

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

(SIXTH LOK SABHA)

**TENTH REPORT
ON
UNUSUALLY HIGH EXPENDITURE BY PUBLIC
UNDERTAKINGS FOR THEIR HEAD OFFICES**

*(Presented in Lok Sabha and Loid in Rajya Sabha on
27th April, 1978)*



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1978/Vaisakha, 1900 (Saka)

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CORRIGENDA

Tenth Report of the Committee on Public
Undertakings (Sixth Lok Sabha) on
Unusually High Expenditure by Public
Undertakings for their Head Offices

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
4	S.Nos. 4&6	Col.4	*	-
10	2.18	10	of	at
22	S.No.9	Col. 7	insert mark @	
22	Footnote 4	relates to	Richardson & Cruddas Ltd.	
22	Footnote 5	relates to	Salem Steel Ltd.	
22	S.No.13	Col. 7	insert mark £	
22	Footnote 6	relates to	New India Assurance Co. Ltd.	
23	S.No.4	Col.7	Insert mark '†'	
23	Footnote 3		At the end of the sentence insert the words "Head Office"	
24	S.No.12	Col.7	1*,368	10,368
25	Para 4.2	Item 2 of the Table under the year 1975-76	5.57	7.57

APPENDIX-II

29	S.No.1	Col.6	379.59	19,14,209
29.	S.No.1	Col.7	sq.mts.	379.59 sq.mts
29.	S.No.2	Col.7	15760 "	15760 sq.ft.
29	S.No.3	Col.7	4845 "	4845 sq.mts.
29	S.No.4	Col.7	1,69,533 "	1,69,533 sq. fts.
29- 30	Footnote 4	relates to	Bharat Petroleum Corporation Ltd.	
29-30	Footnote 5	relates to	Braithwaite & Co.Ltd.	

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
29-	Foot			
30	note 6		relates to Central Electronics Ltd.	
30	S.No.8	Col.4	@	&
30	Foot			
	note 7		relates to Cochin Shipyard Ltd.	
30	Foot			
	note 8		relates to Delhi Transport Corporation	
31	S.No.14	Col.7	delete mark '+'	
32	S.No.17	Col.2	£	*
32	Foot			
	note 3		relates to Instrumentation Ltd., Kota.	
32	S.No.21	Col.7	Insert mark @	
32	Foot			
	note 5	-	leass	lease
33	S.No.25 &			
	27	Col.3	delete Asterisk mark *	
33	S.No.26	Col.5	23,40,000	23,44,000
37	Add			
	Footnote	"+	In addition, the undertaking has spent Rs.11,56,316 on maintenance of hired premises during 1974-75 to 1976-77 as shown in Appendix V".	
38	S.No.20	Col.2	delete the mark *	
38	Foot note 3-		delete footnote 3.	
38	Foot note 4		relates to Mazagon Dock Ltd.	
38	Foot note 5		relates to Madras Refineries Ltd.	

APPENDIX IV

40	S.No.3	Col.8	3,58,836	3,57,836
41	S.No.7	Col. 4	1,33,093	1,33,093
41	S.No.7	Col. 5	54,58,76 sq.ft.	54,58,769
41	S.No.9	Col. 5	4,30,0798	4,30,798
42	Foot note.	Add footnote	"A sum of Rs.3 lakhs (i) equivalent to 3 months rent of the premises is kept as deposit with the NDIC. (ii) The above footnote relates to National Industrial Development Corporation.	

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
43	S.No.22	Col.5	delete mark '+'	
43	S.No.1 under the head 'Bombay'	Col.2	delete the mark '£'.	
43	Footnote	-	delete	footnote 1
44	S.No.6	Col.4	688	7688
45	Footnote 2	-	(i)Recovered (ii)delete the words "interest as Principal" occurring between the words 'towards' and 'interest'.	Recoverable
47	S.No.8	Col.2	Dredging	Dredging
47	S.No.13	Col.8	1,69,412	1,68,412
49	S.No.6	Col.6	delete the Asterisk mark '*'	
49-50	Footnote	-	Read footnote 2 on Page 49 as relating to Bongaigaon Refinery and Petrochemicals Ltd. at S.No.8 on page 50.	
51	S.No.25	Col.6	Footnote 3 relates to H.M.T. (International) Ltd.	
52	S.No.32	Col.6	Footnote 2 relates to Indian Rare Earths Ltd.	
52	Footnote 1 item (ii)		8,10,007	8,14,007
53	Footnote 1	-	57.5	57.54
<u>APPENDIX VI</u>				
61	Col.3	Line 19	ever	over

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COMMITTEE ON PUBLIC UNDERTAKINGS

(1977-78)

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Shri K. C. Rastogi—*Senior Financial Committee Officer.*

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

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

INTRODUCTION

I, the Chairman, Committee on Public Undertakings, having been authorised by the Committee to present the Report on their behalf, present this Tenth Report on "Unusually High Expenditure by Public Undertakings for their Head Offices."

The Committee had, on 23rd December, 1977 called for information *inter alia* in regard to expenditure incurred by the 172 Public Undertakings on Maintenance of their Head Offices during the years 1974-75, 1975-76 and 1976-77. The information was to be furnished by 22nd January, 1978, but till 20th March, 1978 only 100 Public Undertakings have responded. The remaining 72 Undertakings listed in Appendix I have for reasons best known to them, not furnished the required information to the Committee.

This Report is based on the analysis of the written information so received in respect of expenditure on Maintenance of Head Offices from these 100 Public Undertakings.

The Public Undertakings have been spending lavishly on furnishings, fittings and air-conditioning of the Head Office buildings owned by them. The total expenditure on 42 such buildings during the three years ending 31st March, 1977 amounted to a fantastic figure of Rs. 332 lakhs. At least 12 out of these 42 Undertakings have spent more than Rs. 5 lakhs each on furnishings, fittings, air-conditioning etc. Prominent among these are Salem Steel Ltd., Balmer Lawrie Company Ltd. and Hindustan Antibiotics Ltd. which have spent extravagantly. In the first case the cost of fittings and furnishings has reached fantastic figure of Rs. 152 per sq. ft. of covered area.

Likewise, there has been a very steep increase in the expenditure on maintenance of Head Office buildings owned by the Public Undertakings. During the three years ending 31st March, 1977, the maintenance expenditure had amounted to a staggering figure of Rs. 265 lakhs. The Committee have come down heavily on this reckless squandering of public money on unproductive items.

In the case of buildings hired by Public Undertakings, the Committee have found that exorbitant rents are being paid for buildings hired in Metropolitan cities. Engineers India Ltd. top the list with a rent liability of as much as Rs. 61.57 lakhs per annum.

Concentration of a large number of Public Undertakings in such cities has led to severe overcrowding and scarcity of office as well as residential accommodation. The Committee have required Government to take steps to shift as many of the Head Offices of the Undertakings to the work sites as possible. Where it is not possible to do so, Government should undertake construction of public sector complexes in the major cities.

25 Public Undertakings spent a huge sum of Rs. 20.46 lakhs on air-conditioning during 1976-77. This is a luxury which a country like India can ill afford. The Committee have required Government to issue strict instructions banning the air-conditioning of all administrative offices of the Central Government as well as the Public Undertakings.

The Committee considered and adopted this Report at their sitting held on 26th April, 1978.

New DELHI;
April 26, 1978.

Vaisakha 6, 1900 (Saka).

JYOTIRMOY BOSU,
Chairman,
Committee on Public Undertakings.

A. INTRODUCTORY

1.1. The Committee on Public Undertakings called for information from all the 172 Public Undertakings regarding their expenditure on Head Offices during the years 1974-75, 1975-76 and 1976-77 on the following items:—

- (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 was 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 building/s 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 owners 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 Head Office establishments—Officers and others to be shown separately.

1.2. It is a matter of regret that although the Bureau of Public Enterprises (Ministry of Finance) were asked on 23 December, 1977 to obtain information from all the 172 public undertakings, by 22 January, 1978, information in respect of only 100 public undertakings had been received from the Bureau of Public Enterprises upto

20 March, 1978. The Committee had not been furnished till then the requisite information regarding the remaining 72 undertakings which are listed in Appendix I. This, the Committee feel, amounts to withholding of the information and consequently may constitute a contempt of the Committee.

1.3. This Report deals with the expenditure incurred by 100 public undertakings on their Head Offices during the years 1974-75, 1975-76 and 1976-77.

1.4. Biecco Lawrie Ltd., Calcutta has furnished 'Nil' Statement in respect of Head Office except expenditure on Head Office Establishment. The reason is not understood.

1.5. Indian Railway Construction Co. Ltd., has stated that the Company has not yet taken any accommodation for office. The Committee would like to know from which place the Company is functioning and who is paying for its rental etc.

1.6. Hindustan Shipyard Ltd., whose Registered Office is located in Transport Bhavan, New Delhi has stated in reply to Parts (b) to (d) of the Question as 'does not arise'. The Committee have'nt had the time to go through the matter. They fail to understand how such information could be furnished and would like to be informed of the precise position.

B. BUILDINGS OWNED BY PUBLIC UNDERTAKINGS

(i) Capital Costs

2.1. Out of the remaining 97 public undertakings, 42 public undertakings have either constructed their own buildings or have located their offices at the Projects/Works. The particulars of location of Head Offices of these 42 public undertakings, capital cost of the building, area covered, amount spent on furnishing/fittings (hard and soft), air-conditioning/central heating etc., are given in Appendix II.

2.2. It is seen that the total cost of furnishings and fittings etc., of these 42 undertakings amounted to Rs. 3.32 crores.

2.3. Three Undertakings viz., Cochin Shipyard Ltd., Indian Dairy Corporation and Mining and Allied Machinery Corporation have spent Rs. 2.5 lakhs, Rs. 2.7 lakhs and Rs. 2.8 lakhs respectively. In the case of 12 undertakings the expenditure on furnishings/fittings (hard and soft), air-conditioning/central heating etc., has exceeded Rs. 5 lakhs as shown below:—

S.No.	Name of Undertaking	Location of H.O.	Capital cost of H.O. building		Area covered	Cost of fittings/ furnishing (hard and soft) air conditioning/central heating.	Cost per sq. ft. of covered area.	
			Land	Construction				Total
1	2	3	4	5	6	7	8	9
			Ra.				Ra.	Ra.
1	Balmer Lawrie Co. Ltd.	Calcutta	7,90,514	5,40,021	13,30,535	15760 sq. ft.	10,81,995	68
2	Bharat Petroleum Corporation Ltd.	Bombay	•		42,03,111	11685 sq. m. =127875 sq. ft. (approx.)	35,52,078	28
3	Cochin Refineries Ltd.	Ambalamugal (Kerala State).	3,090	19,75,417	19,78,507	2315 sq. m. =25465 sq. ft. (approx.)	11,37,850	45
4	Hindustan Antibiotics Ltd.	Pimpri (Pune).	•	4,44,413	4,44,419	8705 sq. ft.	5,83,780	67
5	Hindustan Photo Films Mfg. Co. Ltd.	Indunagar (Ootacamund)	3,89,480	3,07,51,000	3,11,40,480	162751 sq. ft.*	47,97,000	29
6	Hindustan Teleprinters Ltd.	Madras	•	87,23,000	87,23,000	15,691 sq. m. =172601 sq. ft.	7,65,000	4
7	Indian Airlines	New Delhi	2,68,100	23,34,800	26,02,900	71,000 sq. ft.	5,68,980	8

• Land is on lease from Bombay Port Trust.

* Includes factory buildings.

	1	2	3	4	5	6	7	8	9
8	Jesop & Co. Ltd.	.	Calcutta	7,89,845	10,92,589	18,76,884	*	27,92,720	
9	L.I.C. of India	.	Bombay	② Leased Land	1,21,89,288	1,21,89,288	21787 sq. m. =299657 sq. ft. (approx.);	36,47,423	Rs. 15
10	Salern Steel Ltd.:	.	Salern:	44,865	98,296	89,101	487 sq. m. =5957 sq. ft. (approx.)	8,15,351	Rs. 152
11	Scooters India Ltd.	.	Lucknow	12,58,000	2,93,44,000	2,46,02,000	2520 sq. m. =27720 sq. ft. (approx.)	88,43,000	Rs. 919 &
12	New India Assurance Co. Ltd.	.	Bombay	8,25,451	20,69,285	28,94,796	67022** sq. ft.	27,60,722	Rs. 41

* 2 Bighas, 15 Outtaha, 10 chatak and 26 sq. ft.

② A least rent of Rs. 92,499. 10 is being paid every quarter to the Collector of Bombay.

** The Corporation has stated that unlike in some other companies the administrative and production wings of the company are situated at the works itself. The figures represent 'cost of administrative and factory buildings both.'

** Carpet Area.

2.4. It will be seen from the above statement that the cost of fittings and furnishings of buildings owned by the Public Undertakings works out to a fantastically high amount of Rs. 152 per sq. ft. of covered area in the case of Salem Steel Ltd. In the case of Balmer Lawrie Co. Ltd., and Hindustan Antibiotics Ltd., it is Rs. 68 and Rs. 67 per sq. ft. respectively. In the case of Cochin Refineries Ltd., and New India Assurance Co. Ltd., it is Rs. 45 and Rs. 41 per sq. ft. respectively. Two other Public Undertakings, Hindustan Photo Films Mfg., Co. Ltd., and Bharat Petroleum Corporation Ltd., have incurred an expenditure of Rs. 29 and Rs. 28 per sq. ft. respectively.

(ii) Maintenance Costs

2.5 Another statement showing annual expenditure incurred by these 42 public undertakings on maintenance of their Head Office buildings (owned) i.e. on civil works, hard and soft furnishings, electricity, air-conditioning/central heating, horticulture and persons employed during each of the years 1974-75 to 1976-77, is given at Appendix III. The total expenditure incurred by these 42 undertakings on maintenance of Head Office buildings during the above three years amounted to Rs. 265,17,836 the break-up of which, year-wise, is given below:—

Year	Amount Rs.
1974-75	75,12,863
1975-76	79,97,872
1976-77	110,67,101
Total .	<u>265,17,836</u>

2.6. The rise in expenditure on maintenance of Head Office buildings owned by these 42 public undertakings from year to year is very substantial.

2.7. The Committee are unhappy to find that in the case of certain undertakings the maintenance expenditure has indeed been abnormally high. To quote a few instances:

In the case of Scooters India Ltd., it is found that Maintenance expenditure* was Rs. 0.03 lakh in 1974-75. Rs. 0.44 lakh in 1975-76 and galloped to Rs. 3.79 lakhs in 1976-77—an increase of 12533 per cent over 1974-75. The cumulative loss incurred by the Company was Rs. 638.2 lakhs as on 31-3-1977.

(*Factory & office).

In the case of Mazagon Dock Ltd., the maintenance expenditure was Rs. 8.05 lakhs in 1974-75, rose to Rs. 10.73 lakhs in 1975-76 and shot up to Rs. 15.68 lakhs in 1976-77—an increase of 94.7 per cent over 1974-75.

In the case of Balmer Lawrie Co. Ltd., the maintenance expenditure in 1974-75 was Rs. 2.43 lakhs, it rose to Rs. 2.99 lakhs in 1975-76 and jumped to Rs. 4.34 lakhs in 1976-77—an increase of 78.6 per cent over 1974-75.

In the case of Delhi Transport Corporation, the maintenance cost rose from Rs. 2.76 lakhs in 1974-75 to Rs. 4.46 lakhs in 1975-76 and jumped to Rs. 10.40 lakhs in 1976-77—an increase of 276.8 per cent over 1974-75. The cumulative loss incurred by the Corporation was Rs. 6224.4 lakhs as on 31-3-1977.

In the case of Hindustan Photo Films Manufacturing Co. Ltd., the maintenance expenditure was Rs. 3.09 lakhs in 1974-75, rose to Rs. 5.15 lakhs in 1975-76 and further increased to Rs. 6.77 lakhs in 1976-77—an increase of 119 per cent over 1974-75.

In the case of Indian Airlines, the maintenance expenditure which was Rs. 6.46 lakhs in 1974-75 rose to Rs. 8.14 lakhs in 1976-77—an increase of 26 per cent over 1974-75. The cumulative loss incurred by the Corporation was Rs. 96.8 lakhs as on 31-3-1977.

In the case of Jessop & Co. Ltd., the maintenance expenditure was Rs. 6.38 lakhs in 1974-75, it rose to Rs. 7.95 lakhs in 1975-76 and further went up to Rs. 8.50 lakhs in 1976-77—an increase of 33.2 per cent over 1974-75. The cumulative loss incurred by the Company was Rs. 1247.7 lakhs as on 31-3-1977.

In the case of National Instruments Ltd., the maintenance expenditure which was Rs. 2.75 lakhs in 1974-75, rose to Rs. 3.32 lakhs in 1975-76 and further increased to Rs. 4.12 lakhs in 1976-77—an increase of 49.8 per cent over 1974-75. The cumulative loss incurred by the Company was Rs. 285 lakhs as on 31-3-1977.

In the case of New India Assurance Co. Ltd., the maintenance expenditure which was Rs. 10.1 lakhs in 1974, rose to Rs. 10.8 lakhs in 1975 and further jumped to Rs. 13.9 lakhs in 1976—an increase of 37.6 per cent over 1974.

2.8. The Committee note that the cost of furnishings and fittings etc., in the case of 42 undertakings which have their own Head Office buildings, amounted to a fantastic figure of Rs. 332.38 lakhs as on 31-3-1977. It is evident that these undertakings are having very luxurious fittings and furnishings which are hardly related to the state of their business. Twelve undertakings, namely, Balmer Lawrie Co. Ltd., Calcutta, Bharat Petroleum Corporation Ltd., Bombay, Cochin Refineries Ltd., Ambalamugal, Hindustan Antibiotics Ltd., Pimpri, Hindustan Photo Films Manufacturing Co. Ltd., Indunagar, Hindustan Teleprinters Ltd., Madras, Indian Airlines New Delhi, Jessop & Co. Ltd., Calcutta, L.I.C. of India Bombay, Salem Steel Ltd., Salem, Scooters India Ltd., Lucknow and New India Assurance Co. Ltd., Bombay, have each raced against each other and have spent as much as Rs. 5 lakhs and more on furnishing/fittings (hard and soft)air-condition/central heating, etc.

2.9. The Committee are very distressed to note that the cost of fittings and furnishings only of buildings owned by the public undertakings works out to a fantastically high figure of Rs. 152 per sq. ft. of covered area in the case of Salem Steel Ltd. With half of this money, civil construction work could be completed, which shows there is something wrong somewhere in the Steel Plant. In the case of Balmer Lawrie Co. Ltd., and Hindustan Antibiotics Ltd., it is Rs. 68 and Rs. 67 per sq. ft. respectively. With this amount civil construction work could be completed. In the case of Cochin Refineries Ltd., and New India Assurance Co. Ltd., it is Rs. 45 and Rs. 41 sq. ft. respectively. Two other public undertakings viz., Hindustan Photo Films Mfg. Co. Ltd., and Bharat Petroleum Corporation Ltd. have incurred an expenditure of Rs. 29 and 28 per sq. ft. respectively.

2.10. The Committee are amazed at the extraordinarily lavish manner in which some of the public undertakings have been squandering public money on unproductive items to provide luxurious environment to their top management functionaries. This goes ill with the concept of a socialist egalitarian society which the Government is trying its level best to build up.

2.11. The Committee need hardly stress that public undertakings should take into account the general economic conditions of the country and the standard of living of the common man whose per capita income is one of the lowest in the world. The furnishings and the fittings should not give an impression that they are an island of prosperity in a sea of poverty. Lavish furnishings of the offices of the executives of public undertakings generates frustration and

leads to great demoralisation among the subordinate staff and workers of the public undertakings, apart from attracting very adverse public criticism.

2.12. The Committee deprecate the construction of ostentatious buildings. They require that the buildings and their furnishings and fittings should be functional and utility oriented.

2.13. The Committee recommend that the Directors representing the Administrative Ministries and Finance Ministry on the Boards of these Companies should look into these matters so that the public sector corporations do not indulge in wasteful and lavish expenditure on furnishings and fittings and that public funds are employed more fruitfully. The Directors particularly Government Directors will be answerable for lapses of this nature.

2.14. The Committee positively require that Public Undertakings will, only in consultation with the National Buildings Organisation, construct unostentatious, inexpensive buildings for accommodating their Head Offices.

2.15. The Committee are concerned to observe that there has been a very steep increase in the expenditure on maintenance of Head Office buildings owned by these public undertakings, under various broad heads viz., civil works, hard and soft furnishings, electricity, air conditioning/central heating, horticulture etc. The total expenditure incurred by these Public Undertakings on this account during the three years 1974-75, 1975-76 and 1976-77 amounted to a staggering figure of Rs. 265.18 lakhs.

2.16. The Committee are deeply concerned to note that the total expenditure on this account incurred by these 42 undertakings during 1974-75 amounted to Rs. 75.13 lakhs, but it increased to Rs. 110.67 lakhs in 1976-77 i.e. an increase of 46 per cent. The Committee are perturbed to observe that in the case of certain public undertakings, the maintenance expenditure has been abnormally high. In maintenance work the scope for corruption and wasteful expenditure is more than in any other sphere of building activities.

2.17. The Committee observe that in the case of Scooters India Ltd., the expenditure has galloped from Rs. 0.03 lakh in 1974-75 to Rs. 3.79 lakhs in 1976-77 (recording a rise of 12533 per cent). In the case of Mazagaon Dock Ltd., the expenditure has increased from Rs. 8.05 lakhs in 1974-75 to Rs. 15.68 lakhs in 1976-77. In the case of Delhi Transport Corporation, the expenditure has increased from

Rs. 2.76 lakhs in 1974-75 to Rs. 10.4 lakhs in 1976-77 (276.8 per cent). In the case of Hindustan Photo Films Mfg. Co. Ltd., the expenditure has gone up from Rs. 3.09 lakhs in 1974-75 to Rs. 5.15 lakhs in 1975-76 and Rs. 6.77 lakhs in 1976-77. In the case of Indian Airlines, the expenditure has increased from Rs. 6.46 lakhs in 1974-75 to Rs. 8.14 lakhs in 1976-77. In the case of Jessop & Co., the expenditure has risen from Rs. 6.38 lakhs in 1974-75 to Rs. 8.5 lakhs in 1976-77. In the case of National Instruments Ltd., the maintenance expenditure has increased from Rs. 2.75 lakhs in 1974-75 to Rs. 4.12 lakhs in 1976-77. In the case of New India Assurance Co. Ltd., the maintenance expenditure has increased from Rs. 10 lakhs in 1974 to Rs. 14 lakhs in 1976.

2.18. The Committee strongly deprecate the galloping rise in the rate of expenditure on maintenance of buildings owned by the public undertakings. They require that the Bureau of Public Enterprises should in consultation with the National Buildings Organisation, lay down norms for the guidance of all public undertakings about the necessity of adopting utmost austerity in the expenditure on the maintenance of buildings etc., taking into account the climatic conditions, type of building, its age etc., the Bureau of Public Enterprises should also lay down specifications for the Administrative buildings to be constructed by the Public Undertakings of their Works as to ensure that these are purely functional and do not involve huge recurring expenditure on their maintenance and upkeep. The Bureau of Public Enterprises shall be answerable for any deviations from the guidelines. Expenses on maintenance and details of works done should be clearly reflected in its Annual Reports.

C. HIRED ACCOMMODATION

(i) Rent paid

3.1. A statement showing the details of the buildings hired by 61 public undertakings in various cities, the area occupied by them and the annual rent paid during the three years 1974-75, 1975-76 and 1976-77 is given at Appendix IV.

3.2. It will be seen from the Appendix that as on 31 March, 1977, 27 public undertakings had hired buildings for their Head Offices in Delhi, 6 public undertakings in Bombay, 7 public undertakings in Calcutta and 4 public undertakings in Bangalore. The rest of the 17 undertakings have hired buildings in various other cities.

3.3. The total area occupied by the various undertakings in Delhi, Bombay, Calcutta and Bangalore and the annual rent paid for the same as on 31 March, 1977 is as under:—

Name of City	Number of Undertakings	Covered area	Rent paid (1976-77)
Delhi	27	666916 sq. ft.	Rs. 2,14,10,598
Bombay	6	54362 „ „	Rs. 15,56,940
Calcutta	7	103501 „ „	Rs. 12,97,002
Bangalore	4	109857 „ „	Rs. 15,95,797
	<u>44</u>		<u>Rs. 2,58,60,337</u>

3.4. It will be seen from Appendix IV that in Delhi there were 18 undertakings which had paid annual rent exceeding Rs. 2 lakhs (or more than Rs. 16,000 per month) during 1976-77. There are two such undertakings in Bombay, one such undertaking is in Calcutta and three undertakings are in Bangalore. One undertaking viz., Western Coalfields Ltd., which has its head office at Nagpur has also paid rent exceeding Rs. 2 lakhs in 1976-77.

3.5. The following 12 public undertakings have paid rent of the

order of Rs. 5 lakhs and above per annum during the period under review:—

S.No.	Name of Undertaking	Location of Head Office	Rent paid		
			1974-75	1975-76	1976-77
DELHI					
1.	Bharat Heavy Electricals Ltd.		11,60,589	18,02,838	23,73,244
2.	Cement Corporation of India		3,33,746	6,85,686	7,97,183
3.	Engineers India Ltd.		48,79,502	51,47,261	61,57,372
4.	Engineering Projects (I) Ltd.		5,37,301	9,20,000	13,83,000
5.	Indian Airlines		13,04,459	15,15,014	15,58,304
6.	Minerals & Metals Trading Corporation of India Ltd.		20,08,000	20,08,000	20,08,000
7.	National Industrial Development Corporation.		6,00,000	6,00,000	12,00,000
8.	The Project and Equipment Corporation of India, Ltd.	3,60,000		6,42,000	6,42,000
9.	State Chemicals and Pharmaceuticals Ltd. . . . .	..			*5,52,000
BOMBAY					
10.	Export Credit and Guarantee Corporation Ltd.	8,30,000		8,68,000	9,08,000
CALCUTTA					
11.	Jute Corporation of India	2,19,283		3,92,251	5,65,219
BANGALORE					
12.	Kudremukh Iron Ore Company	..		..	8,72,497

3:6 The following undertakings had hired more than one office accommodation in the same city during the period under review:—

S.No.	Name of Undertaking	Location	No. of buildings hired
1.	Bharat Aluminium Co. Ltd.	New Delhi	3
2.	Bharat Heavy Electricals Ltd.	Do.	3
3.	Bongaigaon Refinery and Petrochemicals Ltd.	Do.	3
4.	Cement Corporation of India Ltd.	Do.	3
5.	Electronics Trade and Technology Development Corporation Ltd.	Do.	3
6.	Engineers India Ltd.	Do.	5
7.	Engineering Projects (I) Ltd.	Do.	1 building and 39 flats in another building (Kailash)
8.	Hindustan Insecticides Ltd.	New Delhi	2
9.	Indian Airlines	Do.	3
10.	International Airports Authority of India	Do	3

*Annual rent inclusive of maintenance.

S. No.	Name of Undertaking.	Location	No. of buildings hired
11.	National Building Construction Ltd.	New Delhi	2
12.	National Fertilizers Ltd.	Do.	3
13.	National Research Development Corporation	Do.	2
14.	National Thermal Power Corporation Ltd.	Do.	(i) Kailash Bldg. (4 flats) (ii) Ashoka Estate (12 flats)
15.	Bharat Dynamics Ltd.	Hyderabad	2
16.	Burn Standard Co. Ltd.	Calcutta	2
17.	General Insurance Corporation	Bombay	4
18.	Metallurgical and Engineering Consultants (I) Ltd.	Ranchi	4

3.7. The Electronics Trade and Technology Development Corporation Ltd., New Delhi has furnished the following information regarding the buildings hired and the annual rent paid therefor:

Name of building	Date of hiring	Rent paid (Annual)
		Rs.
15/48 Malcha Marg	14-3-1975	1,80,000
16/48 " "	1-2-1976	1,29,000
19/48 " "	25-5-1977	22,344

3.8. Similarly, the General Insurance Corporation, Bombay has furnished the following information:—

Name of building	Date of hiring	Amount of Rent paid
1. Industrial Insurance Building	Jan., 1973	Rs. 25,260
2. Baldota Bhavan	Nov., 1975	Rs. 1,23,108
3. International Bldg.	July, 1976	Rs. 16,608
4. Vulcan Insurance Building	October, 1976	Rs. 15,348

3.9. National Hydro Electric Power Corporation Ltd., New Delhi had paid advance rent of Rs. 3,25,354 but has not mentioned the period for which the rent has been paid which gives rise to suspicion.

3.10. In their Fiftieth Report (Third Lok Sabha), 1963-64 on Public Undertakings—Accommodation rented in Principal Cities and Guest Houses, Staff Cars etc., maintained by them, the Estimates Committee had observed as follows:—

“Considering the magnitude of the total rent paid and the area occupied by the public undertakings in each of the principal cities of Delhi, Calcutta, Bombay and Madras, it would now appear that the requirements of public undertakings admit of being pooled and met in a planned

way. The Committee have considered this aspect and they feel that it would be more advantageous to construct one or two multi-storeyed buildings to house the offices of the various undertakings located in these cities. Such an arrangement would not only be economical in the long run, but would also help to ease the pressure on the private accommodation and lower the rents in these cities. It would also benefit the public undertakings in that it would bring all such offices at one place thus facilitating the easier transaction of business by the public and saving in transport and communications."

The Committee therefore recommended that—

"after assessing the present and future requirements of the public undertakings, multi-storeyed building or buildings may be constructed at each one of the cities of Delhi, Calcutta, Bombay and Madras for housing their offices. While assessing the needs of public undertakings, it would be desirable to ascertain the requirements of other public bodies which are being financed out of Government funds with a view to seeing whether their accommodation requirements could be met in this way. The Committee have no doubt that considerations of economy would be kept in view while selecting the sites as their location from the heart of the city would not make much difference as greater transport facilities are available in those places".

3.11. Government informed the Committee on Public Undertakings in January, 1967 that the Administrative Ministries concerned will first decide whether the headquarters of the offices of the various Public Undertakings should continue to be located in the principal cities of Delhi, Calcutta, Bombay and Madras and thereafter the conclusions of the Administrative Ministries concerned could be reviewed by the Accommodation Advisory Committee. After clear decision had been taken in this regard and the present and future requirements of office space ascertained, the Ministry of Works, Housing and Urban Development could undertake the construction of one or two multi-storeyed buildings in each of these cities to house the various offices of all the undertakings. This could be possible in two ways, either the funds could be provided by Government and a space allotted to each undertaking on payment of market rent or one undertaking could construct the buildings for the use of all.

3.12. In their Twenty-first Report—(1967-68) (Fourth Lok Sabha), the Committee on Public Undertakings stated that they were un-

happy to note that even the preliminary steps had not been taken by Government to implement the recommendations of the Estimates Committee made four years back. The Committee reiterated the recommendation of the Estimates Committee and urged Government to examine the matter without any further delay.

3.13. The Committee are surprised to note that a large number of public undertakings are having their head offices in metropolitan cities viz., New Delhi, Bombay, Calcutta and Bangalore for the convenience of the highly placed persons in the Ministries and Public Undertakings. The Committee are convinced that most of these undertakings have no justification of setting up their head offices in these metropolitan cities. It is a craze among the public undertakings to locate their offices mainly in Delhi and hire accommodation at exorbitant rents making it a prestige issue and which has also become a source of patronage. With the development of rapid means of communication like telephones, teleprinters etc., there is no reason why the head offices of the public undertakings should continue to be located in these metropolitan cities. The concentration of the head offices of the public undertakings in these cities has resulted in creating severe overcrowding and scarcity in the availability not only of office accommodation but also residential accommodation and sharp rise in the rental charges of both office and residential accommodation, causing distress and hardship to a large number of people residing in these cities.

3.14. It is noteworthy that most of the public undertakings pay house rent allowance to their staff at the rate of 35 per cent of basic pay (as against 15 per cent by the Central Government) which not only has a substantial effect on the total wage bill of these undertakings but also pushes up the rents of private houses. The Committee feel that there is a case for reducing the House Rent Allowance paid to persons drawing basic salary of Rs. 1500/- and above. The existing disparity between the House Rent Allowance given to the Central Government Employees and the employees of the Public Undertakings should also be removed so that the low paid employees in the Central Government are brought at par with persons doing similar jobs in the Public Undertakings.

3.15. The Committee require that Government should appoint a Committee to review the need for continued location of the head offices of the public undertakings in the metropolitan cities with a view to shifting as many of these head offices from these cities as possible without causing any hardship to the low paid employees. This Committee should be asked to submit its report within three months. The Committee have no doubt that the shifting of these

head offices to the smaller towns and cities/worksites would not only ease the housing shortage in the metropolitan cities but would also lead to the development of the smaller cities to which these may be shifted.

3.16. The Committee regret that in spite of the recommendations made by the Estimates Committee as far back as in 1963-64 to the effect that Government should consider the desirability of constructing a public undertakings complex in each of the principal cities for housing the head offices of public undertakings located in these cities, no tangible progress has so far been made in this direction even after a lapse of fourteen years since the recommendation was made.

3.17. Taking into account the abnormally heavy amount of rent being paid by public undertakings, the Committee strongly recommend that Government should actively consider the desirability of constructing a public sector office complex in each of the principal cities viz., Delhi, Bombay, Calcutta, Madras and Bangalore to house those public undertakings which are required to be located in these cities. The Committee have no doubt that the construction of these complexes can be easily financed by the Public Undertakings themselves or by the Financial Institutions.

3.18. The Bureau of Public Enterprises should also issue instructions that wherever Government accommodation built by agencies like D.D.A., State Housing Boards etc., is available, the Public Undertakings should obtain such accommodation on lease on a long term basis for locating their offices instead of hiring private accommodation which tends to breed corruption and over spending.

3.19. It will be seen from the statement in Appendix IV that 27 public undertakings located in Delhi have paid rent to the tune of Rs. 214 lakhs during 1976-77. Among the public undertakings which are paying huge rents are:—

Sl. No.	Name of Undertaking	Rent paid (1976-77) (Rs. in lakhs)
1	Engineers India Ltd.	61.57
2	Bharat Heavy Electricals Ltd.	23.73
3	Minerals & Metals Trading Corporation of India Ltd	20.08
4	Indian Airlines	15.58
5	Rural Electrification Corporation	12.14
6	National Industrial Development Corporation	12.00

The Committee require that an enquiry should be made into the heavy rentals paid by the various Public Undertakings to see how far these are justified.

3.20. The Committee deprecate the practice of housing offices of some public undertakings in more than one place in the same city which involves avoidable overheads and duplication of expenditure on communication facilities like telephone, telex, wireless, transport, staff cars etc. The Committee require that Government should issue instructions that as far as possible, the offices of these undertakings should not be scattered in the same city but should be located in one place. The Public Undertakings concerned should be asked to initiate necessary action in the matter without delay. The Committee would like the Bureau of Public Enterprises to review the position at least once in a year till the desired objective is achieved.

3.21. The Committee find from the statement at Appendix IV that 7 Public Undertakings have paid advance rent exceeding Rs. 5 lakhs during the years 1974-75 to 1976-77 as shown below:—

	(Rs. in lakhs)
1 Engineering Projects (India) Ltd.	28.50
2 Jute Corporation of India Ltd.	28.11
3 Minerals & Metals Trading Corporation of India Ltd.	27.71
4 Bharat Heavy Electricals Ltd.	15.49
5 National Thermal Power Corporation Ltd.	8.00
6 Mogul Line Ltd.	6.83
7 Indian Airlines	2.78 Plus 5 months' rent of 11 flats.

3.22. The Committee are amazed to find that as many as 7 Public Undertakings have paid advance rent exceeding Rs. 5 lakhs during the year from 1974-75 to 1976-77. The rationale for the payment of this advance rent is not clear to the Committee. They would like that immediate investigation should be conducted with a view to finding out whether there has been any collusion between the Undertakings and the owners of the private buildings. The services of the Land Acquisition Collector as also the Rent Controller should be utilised for ascertaining the justiciability of those high rents.

(ii) *Expenditure on Maintenance and Furnishing etc.*

3.23. A statement showing the annual expenditure incurred by the various public undertakings on the maintenance of head office buildings hired by them, including the amount spent on civil works, hard and soft furnishing, electricity, air conditioning/central heating, horticulture and persons employed, is given at Appendix V.

3.24. It will be seen that the total expenditure incurred by these undertakings on maintenance including the amount spent on civil works, hard and soft furnishings etc. during the last three years, 1974-75, 1975-76 and 1976-77 amounted to Rs. 1,95,38,950 the break-up of which year-wise is given below:—

Year	Amount
1974-75	36,45,519
1975-76 -	47,70,016
1976-77	1,11,23,415
	Rs. 1,95,38,950

3.25. It is further seen from Appendix V that out of 61 undertakings mentioned therein, 25 undertakings have spent more than Rs. 1 lakh each on the maintenance of office buildings etc., in at least one of the years 1974-75, 1975-76 and 1976-77. In the case of the following seven undertakings, the maintenance expenditure/cost has exceeded Rs. 5 lakhs in one or the other of the three years as per details given below:—

(Rs. in lakhs)					
S.No.	Name of Undertaking	1974-75	1975-76	1976-77	Total
1.	Metallurgical Engineering Consultants (I) Ltd., Ranchi	10.46	11.92	13.95	36.3
2.	Rural Electrification Corporation Ltd., New Delhi	1.65	1.02	14.20	16.87
3.	Kudrimukh Iron Ore Ltd., New Delhi . . . . .	..	..	16.27	16.27*
4.	Engineers India Ltd., New Delhi	1.64	5.27	7.70	14.61
5.	Bharat Heavy Electricals Ltd., New Delhi	1.83	4.14	6.45	12.42
6.	Indian Air Lines, New Delhi . . . . .	..	..	..	11.56@
7.	Minerals & Metals Trading Corporation of India Ltd., New Delhi	2.19	1.27	5.41	8.77

* The Corporation has stated thus :

"The Company was formed on 2-4-1976 and this includes the expenditure on putting up office accommodation in the beginning. In future, the annual expenditure will be nominal."

@ Year-wise break-up not given.

3.26. The Committee observe with deep anxiety that the expenditure incurred by 61 public undertakings on maintenance, furnishing etc., of office buildings hired by them registered a very sharp increase during the three-year period ending 1976-77 in that it rose from Rs. 36.45 lakhs in 1974-75 to Rs. 47.7 lakhs in 1975-76 and Rs. 111.23 lakhs in 1976-77.

3.27. The Committee are perturbed at the sharp rise in the maintenance expenditure of hired buildings by some of the undertakings. For example, in the case of Rural Electrification Corporation Ltd., the expenditure has increased from Rs. 1.65 lakhs in 1974-75 to Rs. 14.2 lakhs in 1976-77 i.e., a rise of 760 per cent. In the case of Engineers India Ltd., the expenditure has escalated from Rs. 1.64 lakhs in 1974-75 to Rs. 7.7 lakhs in 1976-77. In the case of Bharat Heavy Electricals Ltd., it has risen from Rs. 1.83 lakhs in 1974-75 to Rs. 6.45 lakhs in 1976-77. The Committee would like to have fuller justification for the increase in expenditure from the undertakings concerned.

3.28. The Committee cannot too strongly stress the need for observing utmost economy in the expenditure on maintenance of buildings hired by the public undertakings at fancy rates. They would like the Bureau of Public Enterprises and the Administrative Ministries concerned to review the matter and to lay down suitable ceilings of expenditure for various major items, in case this has not already been done with a view to check the galloping expenditure under this head.

D. EXPENDITURE ON AIR CONDITIONING

4.1. Out of the 100 public undertakings from whom information had been received till 20-3-1978, 25 undertakings have air-conditioning arrangements in their Head Offices either owned or hired.* Details of such undertakings with location of their Head Offices and annual expenditure incurred by them on air-conditioning are as under—

*Note :— The Committee are not certain whether more Undertakings have got air-conditioning/central heating, since the questionnaire in the proforma could give rise to different meanings. The Committee, however, will endeavour to publish another Report giving accurate details.

OWNED BUILDINGS

Sl. No.	Name of Undertakings	Location of Head Office	Annual expenditure on Air-conditioning			Total for 3 years			
			1974-75	1975-76	1976-77				
			1	2	3		4	5	6	7
1	Bharat Petroleum Corporation Ltd.	. . . . . Bombay	. . . . .	. . . . .	. . . . .	3,25,000	3,25,000	3,25,000	9,75,000
2	Cochin Refineries Ltd.	. . . . .	. . . . . Ambalamugal	. . . . . Ernakulam	. . . . .	30,015	30,015	30,015	90,045
3	Hindustan Antibiotics Ltd.**	. . . . .	. . . . .	. . . . . Pimpri (Pune)	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
4	Hindustan Photo Films Mfg. Co. Ltd.†	. . . . .	. . . . .	. . . . . Indunagar	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
5	Hindustan Teleprinters Ltd.†*	. . . . .	. . . . .	. . . . . Madras	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .
6	Indian Airlines††	. . . . .	. . . . .	. . . . . New Delhi	. . . . .	1,08,000	1,20,000	1,31,000	3,59,000
7	Jesop & Co. Ltd.@@	. . . . .	. . . . .	. . . . . Calcutta	. . . . .	. . . . .	. . . . .	. . . . .	. . . . .

*The Corporation has given only consolidated information (a) and not year-wise; (b) capital cost of furnishing (hard & soft) air-conditioning/central heating)=Rs. 35,52,078/-.

@ Capital cost of Air-conditioning as on 31-3-1977=Rs. 5,86,268.

** (a) Cost of Air-conditioning as on 31-3-1977=Rs. 23,857.

(b) The Corporation has not given maintenance cost of air-conditioning in any year.

† Cost of Air-conditioning as on 31-3-1977=47,97,000

Maintenance cost year-wise not given.

†*(a) Cost of Air-Conditioning Plant =Rs. 7,65,000

(b) Year-wise maintenance expenditure not given.

†† Cost of Air-conditioning=Rs. 5, 68, 980

@ (a) Cost of Air-conditioning as on 31-3-1977=Rs. 10,06,852

(b) year wise maintenance expenditure not given.

1	2	3	4	5	6	7
8	L.I.C. of India*	. . . . . Bombay	. . . . .	. . . . .	. . . . .	. . . . .
9	Madras Refineries Ltd.	. . . . . Madras	36,000	36,000	36,000	1,08,000
10	Mining & Allied Machinery Corporation Ltd.	. . . . . Durgapur	40,000	50,000	60,000	£1,50,000
11	Richardson & Cruddas Ltd.	. . . . . Bombay	17,000	17,000	12,000	*46,000
12	Salcarn Steel Ltd.®	. . . . . Salcarn	930	791	2,420	4,141
13	The New India Assurance Co. Ltd.	. . . . . Bombay	3,28,670	2,70,599	4,47,419	10,46,688

* Cost of Air-conditioning Plant — Rs. 7,56,645.

(a) including alterations carried out for shifting etc.

(b) Year-wise maintenance expenditure not given.

® Cost of Air-conditioning Plant — Rs. 2,12,000.

£ Cost of Air-conditioning not given separately.

• (a) Repairs to Air-conditioner/water coolers.

(b) Cost of Air-conditioner not given.

¶ The Corporation has stated thus :

"There is no central air-conditioning of the building. Only individual air conditioners are provided".

£ Cost of Air-conditioning Plant 1 27,60,722.

HIRED BUILDINGS

S. No	Name of Undertaking	Location of Head Office	Expenditure on Air-conditioning/ Central heating				Total for 3 years
			1974-75	1975-76	1976-77		
			4	5	6	7	
1	3	3					
1	Bharat Heavy Electricals Ltd.	New Delhi	56,918	1,08,201	28,467	1,93,586	
2	Bongaiaon Refinery & Petro-Chemicals Ltd.	New Delhi	39,126	..	40,964	74,090	
3	Engineers India Ltd.	New Delhi	1,60,928	4,46,165	5,91,853	11,989,46	
4	Export Credit & Guarantee Corporation Ltd.	Bombay	..	..	..	..
5	General Insurance Corporation.	Bombay	..	..	..	..
6	Indian Rare Earth Ltd.	Bombay	..	..	50,000	@ 50,000
7	International Airports Authority of India	New Delhi	1,24,216	1,21,213	1,25,439	3,70,868	

* Includes Electricity charges also.

@ The annual rent paid i.e. Rs. 8.30 lakhs, 8.68 lakhs and 9.08 lakhs in 1974-75, 1975-76 and 1976-77 respectively is inclusive of maintenance charges including air-conditioner charges. Separate break-up not given.

† Air conditioning charges not given separately. Included in the expenditure on the maintenance of—

@ (i) Only consolidated information given and not break up year-wise.

(ii) Indicate the amount spent on air-conditioners in cabins.

1	2	3	4	5	6	7
8	Jute Corporation of India	. . . . . Calcutta	..	..	..	..
9	M:allurgical & @Engineering Consultants (India) Ltd.	Ranchi	..	..	..	..
10	Rural Electrification Corporation Ltd.	. . . . . New Delhi	72,451	31,335	1,11,872	2,15,658
11	Tea Trading Corporation of India Ltd.	. . . . . Calcutta	47,334	47,334	47,334	1,48,002
12.	Western Coalfields Ltd.	. . . . . Nagpur	..	2,731	7,617	1,368

• The Building is centrally air-conditioned. But annual expenditure thereon has not been given.

@ The Corporation has installed air-conditioning Plant.

(i) cost of which is Rs. 57.54 lakhs as on 31-3-1977.

(ii) year-wise maintenance expenditure not given.

∫ The Corporation has stated that the building in which the Head Office is located is not centrally air-conditioned.

The expenditure incurred is the cost of air-conditioner/room coolers etc. installed in individual rooms. |

4.2. It would be observed from the above statement that the recurring expenditure incurred by 25 public undertakings on air conditioning of their administrative buildings during the years 1974-75 to 1976-77 was as under:—

(Rs. in lakhs)			
	1974-75	1975-76	1976-77
1. Own buildings	5.6	5.24	10.43
2. Hired ,,	4.95	5.57	10.03
TOTAL	10.55	12.81	20.46

4.3. The Committee find from the above that the annual expenditure on air conditioning of administrative buildings owned/hired by 25 public undertakings has doubled over the three years period 1974-75 to 1976-77 and was as high as Rs. 20.46 lakhs in 1976-77.

4.4. The Committee consider that air conditioning of administrative buildings is a luxury which our country can ill-afford being one of the very poorest countries in the world where deaths by starvation still take place. It not only involves huge capital expenditure but also high recurring costs. It is totally unjustified in the context of our power starved industry and agriculture. Power shedding which has become a usual feature is costing enormously in terms of industrial and agricultural production. The Committee would therefore call upon Government to issue strict instructions banning the air conditioning of all administrative offices whether those belonging to the Central Government or to the Public Undertakings under them.

NEW DELHI;
April 26, 1978.

Vaisakha 6, 1900 (Saka)

JYOTIRMOY BOSU
Chairman,

Committee on Public Undertakings.

APPENDIX I

Particulars of 72 Public Undertakings which have not furnished the requisite information till 2-3-1978

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 and 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 & Graven of India Ltd.
25. Handicrafts & Handloom Export Corporation of India Ltd.
26. Heavy Engineering Corporation Ltd.
27. Hindustan Copper Ltd.

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 and 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 (Maharashtra North) Ltd.
56. National Textile Corporation (South Maharashtra) Ltd.
57. National Textile Corporation (Tamil Nadu & Pondicherry) Ltd.
58. National Textile Corporation (West Bengal, Bihar, Assam and Orissa) Ltd.
59. National Textile Corporation (Uttar Pradesh) Ltd.

60. North Eastern Handicrafts and Handloom Development Corporation.
61. Neyveli Lignite Corporation Ltd.
62. Oil & Natural 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.

APPENDIX II

(vide Para 2.1 of Chapter 'B')

Statement showing Capital Cost of Head Office Building, covered area, amounts spent on furnishings/ Fittings (hard & soft), Air Conditioning/Central Heating etc.

Sl. No.	Name of Undertaking	Location of Head Office	Capital cost of Head Office Building		Covered Area [¶] Sq. ft./ Sq. mt.	Amount spent on furnishing/ fitting (hard and soft) Air conditioning/ Central Heating	Remarks	
			Land	Construction [¶] Total				
1	2	3	4	5	6	7	8	9
1	Artificial Limbs Mfg. Co. Ltd.	*G.T. Road Kanpur	@Nil	19,14,809	379.59	sq. mts.	Nil	
2	Balmer Lawrie Co. Ltd.	Calcutta	₹7,90,514	₹5,40,021	₹13,30,535	15760 "	₹10,81,995	
3	Bharat Heavy Plat. & Vessels Ltd.	Visakhapatnam	₹Nil	17,98,000	₹17,98,000	4845 "	2,27,000	
4	Bharat Ophthalmic Glass Ltd.	Durgapur (West Bengal)	₹11,672	₹50,51,738	₹53,63,411	1,69,532 "		
5	Bharat Petroleum Corporation Ltd.	Bombay	₹*		₹42,03,11	11665	35,52,078	Amount in Col. 8 is inclusive of Air-conditioning Cost.
6	Braithwaite & Co. Ltd.	@Calcutta	..	..	..	4640 sq.ft.¶	..	
7	Central Electronics Ltd.	₹ Sahibabad ¶	..	..	..	..	..

1	2	3	4	5	6	7	8	9
8	Cochin Shipyard Ltd.	Cochin	@ 354.00,000	85,45,000	4,39,45,000		12,50,000	Not centrally conditioned. But certain areas like computer Drafting rooms are air-conditioned on a functional basis. This has cost Rs. 2.50 lakhs.
9	Cochin Refineries Ltd.	Ambalamugal (Kerala State)	3,090	19,75,417	19,78,507	2315 Sq. ft.	11,37,850	Amount in Col. 8 is inclusive of Rs. 5,86,268 as the cost of Air-conditioning.
10	Delhi Transport Corporation	New Delhi.	83,160	4,98,462	5,81,622	23562 Sq. ft.	..	..

*Upto May, 1975 the H. O. was situated in Delhi in a rented building.

@ Land leased by Indian Institute of Technology.

£ Land given by Andhra Pradesh free of cost.

* Land is on lease from Bombay Port Trust.

@ Location of H. O. is within the Company's Clive Works Premises at Calcutta. Only a portion of Clive Works Building is used for H. O.

@ H.O. is located Transit shed Building with 10,000 Sq. ft., (Factory Premises).

& H.O. is functioning within the Shipyard Premises itself. Since the Administrative Building is located within the Shipyard Premises itself, separate break-up figures showing land cost for the administrative Building is not available. Total cost of acquisition of land for the shipyard Project for Approx. 170 acres paid so far is Rs. 3.54 crores.

* Besides its own building, the Corporation has eleven Premises on hire, details of which are given in the statement of hired accommodation. (Appendix iv).

1	2	3	4	5	6	7	8	9
11	Electronics Corporation of India	Charlapalli (Hyderabad)	—	17,11,000	17,11,000	—	2,48,000	Figures in Col. 8 relates to electrical fittings.
12	Hindustan Antibiotics Ltd.	Pimpri (Pune)	—	4,44,413	4,44,413	8705 Sq. ft.	5,83,780	Amount in Col. 8 is inclusive of Rs. 23,857 as air-conditioning cost.
13	Hindustan Housing Factory	New Delhi	@9,66,000	₹38,17,000	37,83,000	444 Sq. mts.	—	—
14	Hindustan Organic Chemicals Ltd.	P.O. Raayani (Maharashtra)	Free of cost	**22,00,000	22,00,000	4000 sq. mt.†	—	—
15	Hindustan Photo Films Mfg. Co. Ltd.	Indunagar (Ootacamund)	₹3,89,480	3,07,51,000	3,11,40,480	†1,62,751 Sq. ft.	47,97,000	Rs. 47.97 lakhs is the amount spent on air-conditioning.
16	Hindustan Teleprinters Ltd.	Madras††	Nil	87,23,000	87,23,000	15,691 Sq. ft.	7,65,000	Rs. 7.65 lakhs is the amount spent on air-conditioning.

**The Corporation has stated thus:

"At present offices are housed in a temporary sheds. The permanent office building is under construction and will be completed by end of 1978. The total area is 4000 sq. mt. and total cost is about Rs. 22.00 lakhs."

@Land Purchased on lease basis from Land & Development Officer, Ministry of Work & Housing **Ground** rent of leased land annually paid is Rs. 16,657.

₹ Buildings (both office & Factory).

†Plinth Area (including factory building).

††H.O. includes Factory Premises also.

1	2	3	4	5	6	7	8	9
17	Indian Airlines	New Delhi (2 Bldg.) (i) (ii)	2,68,100 Nil	21,26,800 2,08,000	26,02,900	71000 Sq. Ft.	5,68,980	Rs. 5,68,980 is the cost of Air-conditioning.
18	Indian Dairy Corporation & Baroda	Baroda	—	7,45,413	7,45,413	15724 Sq. Ft.	2,69,419	
19	Indian Fire bricks & Insulation Ltd.	Marar (Bihar)	570	3,35,000	3,35,570	20,687 Sq. Ft.	—	
20	Instrumentation Ltd.	Kota*	—	..	..	..	—
21	Jesop & Co., Ltd.	Calcutta	7,83,845	10,92,539	18,76,384		27,92,720	Amount in Col. 8 is inclusive of Rs. 10,06,852 as cost of airconditioning
22	LIC of India	Bombay	Leasehold Land	1,21,89,288	1,21,89,288	34487 Sq. ft. (built up area)	36,47,423	Amount in Col. 8 is inclusive Rs. 7,26,645 as the cost of air conditioning
23	Madras Fertilizers Ltd.	Madras	12,21,110	36,46,195	48,67,245	4020 Sq. Mt.	—	

* Besides its own buildings, Indian Airlines has hired 3 more buildings details of which are given in the hired accommodation statement. (Appendix IV & U) to 14-7-1975, the Corporation had housed its H.O. in a hired accommodation.

* H.O. is located at Kota. There is no separate building for accommodation of the H.O. Staff.
@ 2 Bighas, 15, Cottaha, 10 Chattak and 26 Sq. Ft.
£ A lease rent of Rs. 32,499.10 is being paid every quarter to the Collector of Bombay.

2 3 4 5 6 7 8 9

24	Madras Refineries Ltd.	Madras		13,62,429	13,62,429	1900 Sq. Mt.	2,12,000	Rs. 2,12,000 spent on air condi- tioning.
25	Mazagon Dock Ltd.	Bombay*	..	39,48,494	39,48,494	..	£	
26	Mining & Allied Machinery Co- Corporation Ltd.	Durgapur	Free	23,40,000	23,44,000	6170 Sq. Mt.	2,81,000	Amount in Col. 8 is inclusive of Air- conditioning cost.
27	National Instruments Ltd.	Calcutta†	6,89,862	44,45,618	*51,99,273	21,060 Sq. ft.		
28	National Small Industries Cor- poration Ltd.	Okhla (New Delhi)	98,178	17,20,473	18,18,651	68,765 Sq. ft.	2,45,839	Amount in Col. 8 is the cost of Room coolers, water cooler, G.I. Pipe connection.
29	National Textile Corporation (Gujarat) Ltd.††	Ahmedabad	—	—	—	2660 Sq. ft.	1,59,022	Amount in Col. 8 relates to period of three years.
30	National Textile Corporation (Madhya Pradesh) Ltd.**	Indore	—	—	—	22,789 Sq. Ft.	—	
31	Praga Tools Ltd.	Secundrabad	94,999	&	94,999	17,400 Sq. ft.	—	

① H.O. is located in the yard at Bombay.

£ Cost of furniture & fittings in these buildings is not available separately.

* Includes Rs. 69,793 as cost of lift.

† Plant and Head Office are located in one place.

†† Besides its own building, the Corporation has 3 more premises on hire in Ahmedabad details of which are given in the hired accommodation statement.

** From 1-1-1974 to February 1976, the Corporation had its head office in rented building in Bhopal. H.O. located in owned Building from March, 1976.

& One of the buildings constructed is occupied by the H.O. from 1962 onwards. Therefore no separate break-up of the capital cost and money spent on acquisition of land/construction of building is available.

1	2	3	4	5	6	7	8	9
32	Richardson & Cruddas Ltd.	Bombay	..	13,17,000	13,17,000	275 Sq. Mt.	..	Amount in Col. 8 is inclusive of Rs. 58,870 spent on Room Air Conditioning.
33	Salem** Steel Ltd.,	Salcm	44,865	38,236	89,101	487 Sq.Mt.	8,15,351	
34	Scooters India Ltd.	@Lucknow	12,58,000	2,33,44,000	2,46,02,000	2520 Sq.Mt.	88,43,000	Rs. 88.43 lakhs is the cost of elect. equipment and fittings.
35	Triveni Structurals Ltd.	Allahabad	Free of Cost	Not given	..	7980 Sq.Mt.	..	
36	Uranium Corporation of India Ltd.	.. †Jaduguda (Bihar)	..	8,09,000	8,09,000	1361 Sq Mts.	..	
37	New India Assurance Co. Ltd.,	Bombay	8,25,451	20,69,285	28,94,796	167022 Sq. Ft.	27,60,722	Rs. 27.60,722 is the cost of Air-conditioning Plant.
38	Bharat Gold Mines Ltd.‡	..	..	..	..	..	..
39	Bharat Pumps and Compressors Ltd.‡‡	..	..	..	..	..	..

**Besides its own building, the Company has also taken a building on rent.

† Total covered area of the Building is 6800 Sq Mts., out of which 2000 Sq. Mts. are rented out to Govt. Departments / Public Sector Enterprises. Out of remaining 4800 Sq. Mts., about 275 Sq. Mts. is used by Personnel who could be considered as H.O. Personnel. The Building is used both for the Administrative office of the Works and Regional Office of the Company.

@ The Administrative & Production Wings of the Company are situated at the Works itself

‡ There is no separate H.O. establishment.
‡ Carpet Area.

§ Bharat Gold Mines Ltd. has stated that as all its offices are located within the mining areas in Kolar Gold field, the question is not therefore applicable.
‡‡ Bharat Pumps & Compressors Ltd. has stated that the Head Office and works both are located at Naini and hence separation of staff and other expenses does not arise.

APPENDIX III

(Vide Para 2.5 of Chapter B)

B. Statement showing Annual Expenditure on maintenance of H.O. Building (Owned) E. Civil Works, Hard and Soft Furnishing, Electricity, Air conditioning Central Heating, Horticulture, Persons employed for upkeep etc.

Sl. No.	Name of Undertaking	1974-75	1975-76	1976-77	Total for 3 years	Remarks
1	2	3	4	5	6	7
1	Artificial Limbs Mfg. Co. Ltd.*	..	..	..	..
2	Balmer Lawrie Co. Ltd.	2,43,093	2,99,038	4,34,144	9,76,275	
3	Bharat Heavy Plate & Vessels Ltd.	58,017	36,488	14,903	1,09,408	
4	Bharat Ophthalmic Glass Ltd.		Negligible			
5	Bharat Petroleum Corporation Ltd. .			7,99,158	7,99,158	Inclusive Rs. 3,25,000 as maintenance of air-conditioning/central heating.
6	Braithwaite & Co. Ltd.**					
7	Central Electronics Ltd.				..	
8	Cochin Shipyard Ltd.		30,000	..	30,000	
9	Cochin Refineries Ltd.	1,01,944	89,733	1,35,409	3,27,086	Inclusive of Rs. 90,015 being spent on air-conditioning every year.

*As the Head Office is situated in a part of Engineering Office Building, no expenditure is being exclusively incurred on civil works, hard & soft furnishing, electricity, air conditioning/central heating, horticulture and for its upkeep.

**H.O. Portion is maintained by civil works and not available/recorded separately.

10	Delhi Transport Authority*	2,76,000	4,46,000	10,40,000	17,62,000	Break up not given.
11	Electronics Corporation of India	11,000	8,000	11,000	30,000	Do.
12	Hindustan Antibiotics Ltd.	4,790@	3,928@	9,660@	18,376	
13	Hindustan Housing Factory Ltd.	1,26,000	1,34,000	1,86,000	4,66,000	
14	Hindustan Organic Chemicals Ltd.					
15	Hindustan Photo Films Mfgs. Co. Ltd.	3,09,000	5,15,000	6,77,000	15,01,000	Expenditure on persons employed for upkeep not given. Only number of persons employed mentioned.
16	Hindustan Teleprinters Ltd.	69,000	1,12,000	1,31,000	3,12,000	Break-up not given.
17	Indian Airlines	+ 6,45,610	+ 4,86,222	+ 8,14,007	19,45,839	Figures of expenditure on persons employed not given. Only No. of persons employed mentioned.
18	Indian Dairy Corporation		5,718	29,790	35,508	
19	India Firebricks & Insulation Co. Ltd.			..		

* Separate details of expenditure on maintenance of Headquarters are not maintained.

@ Represents only Electricity Charges. Figures for expenditure on furnishing not available separately.

£ Not applicable as the building is under construction.

	1	2	3	4	5	6	7
20*	Instrumentation Ltd. †						
21	Jesop & Co. Ltd. **		6,37,860	7,94,941	8,50,488	22,83,289	
22	L.I.C. of India		10,47,117	11,01,422	8,53,431	30,00,970	
23	Madras Fertilizers Ltd.		14,36,136	8,73,769	6,38,177	29,48,082	Consolidated break-up not given.
24	Madras Refineries Ltd. †		1,60,950	1,39,185	1,46,729	4,46,864	
25	Mazagon Dock Ltd. †		8,05,000	10,73,000	15,68,000	34,46,000	Inclusive of maintenance expenditure of air-conditioning Rs. 40,000, 50,000 and 60,000 in 1974-75, 1975-76 and 1976-77.
26	Mining & Allied Machinery Corporation Ltd.		1,37,000	1,84,600	1,58,85	4,80,450	Do.
27	National Instruments Ltd.		2,74,356	3,31,731	4,11,918	10,18,175	
28	National Small Industries Corporation Ltd.		19,625	16,260	38,338	74,223	(i) Consolidated break-up not given. (ii) Expenditure on persons employed not given. Only No. of persons employed mentioned.

*Head Office is located at Kota. There is no separate building for accommodation of the H.O. Staff.

**Expenditure on persons employed for upkeep not separately available.

†In addition, the Undertaking has spent Rs. 11,563,161/- on maintenance of hired premises during 1974-75 to 1976-77 shown in Appendix IV.

††The record of repairs and maintenance expenditure on office buildings and furniture used in the office accommodation as well as shops, is maintained collectively.

†††Information regarding maintenance expenditure on furnishing not given.

29	National Textile Corporation (Gujarat) Ltd.	4,089	41,157	27,103	72,349	Break-up not given.
30	National Textile Corporation (Madhya Pradesh) Ltd.	—	—	50,534	50,534	
31	Praga Tools Ltd. ³	—	—	—	—	
32	Richardson & Cruddas Ltd.	1,02,000	61,000	1,50,000	3,13,000	
33	Salem Steel Ltd.	23,386	49,386	82,718	1,56,490	
34	Scoters India Ltd.	3,000	44,000	3,79,000 ⁴	4,26,000	Consolidated break-up not given.
35	Triveni Structurals Ltd.	7,181	18,208	22,666	48,055	Do.
36	Uraniun Corporation of India Ltd.	—	2,077	8,642	10,719	
37	The New India Assurance Co. Ltd. ⁵	10,10,539	10,81,009	19,98,436	34,89,084	
38	Bharat Gold Mines Ltd.. . . . .	..	..	..	..	The Total includes Rs.10,46,691 as maintenance expenditure on Air-conditioning for the 3 years.
39	Bharat Pumps & Compressors Ltd. . . . .	..	..	..	..
40	Garden Reach Ship Builders and Engineers Ltd. . . . .	..	..	..	..
41	Hindustan Cables Ltd. . . . .	..	..	..	..
42	Trade Fair Authority of India . . . . .	..	..	..	..
TOTAL 9.		75,12,863	79,97,872	110,67,101	265,17,836	

³Break-up of annual expenditure on maintenance of Head Office is not available. The H.O building of the Company is situated in the Factory premises occupied by it.

⁴Factory and Office.

⁵Figures pertain to calendar years 1974, 1975 and 1976 respectively. The figures exclude expenditure on personnel employed for upkeep as separate break-up for the same has not been furnished.

APPENDIX IV
(Vide Paras 3.1 and 3.4 of Chapter C)

Statement showing the particulars of head office accommodation rented by public undertakings

Sl. No.	Name of Undertaking	Location of H.O.	Covered Area	Advance rent paid	Annual Rent Paid		
					1974-75	1975-76	1976-77
1	2	3	4	5	6	7	8
NEW DELHI							
1	Bharat Aluminium Co. Ltd.	New Delhi	16500 Sq. ft.	Nil	2,12,000	2,12,000	2,12,000
2	Bharat Heavy Electricals Ltd.	New Delhi	60395 Sq. ft.	1975-76 8,01,710 1976-77 7,47,893	11,60,589	18,02,898	23,73,244
				15,49,603			
3	Bongaigaon Refinery & Petro Chemicals Ltd.	New Delhi.	8538 Sq. ft.	X	1,32,960	3,08,376	3,58,836
4	Cement Corporation of India	New Delhi	20,345 Sq. ft.	X	3,33,746	6,85,686	7,97,183
5	Delhi Transport Authority	New Delhi	23,562 Sq. ft.	X	55,602	55,602	75,602
6	Electronics Trade* and Technology Dev. Co. Ltd. New Delhi	New Delhi	17,209 Sq. ft.	X	X	X	X

*The Corporation has not furnished the information as desired by the [Committee.

It has given the information as under :

Name of Building	Date of Hiring	Rent (Annual)
(i) 15/48 Maicha Marg	14-3-1975	Rs. 1,80,000
(ii) 16/48 "	1-2-1976	Rs. 1,29,600
(iii) 19/48 "	25-3-1977	Rs. 22,344

7	Engineers India Ltd.	. . . . .	New Delhi	1,33,093	54,58,76* sq. ft.	48,79,502	51,47,261	61,57,272
8	Engineering Projects (I) Ltd.	. . . . .	New Delhi	33,354 Sq. ft.	1974-75 3,00,000 1975-76 23,00,000 1976-77 25,00,000 <u>28,50,000</u>	5,37,301	9,20,000	13,89,000
9	Hindustan Insecticides Ltd.	. . . . .	New Delhi	14,299 sq. ft.	1974-75 15,700 1975-76 15,700 1976-77 4,30,0798 <u>4,62,198</u>	69,000	1,99,228	3,98,344
10	Housing & Urban Development Corporation Ltd.		New Delhi	7624 Sq. ft.	£	45,406	45,885	58,702
11	Hydrocarbons India Ltd.	. . . . .	New Delhi	2821 sq. ft.	..	88,336	1,63,819	1,55,507
12	Indian Airlines	. . . . .	New Delhi	36,773 sq. ft.	@ 2,78,232	13,04,459	15,15,014	15,58,304

* Advance Rent paid for all the 5 buildings viz.

1. Press Trust of India .
2. Allahabad Bank Building.
3. Hindustan Time Office.
4. Kailash.
5. Ashoka.

£ Rent is paid one month in advance.

@ In addition to 2 Buildings taken on hire, the Corporation has also taken on hire 11 flats in the Himalaya House. In the case of each flat an advance of 5 months rent has been paid.

1	2	3	4	5	6	7	8
13	Indian Road Construction Corporation Ltd.	New Delhi	3,939 sq. ft.	69,155	..	..	20,833 (from Dec- ember 1976 to March, 1977)
14	International Airports Authority of India.	New Delhi	14,731 sq. ft.	4,52,400	4,52,400	4,52,400	4,81,485
15	Minerals & Metals Trading Corporation of India Ltd.	New Delhi	66,993 sq. ft.	20,32,000 7,39,000	20,08,000	20,08,000	50,00,000
				27,71,000			
16	National Building Construction Ltd.	New Delhi.	14,903 sq. ft.	*	92,688	92,688	3,85,048
17	National Fertilizer Ltd.	New Delhi.	14,110 sq. ft.	70,000	55,000	1,67,000	2,73,000
18	National Hydro Electric Power Corporation Ltd.	New Delhi	24,490 sq. ft.	@ 3,25,235	..	..	..
19	National Industrial Development Corporation	New Delhi.	32,648 sq. ft.	*	6,00,000	6,00,000	12,00,000
20	National Research Development Corporation	New Delhi	10,690 sq. ft.	5,000	80,000	98,000	94,000
21	National Thermal Power Corporation Ltd.	New Delhi	13,116 sq. ft.	8,00,343	..	..	4,29,049

*Six months' rent adjustable.

@The period upto which advance rent of Rs. 3,25,354 has been paid, has not been indicated.

22	The Project & Equipment Corporation of India Ltd.	New Delhi	10,705 sq. ft.	+	3,50,000	6,42,000	6,42,000
23	Rail India Technical & Economic Services Ltd.	New Delhi	7,147.225 sq. ft.	75-76 76-77	**1,47,225 210225		
24	Rural Electrification Corporation Ltd.	New Delhi	44,768 sq. ft.	₹	1,45,696	4,44,100	12,14,704
25	State Chemicals and Pharmaceuticals Ltd.	New Delhi	9,200 sq. ft.		..		5,52,000
26	State Farms Corporation of India Ltd.	New Delhi	19,730 sq. ft.		1,00,000	1,34,000	1,70,000
27	Water & Power Development Consultancy Services (I) Ltd.	New Delhi	10,585		4,19,385	30,000	1,80,451
BOMBAY							
1	Computer Maintenance Corporation Ltd.	Bombay	937 sq. ft.				@1,87,960 (From January 1977 to 31-3-1977)

+ A sum of Rs. 3 lakhs equivalent to 3 months rent of the premises is kept as deposit with the N.D.M.C.

**Only advance rent paid mentioned.
Annual rent paid not mentioned.

₹One months' rent, i.e. Rs. 1,45,696 was paid as advance.

₹₹The building is owned by NDMC and rented out to STC (Holding Company) of the Corporation. The Company has one floor in the building and paying proportionate rent to STC. The annual rent inclusive of maintenance, paid is Rs. 5,52,000.

@Hired from January, 1977.

1	2	3	4	5	6	7	8
2	Export Credit and Guarantee Corpn. Ltd.	Bombay	11,596 Sq. ft.	1,22,358	8,30,000	8,68,000	9,08,000*
3	General Insurance** Corporation	Bombay	19,141 Sq. ft.	..	..	..	..
4	Indian Motion Picture Export Corporation	Bombay	5,200 Sq. ft.	..	93,600	93,600	93,600
5	Indian Rare Earth Ltd.	Bombay	5,800 Sq. ft.	†	1,12,957	1,12,957	1,12,957
6	Mogul Line Ltd.	Bombay	688 Sq. ft.	6,83,904 (equivalent to 4 years rent)	2,47,641	2,50,659	2,54,423

* Rent is inclusive of maintenance charges.

** The Corporation has not furnished the information as required by the Committee i.e. Annual Rent paid (year-wise). It has given the information thus :

	Date of hire	Amount of rent paid
1. Industrial Insurance Building	January, 1973	25,260
2. Baldota Bhavan	November, 1975	1,23,108
3. International Bldg.	July, 1976	16,608
4. Vulcan Insurance Bldg.	October, 1976	15,348

†Rs. 2.20 lakhs paid as advance rent in 1964-65 adjusted after occupation of Premises against monthly rent within a period of 2/3 years.

1	2	3	4	5	6	7	8
			CALCUTTA				
1	Bolani Ore Ltd.	Calcutta	2,540 Sq. ft.	..	64,608		1,25,730 (1975-77 18 months)
2	Burn Standard Co. Ltd.	Calcutta	23,00 Sq. ft.	3,40,000	..		1,86,171*
3	Central Inland Water Transport Corporation Ltd.	Calcutta	23,714 Sq. ft.	—	1,92,100	1,92,100	1,92,100
4	Jute Corporation of India	Calcutta	36,355 Sq. ft.	28,11,096**	2,19,283	3,92,251	5,65,219

* The Corporation has hired two Buildings one occupied on 1-4-1974 and the other on 1-4-1975, but has mentioned the rent paid for the period from 1-12-1976 to 31-3-1977 (4 months).

(ii) Advanced rent paid to be adjusted against rent.

** The Corporation has given the information about advance rent paid as follows:—

	5th Floor	7th Floor
Recovered construction loan paid to the landlords—	£ 10,96,416	£ 7,14,680
Interest on construction loan	% 8½ p.a.	% 10 p.a.
Security Deposit.	54,880	85,734
	% 60 % of the monthly rent is to be adjusted towards interest as Principal.	% 50 % of the monthly rent to be adjusted towards principal first and after the principal is paid, towards accrued interest.

1	2	3	4	5	6	7	8
5.	Metal Scrap Trade Corporation Ltd.	Calcutta	4500 Sq. ft.	..	48,000	1,23,000	1,03,500
6.	Rehabilitation Industries Corporation Ltd..	Calcutta	8884 Sq. ft.		82,548	76,948	76,948
7.	Tea Trading Corporation of India Ltd.	Calcutta	4508 Sq. ft.	1,89,396	47,334	47,334	47,334
BANGALORE							
1.	Hindustan Aeronautics Ltd.	Bangalore	20,295	66,975	2,16,555	2,67,900	2,67,900
2.	Hindustan Machine Tools Ltd..	Bangalore	22,000 sq. ft.	3,96,000	3,60,000	3,60,000	3,96,000
3.	H.M.T. (International) Ltd.	Bangalore	4800 sq. ft.	32,400		36,000	59,400
4.	Kudremukh Iron Ore Company.	Bangalore	42,467	4,54,000			8,72,497
OTHER CITIES							
1.	Bharat Dynamics Ltd.	Hydrabad	..	18,000*	23,800	33,600	44,800
2.	Mishra Dhatu Nigam@ Ltd.	Hydrabad	Not given	Information not given			
3.	Bharat Leather Corporation Ltd.	Agra	3950 sq. ft.	..	..		13,750 (5½ months)
4.	Bharat Refractories Ltd.	Bokaro Steel Ltd.	1,500 Sq. ft.		1956	1956	1956

*Recoverable @Rs. 6,000 p.m. already deducted.

@ The Registered office of MIDHANI is situated in the premises of Defence Metallurgical Research Laboratory from the inception of the Company.

1	2	3	4	5	6	7	8
5.	Cashew Corporation of India Ltd.	Ernakulam Cochin	6,000 sq. ft.	..	30,000	35,000 &	36,000 &
6.	Central Mine Planning & Design Institute Ltd.	Ranchi	•••		..	1,48,375	1,48,375
7.	Metallurgical and Engineers Consultants (I) Ltd.	Ranchi	1,19,170 Sq. ft.		65,544	72,936	76,632
8.	Dredging Corporation of India Ltd.	Visakhapatnam	Not given				1,576 (from 1-12-76 to 31-3-1977)
9.	Hindustan Latex Ltd.	Kowdiar P.O. Trivandrum	2,000 Sq. ft.		Information not furnished		
10.	Hindustan Salts Ltd.	Jaipur	2,878 Sq. ft.		10,800	10,800	10,800
11.	Sambhar Salts Ltd.**	Jaipur	2,878 Sq. ft.				
12.	Indian Dairy Corporation@	Baroda	7,699			62,032 (upto July 1975)	
13.	Mineral Exploration Corporation Ltd.,	Nagpur	1,23,556 Sq. ft.		2,24,480	2,35,789	1,69,412
14.	Western Coal fields Ltd.	Nagpur	••	..	1,94,101	1,56,079	2,48,618

*Not mentioned.

**Debits raised by Central Coalfields Ltd., sister concern.

@The Office building of Sambhar Salts Ltd. is common to both Hindustan Salts Ltd. As such the expenditure on rent etc. has been shown under Hindustan Salts Ltd. (Holding Company).

@The Head office was located in Yashkamal Building, Baroda (Private accommodation) upto July, 1975.

1	2	3	4	5	6	7	8
15	National Textile Corporation (Gujarat) Ltd.	Ahmedabad	5,081 Sq. ft.	..	24,286	64,767	64,767
16	National Textile Corporation (Madhya Pradesh) Ltd.*	Indore	..	..	..	..	..
17	Sleem Steel Ltd.	Sleem	2,019 Sq. ft.	..	2,808	2,808	2,808

*From 1-1-1974 to Feb., 1976 H.O. located in rented building at Bhopal. Amount of rent paid during the period not given.

APPENDIX V

(Vide para 3.25 (Chapter C))

B. Statement showing annual expenditure incurred by Public Undertakings on maintenance of Head Office Buildings (Hired) including the amount spent on Civil Works, Ward and soft furnishing, electricity, air-conditioning/central heating, horticulture, persons employed etc.

Sl. No.	Name of undertaking	Location of H.Q.	Expenditure			Remarks
			1974-75	1975-76	1976-77	
1	2	3	4	5	6	7
			Rs.	Rs.	Rs.	
1	Bharat Aluminium Co. Ltd.	New Delhi	44,000	54,000	1,33,000	
2	Bolani Ores Ltd.	Calcutta	..	..	..
3	Bharat Dynamics Ltd.	Hyderabad	14,000	2,000	14,000	
4	Bura Standard Co. Ltd.	Calcutta	..	..	29,000†	
5	Bharat Heavy Electricals Ltd.	New Delhi	1,83,998	4,14,066	6,45,786	
6	Bharat Leather Corporation Ltd.	Agra	..	..	14,938*	
7	Bharat Refractories Ltd.	Boharo Steel City	..	..	..

†From 1-12-1976 to 31-3-1977.

*The Corporation has stated as under:—

The Office which was initially started in a private accommodation was shifted to site in January, 1976 and was housed in a warehouse and later on moved to chemical laboratory building in September, 1977. The total expenditure incurred in furnishing temporary office is as under:—

(i) Expenditure on furnishing including furniture issued to consultants: Rs. 2,12,000

(ii) Airconditioning Rs. 7,500

(iii) No. of persons employed Nil

The Corporation has also shown annual maintenance charges (capital) as: Rs. 11,918.00

1	2	3	4	5	6	7
8	Bongaigaon Refinery* & Petrochemicals Ltd.	New Delhi	₹ 1,58,093	49,401	2,60,931	
9	Cashew Corporation of India Ltd.† . . .	Ernakulam Cochin				
10	Cement Corporation of India . . .	New Delhi		1,19,304	1,798	
11	Central Inland Water Transport Corporation Ltd. . .	Calcutta	23,000	25,000	40,000	
12	Central Mine planning & Design Institute Ltd. . .	Ranchi				
13	Computer Maintenance Corporation Ltd. . .	Bombay				
14	Delhi Transport‡ Authority . . .	New Delhi				
15	Dredging Corporation of India . . .	Visakhapatnam				

†The Corporation has stated that furnishing at a total cost of Rs. 3,68,097 including electrical installation and air-conditioning was arranged by them during 1970-71 to 1973-74. No expenditure was incurred during 1974-75 to 1976-77.

‡Expenditure incurred during 1974-75, 1975-76 and 1976-77 is shown in a statement of expenditure on maintenance of building owned by the undertakings. (Appendix III)

16	Electronics Trade Technology Development Corporation Ltd.	New Delhi	62,000	1,42,000	89,000
17	Engineers India Ltd.	New Delhi	1,64,928	5,27,294	7,70,626
18	Export Credit & Guarantee Corporation Ltd.	Bombay	@ X	X	X
19	Engineering Projects (I) Ltd.	New Delhi	27,704	44,545	98,755
20	General Insurance Corporation	Bombay	65,700	1,29,401	2,51,195
21	Hindustan Aeronautics Ltd.	Bangalore	82,767	1,01,959	4,94,488
22	Hindustan Insecticides Ltd.	New Delhi	6,923	9,584	23,714
23	Hindustan Latex Ltd.	P.O. Kowdiar Trivandrum	X	X	X
24	Hindustan Machine Tools Ltd.	Bangalore	3,34,056	1,95,311	1,82,366
25	H.M.T. (International) Ltd.	Bangalore	X	5,462*	1,27,545@
26	Hindustan Salts Ltd.	Jaipur	X	X	3,155
27	Housing & Urban Development Corpn. Ltd.	New Delhi	28,294	56,792	35,045
28	Hydrocarbon India Ltd.	New Delhi	1,98,550	22,922	15,896

@Maintenance expenditure included in the Rent paid.

*During the year 1975-76, hard and soft furniture worth Rs. 21898 were transferred from the parent company and the Corporation's purchasers were worth Rs. 5462.

@Includes Rs. 1,20,000 as an amount paid in advance to interior decorators. The work is under progress.

1	2	3	4	5	6	7
29	Indian Airlines Ltd.	. . . . . New Delhi	..	X	11,56,316*	
30	Indian Dairy Corpn.	. . . . . Baroda	X	5,718	29,790	
31	Indian Motion Pictures Export Corporation Ltd.	. . . . . Bombay	19,697	29,906	39,412	
32	Indian Rare Earths Ltd.	. . . . . Bombay	X	X	1,15,000*	
33	Indian Road Construction Corporation Ltd.	. . . . . New Delhi	X	X	59,113	December, 1976 to March, 1977.
34	International Airports Authority of India	. . . . . New Delhi	1,64,016	1,75,804	2,14,730	
35	Jute Corporation of India	. . . . . Calcutta	3,75,954	3,763	4,26,869	
36	Kudremukh Iron Ore Co.	. . . . . Bangalore	X	X	16,26,935@	
37	Metal Scrap Trade Corporation Ltd.	. . . . . Calcutta	2,175	11,920	33,690	

* (i) The undertaking has given consolidated information and not year-wise.

(ii) In addition, the undertaking has spent Rs. 6,45,610, Rs. 4,86,222 and Rs. 8,10,007 in 1974-75, 1975-76 and 1976-77 respectively on maintenance of its owned buildings as shown in Appendix III.

* The undertaking has given consolidated information and not year-wise as shown below :

Internal partition, electrical fittings	Rs. 65,000
Air conditioners in Cabins	Rs. 50,000

@ The Corporation has stated thus : "The Company was formed on 2-4-1976 and this includes the expenditure of putting up Office accommodation in the beginning. In future the Annual expenditure will be nominal."

38	Metallurgical & Engineering Consultants (I) Ltd.	Ranchi	10,46,000	11,92,000	*13,95,000
39	Mineral Exploration Corporation Ltd.	Nagpur	65,678	2,21,900	2,43,164
40	Minerals & Metals Trading Corporation India Ltd.	Delhi	2,19,000	1,27,000	5,31,000
41	Mishra Dhatu Nigam Ltd.	Hyderabad	..	85,000	1,55,000
42	Mogul Line Ltd.	Bombay	..	..	..
43	National Building Construction Ltd.	New Delhi	12,065	22,927	1,11,885
44	National Fertilizers Ltd.	New Delhi	38,000	1,59,000	30,000
45	National Hydro** Electric Power Corporation Ltd.	New Delhi	..	..	..
46	National Industrial Development Corporation Ltd.	New Delhi	..	3,82,865	1,765
47	National Research Development Corporation	New Delhi	9,226	8,280	8,937
48	National Thermal Power Corporation Ltd.	New Delhi	..	..	[64,844
49	National Textile† Corporation (Gujarat)	Ahmedabad	..	..	..
50	National Textile Corporation (Madhya Pradesh) Ltd.	Indore	8,279	13,995	††
51	The Projects & Equipment Corporation Ltd.	New Delhi	..	..	..
52	Rare India Technical and Economic Services Ltd.	New Delhi	..	12,229	66,369

*In addition, the Corporation has given the cost of furniture, office equipments and other Assets (gross block as at the end of the 1976-77) as Rs. 57.5 lakhs.

**Occupied on 21-1-1977.

†In addition to hired accommodation, the Corporation's H. O. is also located in its own building at Ahmedabad, Maintenance expenditure incurred in respect of that building is shown in the statement at Appendix III.

††Expenditure of Rs. 50,534 incurred in 1976-77 has been shown in the statement at Appendix III relating to maintenance expenditure of owned buildings.

1	2	3	4	5	6	7
53	Rehabilitation Industries Corporation Ltd.	Calcutta	11,693	14,530	14,219	
54	Rural Electrification Corporation Ltd.	New Delhi	1,65,148	1,01,820	14,20,235	
55	Salem Steel Ltd.*	Salem	..	..	..
56	Sambhar Salts Ltd.	Jaipur	..	..	..
57	State Chemicals & Pharmaceuticals Ltd.	New Delhi	..	..	15,152†	
58	State Farms Corporation of India Ltd.	New Delhi	..	..	..
59	Tea Trading Corporation of India Ltd.	Calcutta	51,197	57,251	85,025	
60	Water & Power Development Consultancy Services (I) Ltd.	New Delhi	..	1,90,196	..	
61	Western Coalfields Ltd.	Nagpur	53,598	59,871	65,665	
TOTAL			36,45,519	47,70,016	1,11,23,415	

* Year-wise maintenance expenditure in respect of a hired buildings is shown in the statement (Appendix III) showing maintenance expenditure in respect of owned buildings.

† Excepting expenditure on electricity rates and taxes amounting to Rs. 15,159, other expenses are included in the rent.

APPENDIX VI

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	2.8 2.11	<p>The Committee note that the cost of furnishings and fittings etc., in the case of 42 undertakings which have their own Head Office buildings, amounted to a fantastic figure of Rs. 332.38 lakhs as on 31-3-1977. It is evident that these undertakings are having very luxurious fittings and furnishings which are hardly related to the state of their business. Twelve undertakings, namely, Balmer Lawrie Co. Ltd., Calcutta, Bharat Petroleum Corporation Ltd., Bombay, Cochin Refineries Ltd., Ambalamugal, Hindustan Antibiotics Ltd., Pimpri, Hindustan Photo Films Manufacturing Co. Ltd., Indunagar, Hindustan Teleprinters Ltd., Madras, Indian Airlines, New Delhi, Jessop & Co. Ltd., Calcutta, L.I.C. of India, Bombay, Salem Steel Ltd., Salem Scooters India Ltd., Lucknow and New India Assurance Co. Ltd., Bombay have each raced against each other and have spent as much as Rs. 5 lakhs and more on furnishings/fittings (hard and soft) air-conditioning/central heating, etc.</p> <p>The Committee are very distressed to note that the cost of fittings and furnishings only of buildings owned by the public undertakings works out to a fantastically high figure of Rs. 152 per sq. ft. of covered area in the case of Salem</p>

(1)

(2)

(3)

Steel Ltd. With half of this money, civil construction work could be completed, which shows there is something wrong somewhere in the Steel Plant. In the case of Balmer Lawrie Co. Ltd., and Hindustan Antibiotics Ltd., it is Rs. 68 and Rs. 67 per sq. ft. respectively. With this amount civil construction work could be completed. In the case of Cochin Refineries Ltd., and New India Assurance Co. Ltd., it is Rs. 45 and Rs. 41 per sq. ft. respectively. Two other public undertakings viz., Hindustan Photo Films Mfg. Co. Ltd., and Bharat Petroleum Corporation Ltd., have incurred an expenditure of Rs. 29 and Rs. 28 per sq. ft. respectively.

The Committee are amazed at the extraordinarily lavish manner in which some of the public undertakings have been squandering public money on unproductive items to provide luxurious environment to their top management functionaries. This goes ill with the concept of a socialist egalitarian society which the Government is trying its level best to build up.

The Committee need hardly stress that public undertakings should take into account the general economic conditions of the country and the standard of living of the common man whose per capita income is one of the lowest in the world. The furnishings and the fittings should not give an impression that they are an island of prosperity in a sea of poverty. Lavish furnishings of the offices of the executives of public undertakings generates frustration and leads to great demoralisation among the subordinate staff and workers of the public undertakings, apart from attracting very adverse public criticism.

2

2.12

The Committee deprecate the construction of ostentatious buildings. They require that the buildings and their furnishings and fittings should be functional and utility oriented.

(1)	(2)	(3)
3	2.13	The Committee recommend that the Directors representing the Administrative Ministries and Finance Ministry on the Boards of these Companies should look into these matters so that the public sector corporations do not indulge in wasteful and lavish expenditure on furnishings and fittings and that public funds are employed more fruitfully. The Directors particularly Government Directors will be answerable for lapses of this nature.
4	2.14	The Committee positively require that Public Undertakings will, only in consultation with the National Buildings Organisation, construct unostentatious, inexpensive buildings for accommodating their Head Offices.
5	2.15—	The Committee are concerned to observe that there has been a very steep increase in the expenditure on maintenance of Head Office buildings owned by these public undertakings, under various broad heads viz., civil works, hard and soft furnishings, electricity, air conditioning/central heating, horticulture etc. The total expenditure incurred by these public undertakings on this account during the three years 1974-75, 1975-76 and 1976-77 amounted to a staggering figure of Rs. 265.18 lakhs.
5	2.18	
		The Committee are deeply concerned to note that the total expenditure on this account incurred by these 42 undertakings during 1974-75 amounted to Rs. 75.13 lakhs, but it increased to Rs. 110.67 lakhs in 1976-77 i.e. an increase of 46 per cent. The Committee are perturbed to observe that in the case of certain public undertakings, the maintenance expenditure has been abnormally high. In maintenance work the scope for corruption and wasteful expenditure is more than in any other sphere of building activities.

(1)

(2)

(3)

The Committee observe that in the case of Scooters India Ltd., the expenditure has galloped from Rs. 0.03 lakh in 1974-75 to Rs. 3.79 lakhs in 1976-77 (recording a rise of 12533 per cent). In the case of Mazagon Dock Ltd., the expenditure has increased from Rs. 8.05 lakhs in 1974-75 to Rs. 15.68 lakhs in 1976-77. In the case of Delhi Transport Corporation, the expenditure has increased from Rs. 2.76 lakhs in 1974-75 to Rs. 10.4 lakhs in 1976-77 (276.8 per cent). In the case of Hindustan Photo Films Mfg. Co. Ltd., the expenditure has gone up from Rs. 3.09 lakhs in 1974-75 to Rs. 5.15 lakhs in 1975-76 and to Rs. 6.77 lakhs in 1976-77. In the case of Indian Airlines, the expenditure has increased from Rs. 6.46 lakhs in 1974-75 to Rs. 8.14 lakhs in 1976-77. In the case of Jessop & Co., the expenditure has risen from Rs. 6.38 lakhs in 1974-75 to Rs. 8.5 lakhs in 1976-77. In the case of National Instruments Ltd., the maintenance expenditure has increased from Rs. 2.75 lakhs in 1974-75 to Rs. 4.12 lakhs in 1976-77. In the case of New India Assurance Co. Ltd., the maintenance expenditure has increased from Rs. 10 lakhs in 1974 to Rs. 14 lakhs in 1976.

The Committee strongly deprecate the galloping rise in the rate of expenditure on maintenance of buildings owned by the public undertakings. They require that the Bureau of Public Enterprises should in consultation with the National Buildings Organisation, lay down norms for the guidance of all public undertakings about the necessity of adopting utmost austerity in the expenditure on the maintenance of buildings etc., taking into account the climatic conditions, type of building, its age etc. The Bureau of Public Enterprises should also lay down specifications for the Administrative buildings to be constructed by the Public Undertakings at their Works as to ensure that these

(1)	(2)	(3)
		are purely functional and do not involve huge recurring expenditure on their maintenance and upkeep. The Bureau of Public Enterprises shall be answerable for any deviations from the guidelines. Expenses on maintenance and details of works done should be clearly reflected in its Annual Reports.
6	3.13	The Committee are surprised to note that a large number of public undertakings are having their head offices in metropolitan cities viz., New Delhi, Bombay, Calcutta and Bangalore for the convenience of the highly placed persons in the Ministries and Public Undertakings. The Committee are convinced that most of these undertakings have no justification of setting up their head offices in these metropolitan cities. It is a craze among the public undertakings to locate their offices mainly in Delhi and hire accommodation at exorbitant rents making it a prestige issue and which has also become a source of patronage. With the development of rapid means of communication like telephones, teleprinters etc., there is no reason why the head offices of the public undertakings should continue to be located in these metropolitan cities. The concentration of the head offices of the public undertakings in these cities has resulted in creating severe overcrowding and scarcity in the availability not only of office accommodation but also residential accommodation and sharp rise in the rental charges of both office and residential accommodation, causing distress and hardship to a large number of people residing in these cities.
7	3.14	It is noteworthy that most of the public undertakings pay house rent allowance to their staff at the rate of 35 per cent of basic pay (as against 15 per cent by the Central Government) which not only has a substantial effect on the

(1)	(2)	(3)
		total wage bill of these undertakings but also pushes up the rents of private houses. The Committee feel that there is a case for reducing the House Rent Allowance paid to persons drawing basic salary of Rs. 1500/- and above. The existing disparity between the House Rent Allowance given to the Central Government Employees and the employees of the Public Undertakings should also be removed so that the low paid employees in the Central Government are brought at par with persons doing similar jobs in the Public Undertakings.
8	3.15	The Committee require that Government should appoint a Committee to review the need for continued location of the head offices of the public undertakings in the metropolitan cities with a view to shifting as many of these head offices from these cities as possible without causing any hardship to the low paid employees. This Committee should be asked to submit its report within three months. The Committee have no doubt that the shifting of these head offices to the smaller towns and cities/work sites would not only ease the housing shortage in the metropolitan cities but would also lead to the development of the smaller cities to which these may be shifted.
9	3.16	The Committee regret that in spite of the recommendations made by the Estimates Committee as far back as in 1963-64 to the effect that Government should consider the desirability of constructing a public undertakings complex in each of the principal cities for housing the head offices of public undertakings located in these cities, no tangible progress has so far been made in this direction even after a lapse of fourteen years since the recommendation was made.
10	3.17	Taking into account the abnormally heavy amount of rent being paid by public under-

(1)	(2)	(3)
		<p>takings, the Committee strongly recommend that Government should actively consider the desirability of constructing a public sector office complex in each of the principal cities viz., Delhi, Bombay, Calcutta, Madras and Bangalore to house those public undertakings which are required to be located in these cities. The Committee have no doubt that the construction of these complexes can be easily financed by the Public Undertakings themselves or by the Financial Institutions.</p>
11	3.18	<p>The Bureau of Public Enterprises should also issue instructions that wherever Government accommodation built by agencies like D.D.A., State Housing Boards, etc., is available, the Public Undertakings should obtain such accommodation on lease on a long term basis for locating their offices instead of hiring private accommodation which tends to breed corruption and ever spending.</p>
12	3.19	<p>It will be seen from the statement in Appendix IV that 27 public undertakings located in Delhi have paid rent to the tune of Rs. 214 lakhs during 1976-77. Among the public undertakings which are paying huge rents are:—</p>

S. No.	Name of Undertaking	Rent paid (1976-77)
		(Rs. in lakhs)
1.	Engineers India Ltd.	61.57
2.	Bharat Heavy Electricals Ltd.	29.73
3.	Minerals & Metals Trading Corporation of India Ltd.	20.08
4.	Indian Airlines	15.58
5.	Rural Electrification Corporation	12.14
6.	National Industrial Development Corporation	12.00

(1)	(2)	(3)
		The Committee require that an enquiry should be made into the heavy rentals paid by the various Public Undertakings to see how far these are justified.
13	3.20	The Committee deprecate the practice of housing offices of some public undertakings in more than one place in the same city which involves avoidable overheads and duplication of expenditure on communication facilities like telephone, telex, wireless, transport, staff cars etc. The Committee require that Government should issue instructions that as far as possible, the offices of these undertakings should not be scattered in the same city but should be located in one place. The Public Undertakings concerned should be asked to initiate necessary action in the matter without delay. The Committee would like the Bureau of Public Enterprises to review the position at least once in a year till the desired objective is achieved.
14	3.21 3.22	The Committee find from the statement at Appendix IV that 7 Public Undertakings have paid advance rent exceeding Rs. 5 lakhs during the years 1974-75 to 1976-77 as shown below:—

(Rs. in lakhs)

1. Engineering Projects (India) Ltd. -	28.50	
2. Jute Corporation of India Ltd.	28.11	
3. Minerals & Metals Trading Corporation of India Ltd.	27.71	
4. Bharat Heavy Electricals Ltd.	15.49	
5. National Thermal Power Corporation Ltd.	8.00	
6. Mogul Line Ltd.	6.83	
7. Indian Airlines	2.78	Plus 5 months' rent of 11 flats.

(1)	(2)	(3)
15	3.26 3.27	<p>The Committee are amazed to find that as many as 7 Public Undertakings have paid advance rent exceeding Rs. 5 lakhs during the year from 1974-75 to 1976-77. The rationale for the payment of this advance rent is not clear to the Committee. They would like that immediate investigation should be conducted with a view to finding out whether there has been any collusion between the Undertakings and the owners of the private buildings. The services of the Land Acquisition Collector as also the Rent Controller should be utilised for ascertaining the justiciability of those high rents.</p> <p>The Committee observe with deep anxiety that the expenditure incurred by 61 public undertakings on maintenance, furnishing etc., of office buildings hired by them registered a very sharp increase during the three-year period ending 1976-77 in that it rose from Rs. 36.45 lakhs in 1974-75 to Rs. 47.7 lakhs in 1975-76 and Rs. 111.23 lakhs in 1976-77.</p> <p>The Committee are perturbed at the sharp rise in the maintenance expenditure of hired buildings by some of the undertakings. For example, in the case of Rural Electrification Corporation Ltd., the expenditure has increased from Rs. 1.65 lakhs in 1974-75 to Rs. 14.2 lakhs in 1976-77 i.e. a rise of 760 per cent. In the case of Engineers Ltd., the expenditure has escalated from Rs. 1.64 lakhs in 1974-75 to Rs. 7.7 lakhs in 1976-77. In the case of Bharat Heavy Electricals Ltd., it has risen from Rs. 1.83 lakhs in 1974-75 to Rs. 6.45 lakhs in 1976-77. The Committee would like to have fuller justification for the increase in expenditure from the undertakings concerned.</p>
16	3.28	<p>The Committee cannot too strongly stress the need for observing utmost economy in the expenditure on maintenance of buildings hired</p>

(1)

(2)

(3)

by the public undertakings at fancy rates. They would like the Bureau of Public Enterprises and the Administrative Ministries concerned to review the matter and to lay down suitable ceilings of expenditure for various major items, in case this has not already been done, with a view to check the galloping expenditure under this head.

17

4.4

The Committee consider that air conditioning of administrative buildings is a luxury which our country can ill-afford being one of the very poorest countries in the world where deaths by starvation still take place. It not only involves huge capital expenditure but also high recurring costs. It is totally unjustified in the context of our power starved industry and agriculture. Power shedding which has become a usual feature is costing enormously in terms of industrial and agricultural production. The Committee would therefore call upon Government to issue strict instructions banning the air conditioning of all administrative offices whether those belonging to the Central Government or to the Public Undertakings under them.

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