-75	58.90 76.15 17.25 187.75 27.90 <hr/> 412.95	Conservator, Andaman Forest & his Deputy	62.58	Bengal Club	Do.





1	2	3	4	5	6	7	8	9
12	7314 of 3-3-76	(a) 333.65	(i) 1-1-76 (ii) 9-1-76 (iii) 11-1-76 (iv) 23-1-76 (v) 26-1-76 (vi) 27-1-76 (vii) 30-1-76 (viii) 31-1-76	37.00 35.65 75.50 92.00 25.50 10.00 19.50 37.50			Tollygunge Club.	Do.
				333.65				
		(b) 172.13	(i) 12-1-76 (ii) 13-1-76 (iii) 14-1-76 (iv) 24-1-76 (v) 30-1-76	20.00 40.00 33.60 38.53 40.00			Calcutta Rowing Club.	"
13	8166 of 2-3-76	240.50	..	172.13	BIWTC Officers			
14	5609 of 29-12-75	1481.15	25-12-75		Chairman, Bangladesh Jute Corporation, Chairman, JCI, M. D. JCI.	123.43	Grand Hotel.	
15	5045 of 29-1-76	570.00		570.00	2 Executives of JCI Cdr. Chellina, G.M. and other connected officials of SBI.	95.00	Grand Hotel.	
16	123 of 5-4-76	(a) 170.40	(i) 1-2-76 (ii) 8-2-76 (iii) 22-2-76 (iv) 29-2-76	61.75 29.15 46.00 33.50	SBI & IOC Officials 6 Heads. ¶	20.58 14.57 23.00 16.75	Tollygunge Club.	Do.
				170.40				

(b) 86.20  
(i) 10-2-76 12.40  
(ii) 19-2-76 73.80

86.20

98.37 Bengal Club.

76.75 Shri Balodia of India Shipping to lunch.

41.12  
20.00  
58.40  
37.80

(ii) 17-2-76 82.25 Sh. A. Puri of SBI (\*) £  
(iii) 25-2-76 40.00 Sh. Kaushik of IOC to lunch  
(iv) 28-2-76 116.80 Sh. Chugani of FCI to lunch  
(v) 29-2-76 113.50 Mrs. Perin, Mr. Perin (French Trodi Commissioner to lunch)

499.90

59.50 Bengal Club.]

160.50 Mr. R. Wachoff of Dunbar Krppu & Mr. Pal of M.M.P. Lines to Lunch & Drinks.

59.18

(ii) 5-3-76 212.75 Mr. & Mrs. Hodgson of Australian High Commissioner to lunch and Mrs. Yusuf.

373.25

40.90

(i) 5-5-76 163.60 Mr. Kuldip Rai of Bharat Refineries Mr. Sahata of Bharat Refineries. Mr. V. Bulabhi of Heilgers to lunch.

23.25

(ii) 22-5-76 45.50 Mr. A. Puri of SBI to drinks.

210.10  
170.00 I.O.C. officials

Ambar Restaurant.

35.40 Bengal Club.

70.80 Mr. M. S. Malhotra, Asst. Secy. (Transport) Port Blair to lunch.

(\*) to lunch.

18 1596 of 28-3-76

19 3305 of 10-8-76

20 1498 of 27-5-76

21 3887 of 1-9-1976

1	2	3	4	5	6	7	8	9
22	6854 of 22-12-76	228.50	8-11-77	228.50	To lunch—Mr. Bazle Karim of B.P.E., Cdr. K. Chelliab, CMD, Mr. Sanjay Sen, G. M., Col. Sarin, OSC Mr. P. G. Biswas, F.A., Capt. M. D. Khatri, M.S.	32.67	Bengal Club	
23	6854 of 27-1-77	608.50	(i) 4-1-77	387.05	To lunch Mr. G. Surrar of BIWTC, Mr. A. Mirza of BIWTC Cdr. K. Chelliab, CMD, Mr. P. G. Biswas, FA, Mr. P. K. Spence, Dy. CM., Mr. N. G. Barooah, Dy. CM., Mr. N. Gangully, Dy. FA, Mr. Fatik, A. O.	38.00	"	
			(ii) 6-1-77	221.45	To lunch Mr. G. Suvar BIWTC, Mr. A. Q. Mirza of BIWTC, Mr. R. Hasan, Ex. Director, Fertilizers Corps, Mr. S. P. M. Director BIWTC, Mr. B. Ganguli, Dy. F. A.	36.90	"	
				<u>608.50</u>				
24	3887 of 7-2-77	336.50	29-1-77	336.50	To drinks—Mr. H. D. S. C. Dikshit, Director, Mr. Nizam, Board of Revenue, Mrs. Nizam, Mrs. Yusuf	56.08	"	"
25	8233 of 21-2-77	322.90	17-1-77	322.90	To lunch Evening drinks Mr. P. K. Dutta, Director, IWT, Mr. K. K. Gogoi, Director, Assam, IWT, Mr. P. O. Biswas, F.A.	80.72	"	"

26.	8503 of 2-3-77	•	615'15	3-2-77	615'15	Lunch—Mr. M. K. Varma (CO-PS/C Mr. Gopala Krishnan, Dy. CAO, Mr. Saigal, Dy. C.E., Mr. R. P. Bansal, Secy. to G.M. (All S. E. Railways)	68-35	Bengal Club
27.	9085 of 24-3-77	•	270'88	23-3-77	270'88	Lunch— Shri G. S. Sarkar, Capt. Y. R. Chowdhury Shri A. G. Saldhana Shri Tapas Roy	33-86	Amber Restaurant
28.	8975 of 21-3-77	•	261'75	4-3-77	261'75	Lunch—** Cdr. C. M. Reilly, Capt. K. K. Kumaran, Mr. C. M. Jadvit Mr. P. G. Biswas Mr. P. Sen Mr. H. K. Sen, Capt. M. D. Khatri	32-71	Bengal Club **Cdr. K. Chelliah, CMD M. D. Khatri, M.S. Shri T. K. Sengupta S. E. CIWTC
29.	9126 of 25-3-77	•	399'00	11-3-77	399'00	Lunch— Cdr. M. A. Rahman Mrs. M. A. Rahman Miss. S. Y. Rahman	9-87	Bengal Club
30.	6854 of 29-3-1977	•	149'50	22-3-77	149'50	Lunch— Mr. J. R. Baksh, Dy. S. E. BIWTC & his wife	49-83	Bengal Club

CIWTC

IOC  
Bombay  
& Cal-  
cutta

BIWTC  
BIWTC

Mr. Sat Prakash,  
Director, Planning Commission,  
Cdr. K. Chelliah, CMD,  
Mrs. Chelliah,  
Miss Chelliah

*Entertainment Expenses incurred by the Undernoted Officers (1975-76 and 1976-77).*

Serial No.	Voucher No. & Date.	Entertainment.		Official Entertained.	Rs./Hd.	Name of Hotel/Restaurant & Club.	Remarks
		Amount	Date				
		Rs. P.			Rs. P.		
1. <i>Capt. M. D. Khatri, M. S.</i>							
	417 of 15-4-76 . . .	278.00		218.00 IOC & CPT Officials.		Saturday Club.	
	1336 of 21-5-76 . . .	316.71		Do.		"	
	2109 of 18-6-76 . . .	356.30		Do.		"	
	3367A of 13-8-76 . . .	146.33		Do.		"	
	6594 of 13-12-76 . . .	163.65		C. P. T. Officials.		"	
	8037 of 10-2-77 . . .	199.10		Jagdeela Officials.		"	
2. <i>Mr. P. G. Biswas, FA &amp; CAO</i>							
	585 of 21-4-76 . . .	426.34		Capt./Engineers(2) of Kapitan Markos Self & Shri H. K. Sen, Secretary.		Amber Restaurant	
	8637 of 7-3-77 . . .	110.00		Sesagooa officials, Capt. K. K. S. Kurnaran and self (4)		Bangalore	
3. <i>Mr. P. K. Mukherjee, Addl. A. O.</i>							
	8167 of 15-2-1977 . . .	1,143.38		1. Entertainment—Board Meeting on 23-11-76 2. Entertainment Annual Genl. Meeting on 30-11-76 3. Present to Norwegian Delegate on 11-12-76		Head Office.	

4. Present to BIWTC Officials on 5-1-77.	271.57	Officials of MV Chanakya	45.26	Calcutta Club
5. Entertainment—Press Conf. on 12-1-77	287.00	Mogul Lines Officials.	47.84	"
6. Entertainment—Official Meeting on 30-1-77	207.00	Officials of M. V. Onge.	34.50	"
7. Entertainment Meeting Official—Date not available.	91.00	Paradip Port Trust Officials.	28.63	Madras
	143.17	Madras Port Trust Officials	25.90	Calcutta.
	129.50	S. G. I. Officials	39.26	"
	235.57	Mogul Lines Officials.	24.30	Madras.
	122.52	Madras Port Trust Officials		
4. Mr. H. K. Sen, S. R. 12-1-76	2271.57			
	166-76			
	287-76			
	207-76			
	91-76			
	143-76			
	129-76			
	235-77			
	122-77			
5. Mr. H. K. Sen, Secretary:				
May '76	100.00	BIWTC Officials		Calcutta Club.
Sept. '76	84.40	Farakka Barrage Commission		"
6. Mr. S. R. Roy, Manager Shipbuilding, RBD				
2617 of 17-12-76	93.09	Swedish Delegate		Trinckas.
7. Mr. S. Sen, G. M. R/B Dockyard				
9-12-76	35.00	Norwegian Experts		Sanghai
1661				
1648				
1651				
3020	18-3-77	Capt. Chowdhury & his party from P.P.I.	175.00	Sagar & Amber
3016				
3023				
3080				
3035				

Year	Amount	Officials Entertained	No. of Days	RS/HD.	Places
1975-76	Rs. 826.35 Dt. 3/76	for 4 days, date-wise detail not available as vouchers with COPU	<ol style="list-style-type: none"> <li>1. Mr. Rao, CAO, MOF 3 days</li> <li>2. Mr. Chatterjee CAO MOF 4 days</li> <li>3. Mr. Sen, GM, CIWTC 2 days</li> <li>4. Mr. S. R. Roy, DM, CIWTC 2 days</li> <li>5. Mr. A. N. Roy, PLM, CIWTC 1 day</li> <li>6. Mr. D. K. Nag, PRM, CIWTC 1 day</li> <li>7. Mr. S. M. Das, WM, CIWTC 1 day</li> <li>8. Mr. Biswas, F. A., CITWC 1 day</li> <li>9. Mr. Basu, A CAO, CIWTC 1 day</li> <li>10. Mr. Sen, Sr. Dy. FA, CIWTC 4 days</li> </ol>	39.35	<ol style="list-style-type: none"> <li>1. BLUE BOX</li> <li>2. SAGAR</li> <li>3. KWALITY</li> <li>4. SEN MAHA-SHASHAYA</li> </ol>
1976-77	Rs. 708.65 Dt. 6/76	for 3 days, date-wise detail not available as the vouchers with COPU.	<ol style="list-style-type: none"> <li>1. Mr. Chakraborty, Director Mech. 2 days.</li> <li>2. Mr. Dikshit, MOT 1 day</li> <li>3. Mr. Balaram, Tuticorin Port. 1 day</li> <li>4. Another officer of Tincorin Portt 1 day</li> <li>5. Mr. Bhuchar, MOT 1 day</li> <li>6. Mr. S. Sen, GM, CIWTC 2 days</li> <li>7. Mr. H. K. Sen, Secy. CIWTC 3 days</li> <li>8. Mr. Biswas, FA, CIWTC 3 days</li> <li>9. Mr. S. R. Roy, DM, CIWTC 1 day</li> <li>10. Mr. P. Sen, Sr. Dy. FACIWTC 1 day</li> <li>11. Mr. Y. Khan, PAD, CIWTC 1 day</li> </ol>	37.30	<ol style="list-style-type: none"> <li>KWALITY,</li> <li>MARINE</li> <li>CLUE &amp; SAGAR</li> </ol>
	Rs. 280.00 Dt. 18/6/76	for 14 days.	<ol style="list-style-type: none"> <li>1. Mr. Suman, MOT 14 days</li> <li>2. Another staff of MOT 14 days</li> </ol>	10.00	Rajabagan Officers' Mess for providing lunch.
	Rs. 260.51 Dt. 6/76	for 3 days.	<ol style="list-style-type: none"> <li>1. Mr. Dikshit, MOT. 2 days</li> <li>2. Mr. Bhochar MOT 2 days</li> <li>3. Athena MOT 3 days</li> </ol>	14.14	<ol style="list-style-type: none"> <li>Marine Club—</li> <li>2 days Hindustan</li> <li>3. Restaurant &amp; Ajanta.</li> </ol>

<p>Rs. 169.75 Dt. 18/11/76</p>	<p>for 1 day</p>	<p>4. Mr. S. Sen, GM, CIWTC 5. Mr. S. R. Roy, DM, CIWTC 6. Mr. Biswas, F.A. CIWTC 7. Mr. H. K. Sen, Secy. CIWTC 8. Mr. Y. Khan, PAD CIWTC 9. Mr. P. Sen, Sr. Dy. FA, CIWTC.</p>	<p>2 days 2 days 2 days 2 days 4 days 4 days 2 days</p>	<p>1. Mr. Poddar of Lodha Co. 2. Mr. Gupta, of Lodha Co. 3. Mr. Baval, Dy. CAO, CIWTC 4. Mr. P. Sen, Sr. Dy. FA, CIWTC</p>	<p>1 day 1 day 1 day 1 day</p>	<p>40.94 Ambar Restaurant.</p>
<p>Rs. 179.90 Dt. 3/12/76</p>	<p>for 1 day</p>	<p>1. 2 officers of MOT 2. Mr. Sen, GM, CIWTC 3. Mr. S. R. Roy, DM CIWTC 4. Mr. H. K. Sen, Secy. CIWTC 5. Mr. Biswas, FA, CIWTC 6. Mr. P. Sen, Sr. Dy. FA, CIWTC</p>		<p>KWALITY Restaurant.</p>	<p>24.84</p>	
<p>Rs. 30.00</p>	<p>for 1 day</p>	<p>4 officers of S.E. Rly.</p>		<p>Bengal Club paid by PAD.</p>		
<p>Rs. 87.00 Dt. 19/11/76</p>	<p>for 1 day</p>	<p>1. Mr. Chatterjee, CAO, MOF 2. Mr. Rao, CAO, MOF, 3. 3 Officers of Coy.</p>		<p>17.40 YWCA &amp; 2 other places.</p>		
<p>Rs. 215.00 Dt. 31/3/77</p>	<p>for 1 day</p>	<p>1. Mr. Poddar of Lodha &amp; Co. 2. 1 other officer of Lodha &amp; Co. 3. 5 officers of CIWTC</p>		<p>30.71 Ambar Restaurant.</p>		



## APPENDIX VIII

(Vide para 42 of Report)

*Statement showing the Analysis of Vouchers of Entertainment Expenditure incurred by the CIWTC from 1-4-1976 to 31-3-1977*

S. No.	Date	Name of Club/ Bill No.	Name(s) of Person entertained	Who entertained	No. of person	Amount (in Rupees)			Remarks
						Wine	Food etc.	Total	
1.	19-4-76	Co's Voucher No. 407	Chairman/Chief Engineer of BFCC.	PAD		320.00			
2.	10-5-76	Calcutta Club	Shri H. M. Trivedi, Minister of State for Shipping & Transport	Chairman		100.00			
3.	24 & 25th May, 1976	Co's Voucher No. 5387	Official Guests	Shri P. K. Mukherjee		199.75			Vouchers mis-laid
4.	26-5-76	Amber	IOC Official viz., Shri Kaushik and his colleagues	Shri Yusuf Khan		170.00			
5.	May, 1976	Bengal Club Bill No. 0157 (Co's Voucher No. 3303)	M/s. Kuldip Rai and A. S. Sohota of Bharat Refineries & V. Bakshi of Heilgas	Shri Yusuf Khan	110.10	100.00	210.10		
6.	May, 1976	Bengal Club Bill No. 0157		Shri Yusuf Khan	183.85	194.75	378.60		
7.	May 1976	Calcutta Club Bill No. May /6 (Co's Voucher No. 1796)	Cdr. K. Chelliah						1229.90 Party Bill

## Board of Directors meeting (62nd).

8. 30-6-76								
9. June 1976	Bengal Club Bill No. 0496 dt. 12-7-76	Mr. Yusuf Khan	95.50	138.60	234.10	For 6 days in June, 1976 1, 5, 14, 16, 21 & 25th June, 1976.		
10. June 1976	Calcutta Club Bill No. 9916 (Co's Voucher No. 3177)	Cdr. K. Chelliah	130.00	567.50	697.50	Includes Rs. 30 towards Tow & 30 towards Library Sub- scription.		
11. 22-7-76	M/s. Skey Room Port Ltd.	Delhi P. C. Biswas FA & CAO			285.00			
12. 30/1-7/ 3/7 & 23-7-76	Co's Voucher No. 5389	Officials Guests Sh. P. K. Mukherjee Addl. A. O.			323.01	Includes presen- tation of gifts.		
13. 24-7-76	Amber Co's Voucher No. 3114	Shri S. C. Dikshi Shri Chawla (NGAER)			122.45			
14. July 1976	Calcutta Club Bill No. 11847 (Voucher No. 4013)	Cdr. K. Chelliah	167.05	323.95	491.00	(Plus arrears of Rs. 54.76 for June Bill No. 11408 Total: 545.76).		
15. 10-8-76	Amber (Co's Voucher No. 3625	Members of the Committee (in con- nection with NPC Report)			176.40			
16. August 1976	Calcutta Club Bill No. 13715 (Co's Voucher No. 6622)	Cdr. K. Chelliah	74.25	103.00	257.25			

1 2 3 4 5 6 7 8 9 10

17	2-9-76	Co's Voucher No. 3937	Farewell to Sh. B.P. Basu						430.00	
18	28-9-76	Co's Voucher No. 4733	Departmental Heads in meeting.	Shri B. P. Mullick					191.96	
19	Sept. 76	Calcutta Club Bill No. 15629 (Co's Voucher No. 5926)	Shri Puri, S.B.I. Sh. Chigani, FIC	Cdr. Chelliah	2	131.25	212.20	343.45		Plus Rs. 257.25 arrears for August, Total: 660.70
20	21-10-76	Amber (Co's Voucher No. 6014)	Statutory Auditors of the Co.	Shri P. Sen, Sr. Dy. FA & CAO.					163.25	
21	28th & 29th Oct. 76.	Delhi Golf Club (Co's Voucher No. 8005)		Mr. Yusuf Khan.					180.50	
22	Oct. 1976	Calcutta Club/17456		Cdr. Chelliah	5	60.25	243.00	303.25		
23	Oct. 76	Co's Voucher No. 6256	Official Guests and Union Representatives.	Shri N. K. Mukherjee, I.M.					100.00	
24	8-11-76	Bengal Club/0154/1 (Co's Voucher No. 6854)	Sh. Bazle Karim B.P.E.	Cdr. Chelliah, GM 1+6=7 Col. Sarin, FA M/s & Yusuf Khan		59.25	159.00	218.25		Excluding Rs. 10 spent on gratuity to Butler
25	Nov 76	Calcutta Club/19368		Cdr. Chelliah	5	202.30	367.80	570.10		

26	Nov. 76 to Feb. 77	Co's Voucher No. 8167	Sh. P. K. Mukherjee, Addl. Administra- tive Officer.			1143.80		
27	Nov. 76	Co's Voucher No. 6111	B.I.W.T.C. Director . Sh. P. K. Mukharji Addl. A.O.			147.70 (Rs. 104 for food Gifts Rs. 70/- Album File).		
28	1-12-76	Amber (Co's Voucher No. 6349)	Sh. R. K. Bucher . Sh. P. Sen, Sr. Dy. FA&CAO			173.90		
29	14-12-76	Calcutta Club/ Dec/17 Co's Voucher No. 7572)	Sh. R. N. Chopra Chairman, FCI	16	217.60	542.00	759.60	Including Rs. 46/- for Guest Room reservation.
30	Dec. 76	Calcutta/Club/ 21704 Company's Voucher No. 7923)	Cdr. Chelliah	13	185.75	644.15	829.90	Including Rs. 300/- for Town subs- cription & Rs. 30/- towards Library subs- cription;
31	29-1-77	Bengal Club/ 0877/1 (Co's Voucher No. 7990	Sh. H. D. Vegi, Sh. H. C. Diskhit Mr. & Mrs. Nigam .	4+1=5	187.00	149.50	336.50	
32		Bengal Club/ 0877 Dated 9-2-77 (Co's Voucher No. 8233)	Shri P. K. Dutta, I.W.T. Shri K. K. Gogoi Assam I.W.T.		210.75	112.15	322.90	
33	Jan. 77	Calcutta Club/ 428 (Co's Voucher No 8504)	Cdr. Chelliah	3	56.55	256.10	315.65	Personal Rs. 142/- Official Rs. 170/-

1      2      3      4      5      6      7      8      9      10

34	3-2-77	Bengal Club (Voucher No. 8503)	S. E. Rly. Officers viz, Shri M. K. Varma, Addl. COPS Shri Gopal Krishnan, Dy C.A.O. Shri Saigal, Dy. C.E. Shri R. P. Bansal, Secy. to G.M.M.	1. Cap. M.D. Khatri, M/s. 2. Shri S. K. Roy R.T.O. 3. Shri T. K. Sengupta S.E. 4. Shri P. Sen, Sr. Dy. FA & CAO. 5. PAD	4+5=9	410.50	204.65	615.15	
35	19-2-77	Co's Voucher No. 8920		N. K. Mukherjee, P.M.				153.34	
36	24-2-77	Amber (Co's No. 9284)	Statutory Auditors	Shri P. Sen S. Dy. F.A. & C.A.O.				215.00	
37	26-2-77	Calcutta Club	Tips given to Calcutta Club Staff	Mr. Yusuf Khan				100.00	
38	26-2-77	Calcutta Club Feb. 27, (Co's Voucher No. 9127)		CDR, Chelliah	24	1144.40	925.00	2069.40	Party Bill
39	3-3-77	Co's Voucher No. 8637	SESA. Coa, & Capt. K.K.S. Kumaran	P.G. Biswas, F. A. & C. A. O.				110.00	
40	4-3-77	Bengal Club	Shri C.M. Reilly Capt. K.K.S. Kumaran Mr. C.M. Jodvit.	F.A., Sr. Dy. F.A. & CAO Secy. M/s. & PAD	3+5=8	88.25	173.50	261.75	
41	11-3-77	Bengal Club Co's Vou- cher No 9126	BIWTC Officials Cdr. M. A. Rahman, Mrs. M. A. Rahman Miss M.A. Rahman	Cdr. K. Chelliah Mr. K. Chelliah Mrs. K. Chelliah Miss Chelliah PAD	4+4=8	230.00	169.00	399.00	

44	23-8-77	Bengal Club Bill dt. 25-3- #77 (Co's Voucher No. 9249)	Mr. J.R. Baksh, Dy. Supdt. Engineer BIWTC and his wife	Mr. Yusuf Khan	75.50	74.00	149.50
43	23-8-77	Amber (Co's Voucher No. 9085)	IOC Officials viz. Shri G. S. Saroor, Capt. Y. R. Chowdhury, Shri Saldani, Shri T. Roy.	CMD, PAD,	4+48		270.88
44	26-8-77	Amber	Labour Study Team, New Delhi	S.K. Basu, Dy. P.M. and Dy. P.M., Rajabagan Dockyard.			125.00
45	28-8-77	Amber (Co's Voucher No. 9262)	Kuala Port (friends)	CMD			294.00
46	30-8-77	Amber (Co's Voucher No. 9288)	Labour Ministry Officers viz. Shri Hari Ram Kapur, O. Singh and representatives from the ACC & Personnel Departments.	Shri S.K. Basu, Dy. P.M.			365.10
47	30-8-77	Oberoi Grand Voucher No. 585	Captain of "Kaptan Mardos"	P.C. Biswas			426.34

Includes Rs. 20/-  
as tipsIncludes Rs. 25/-  
as tips

## APPENDIX IX

(Vide para 51 of Report)

GOVERNMENT OF INDIA

### MINISTRY OF FINANCE BUREAU OF PUBLIC ENTERPRISES

New Delhi, the 17th October, 1967

#### OFFICE MEMORANDUM

**SUBJECT:**—*Entertainment Allowance to Chairman, Managing Director, General Managers etc. of Public Enterprises.*

Reference is invited to this Ministry's O. M. No. 9(40)-Est. II(B)/58 dated 2-11-1959 regarding the above subject. The question of rationalising the arrangements for grant of entertainment allowance to the Chief Executives and other officers of the Public Enterprises has been reviewed in the context of the varying conditions in the different projects, particularly with regard to competition for sales etc. In supersession of the O. M. referred to above, it has now been decided that the following guidelines for entertainment expenditure by the Public Enterprises may be followed, within the framework of which, each enterprises may operate:

- (a) The Board of Directors should fix an annual grant for entertainment expenses in the annual budget of the company, keeping in view the nature of its activities and other relevant factors. No ceilings need be prescribed by Government.
- (b) The Board of Directors should prescribed which of the officers of the Corporation may operate on the entertainment grant and also the limits upto which each officer can incur expenses on the entertainment of the guests of the Company.
- (c) All entertainment expenses incurred by the Officers outside their residential houses should invariably be supported by proper bills and vouchers.

- (d) Expenses incurred by the officers of the company in entertaining the guests of the company at their residence may be reimbursed on the basis of a certificate to this effect:
- (e) A statement of expenditure incurred on entertainment may be placed periodically before the Board of its information.

Sd/-

(P. K. BASU)

*Director.*

To

All Ministries/Deptt. of Government of India.



## APPENDIX X

### SUMMARY OF CONCLUSIONS/RECOMMENDATIONS OF THE COMMITTEE ON PUBLIC UNDERTAKINGS CONTAINED IN THE REPORT

S. No.	Reference to Paragraph No. in the Report	Summary of Conclusions Recommendations
(1)	(2)	(3)
1	56	The Committee are concerned to note that out of 172 public undertakings which were asked to furnish information on various matters on 23rd December, 1977, as many as 72* public undertakings have withheld information upto the 20th March, 1978 i.e., even after about three months of the calling of information. The Committee see no valid reason why the requisite information could not be collected by these public undertakings. The Committee consider that deliberate

\*As the time of factual verification the Bureau of Public Enterprises has stated that the following four Public Enterprises are not within the purview of the Bureau of Public Enterprises and hence the question of obtaining information from them did not arise:

- (1) Damodar Valley Corporation.
- (2) Agricultural Refinance and Development Corporation.
- (3) Industrial Development Bank of India.
- (4) Industrial Finance Corporation.

As the Bureau of Public Enterprises is responsible for coordination and collection of information from all the Public Undertakings within the purview of the Committee on Public Undertakings *vide* Para 4 of Introduction to the Annual Report on the working of Industrial and Commercial Undertakings of the Central Government, 1976-77, Vol. I (brought out by the Bureau of Public Enterprises) and as these four enterprises fall within the purview of the Committee on Public Undertakings *vide* 4th Schedule—Pt. I of the Rules of Procedure and Conduct of Business in Lok Sabha, the non-obtaining of information from these four public undertakings is a serious lapse on the part of Bureau of Public Enterprises.

(1)	(2)	(3)
		non-supply of information even after a period of three months amounts to withholding of information which is very vital for accountability of undertakings to Parliament. This may amount to a contempt of the Committee. This, in the opinion of the Committee, is reprehensible.
2	57	The Committee would further require that the heads of the defaulting public undertakings should be asked to explain the reasons for not furnishing the information to the Committee within the stipulated time.
3	58 to 60	The Committee are greatly perturbed to note that the expenditure on entertainment in the case of 92 public undertakings amounted to Rs. 101.15 lakhs during the three years 1974-75, 1975-76 and 1976-77.  It is noteworthy that the total expenditure incurred by 92 undertakings during 1974-75 amounted to Rs. 25.35 lakhs but it increased manifold during Emergency period of 1975-76 and further increased in 1976-77 to Rs. 44.02 lakhs.  Thirteen undertakings, namely, Mazagon Dock Ltd., Minerals and Metals Trading Corporation, Projects and Equipment Corporation of India Ltd., Engineering Projects (India) Ltd., Bharat Heavy Electricals Ltd., Engineers India Ltd., Jessop and Co. Ltd., Hindustan Photo Films Manufacturing Co. Ltd. Bharat Petroleum Corporation, Rail India Technical and Economic Services Ltd., Metallurgical and Engineering Consultants India Ltd. HMT (International), and Indian Airlines Corporation have each spent more than Rs. 1 lakh in a year on this account. In the case of one undertaking, viz. Mazagon Dock Ltd., the expenditure had gone upto Rs. 10.62 lakhs during the three years ending 1976-77 which works out to Rs. 29,500 per month or Rs. 1000/- per day. In the case of another undertaking, viz.

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Minerals and Metals Trading Corporation, the expenditure had *increased to Rs. 3.49 lakhs in 1976-77* which also works to about Rs. 1000/- per day.

The Committee are constrained to observe that there has been a steep increase in the expenditure on entertainment from year to year in the case of a number of undertakings. In the case of Minerals and Metals Trading Corporation the lakhs in 1974-75 to Rs. 3.16 lakhs in 1976-77. In 1974-75 to Rs. 3.49 lakhs in 1976-77. In the case of Projects and Equipment Corporation of India Ltd. the expenditure has galloped from Rs. 1.16 lakhs in 1974-75 to Rs. 3.16 lakhs in 1976-77. In the case of Engineering Projects (I) Ltd., the expenditure has increased from Rs. 0.25 lakh in 1974-75 to Rs. 2.79 lakhs in 1976-77.

In the case of Hindustan Photo Films Manufacturing Company the expenditure has gone up from Rs. 0.43 lakh in 1974-75 to Rs. 1.60 lakhs in 1976-77. Similarly, in the case of Rail India Technicals and Economic Services Ltd., the expenditure has gone up from Rs. 0.21 lakh in 1974-75 to Rs. 1.13 lakhs in 1976-77, which is about 55 per cent increase.

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Even a number of Public Undertakings which are incurring heavy losses have spent lavishly on this account. For example, the Central Inland Water Transport Corporation with a *cumulative loss of Rs. 2143.87 lakhs at the end of 1977*, spent Rs. 75,000 on entertainment during 1976-77, Jessop and Co. Ltd., with a cumulative loss of Rs. 1247.47 lakhs till 1976-77 spent Rs. 97,772 on entertainment during 1976-77. Bharat Aluminium Co. Ltd., with a cumulative loss of Rs. 1858 lakhs at the end of 1976-77, spent Rs. 69,000 on entertainment during 1976-77. Cochin Shipyard Ltd., with a cumulative loss of Rs. 20.72 lakhs till

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31-3-1977 spent Rs. 89,855 during 1975-76. Garden Reach Shipbuilders and Engineers Ltd. with cumulative loss of Rs. 195.86 lakhs till 31-3-1977 spent Rs. 59,000 on entertainment during each of the years 1975-76 and 1976-77. Hindustan Antibiotics Ltd. with a cumulative loss of Rs. 835.56 lakhs till 31-3-1977 spent Rs. 55,502 on entertainment during 1976-77. Mining and Allied Machinery Corporation with a cumulative loss of Rs. 3516.34 lakhs as on 31-3-1977 spent Rs. 67,000 in 1975-76 and Rs. 85,000 on entertainment during 1976-77.

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The Committee are perturbed to note that the Central Inland Water Transport Corporation which has been incurring heavy losses from year to year and whose losses amounted to over Rs. 21 crores during the last few years, has been spending lavishly on entertainment. There has been a steep increase of over 700 per cent in the entertainment expenditure which was only Rs. 9,000 in 1973-74 escalated to Rs. 75,000 in 1976-77. It is a matter of great concern that in spite of the deterioration in the financial conditions of the Corporation when it was difficult even to find resources to pay the employees their monthly wages, sumptuous entertainment parties of lunches and dinners were given by the top officers of the Corporation on over 183 occasions during the last 2 years, i.e. 1975-76 and 1976-77. Of these 183 occasions, the principal adviser who is now working as Chairman-cum-Managing Director on *ad-hoc* basis entertained on as many as 138 occasions during this period. During these entertainment parties which were held in posh Clubs and Restaurants in Calcutta, drinks at times were freely served. On one occasion, over Rs. 2900 were spent for a lunch for entertaining the Secretary of the Ministry and other civil and military officers which totalled 35. Of this amount, about Rs. 1800 were spent on alcohol

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alone. In many cases the expenditure ranged between Rs. 55 and Rs. 144 per head while an ordinary lunch or dinner would cost between Rs. 15 to Rs. 20 only per head even in those leading Clubs. The Committee are surprised that most of these parties were held to entertain the visiting officers of the Ministry, brother officers from other public undertakings, Board members, including CIWTC's own officials, nationalised banks officers etc. At times even the wives of officers and contractors of the same undertaking were also invited.

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From the instances quoted in the previous paragraphs the Committee have come to the inescapable conclusion that a number of public undertakings have been incurring extravagant and lavish expenditure on entertainment in utter disregard of the interests of the poor tax-payers. It is on record that one public undertaking had spent huge amounts on entertainment where on various occasions, drinks were freely served to entertain fellow-officers of the undertakings, officials of the Ministry, officials of the nationalised banks and semi-Government Organisations and personal guests. Extravagant expenditure in entertaining high ups by public undertakings and other Government/Semi-Government agencies gives rise to avoidable adverse reaction among other subordinate employees and people in general who get demoralised by such lavish expenditure by the top executives.

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The Committee are unable to appreciate the huge expenditure incurred on sales promotion by commercially non competitive Public Undertakings like Indian Airlines Corporation who have got monopoly in business. The Committee are also not able to understand as to why some of the public undertakings, like Bharat Heavy Electricals Ltd., have been spending a lot on enter

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taining Indian customers most of whom are from sister public undertakings, in inter-plant meetings and on auditors. It has also come to the notice of the Committee that Members of the Board are also entertained to lunches/dinners besides the fees that they get where applicable, when Board meetings are held. The Committee are unable to appreciate why the officers of nationalised banks, other public undertakings and also Ministries/Departments are to be entertained for doing their legitimate official duties. The Committee strongly deprecate this practice which should stop forthwith. In the opinion of the Committee, such hospitality at the expense of the undertakings, is a clear violation of the conduct rules of the Government officers who are also entitled to their travelling and daily allowances. The non-official Directors also receive handsome remuneration for attending Board Meetings. This spending spare on their part and tendency to have a good time at public expense and to further their personal social standing are deplorable.

8            65            While the Committee realise that there may be some justification for entertainment expenditure especially in the case of trading organisations, they cannot too strongly stress the need for observing utmost economy on such expenditure. The Committee have already recommended a ceiling of Rs. 2/- per head per occasion on such expenditure.

9            66            The Committee further recommend that the heads of the undertakings as also the Government Director on the Board of the Undertakings should critically review the entertainment expenditure incurred during the preceding three years and see how far such expenditure was justified. If the review reveals that unwarranted expenditure was incurred by any officials of the undertaking, responsibility therefor should be fixed

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and such expenditure recovered from the erring officials.

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The Committee would urge that each undertakings should lay down strict guidelines for regulating the expenditure on entertainment on the various occasions so as to keep it to the minimum, keeping in view their earnings and the morale of the subordinates and of the people in general. The Board should also ensure that these guidelines are rigidly followed. A strict watch over this expenditure should be kept and periodical review should be made at the Board level. The Heads of the respective public undertakings should be held responsible for non-compliance of the guidelines.

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The Bureau of Public Enterprises should also review the position in regard to this and lay down firm guidelines for fixing a ceiling on lunches and dinners and also lay down the criteria as to who should be entertained. They should also ensure that the guidelines issued in this regard are followed by all undertakings in letter and spirit.

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The Committee further require that expenditure on entertainment should always be clearly reflected in the annual reports of the undertakings.

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The Committee understand that some of the top officials of the undertakings are also allowed sumptuary allowance/entertainment allowance to entertain guests at their residences. The Committee recommend that Government/Bureau of Public Enterprises should review the need of such an allowance and wherever found necessary, lay down definite guidelines for the utilisation of that money by the officials concerned.

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14	71	<p>The Committee cannot but observe that Public Sector would never succeed if it is left in the hands of disinterested, unscrupulous, inconsiderate mercenaries. Unless there is a true sense of involvement and determination to produce the desired results the condition of Public Sector is bound to be what it is today in many cases. It is unfortunate that because of certain unscrupulous Managers of Public Undertakings, huge losses occur to the Public Sector Undertakings which are ultimately borne by the general public who have to contribute their mite by way of payment of taxes direct and indirect.</p>

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