

**PROCUREMENT OF DEFECTIVE
SLEEPING BAGS**

MINISTRY OF DEFENCE

**PUBLIC ACCOUNTS
COMMITTEE (2005-2006)**

TWENTIETH REPORT

FOURTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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PUBLIC ACCOUNTS COMMITTEE
(2005-2006)

(FOURTEENTH LOK SABHA)

PROCUREMENT OF DEFECTIVE
SLEEPING BAGS

MINISTRY OF DEFENCE

[Action Taken on the 46th Report of Public Accounts Committee (13th Lok Sabha)]



Presented to Lok Sabha on 8.12.05

Laid in Rajya Sabha in 5.12.05

LOK SABHA SECRETARIAT
NEW DELHI

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**COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE
(2005 - 2006)**

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3. Shri M.K. Madhusudhan — *Under Secretary*
4. Shri N.K. Jha — *Committee Officer*

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to submit the Report on their behalf, do present this Twentieth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 46th Report (13th Lok Sabha) on “Procurement of Defective Sleeping Bags”.

2. This Report was considered and adopted by the Public Accounts Committee at their sitting held on 14th November 2005. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the Observation/Recommendation of the Committee has been printed in thick type in the body of the Report and has also been reproduced in a consolidated form in the Appendix to the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
17 November, 2005
26 Kartika, 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the Observations/Recommendations contained in their 46th Report (13th Lok Sabha) on Paragraph 17 of the Report of the Comptroller and Auditor General of India for the period ended 31 March 1998 (No. 7 of 1999), Union Government (Defence Services-Army & Ordnance Factories) relating to "Procurement of Defective Sleeping Bags".

2. The 46th Report which was presented to Lok Sabha on 13 March, 2003 contained 17 Observations/Recommendations. The action taken notes have been received in respect of all Observations/Recommendations and these have been broadly categorized as follows:—

- (i) Observations/Recommendations which have been accepted by Government:

Paragraph Nos. 1 to 17

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from Government:

Paragraph No. - NIL -

- (iii) Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration:

Paragraph No. - NIL -

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

Paragraph No. - NIL -

3. The action taken notes furnished by the Ministry of Defence on various observations/recommendations of the Committee contained in the Report have been reproduced in the relevant chapter of this Report. In the succeeding paragraphs, the Committee will deal with the action taken by the Government on their Observations/Recommendations, made in the Original Report.

Irregularities found in the procurement of sleeping bags

4. Sleeping bag with cover is one of the items of special snow and mountaineering equipment for troops deployed at Siachen Glacier and Eastern Sector. Till the year 1991, the Ministry of Defence had been procuring sleeping bags from M/s Richner of Geneva, Switzerland by placing repeat orders on the firm, the only approved vendor for this item at that time. When the firm sought an increase in prices of sleeping bags for the year 1991, the matter was then got reviewed by the Ministry of Defence and it

was decided to increase the vendor base so as to secure the item at the most competitive price. Accordingly, global tenders for procurement of sleeping bags were floated on 26th December 1991. Six firms including the past supplier M/s Richner of Switzerland responded. Samples of sleeping bags were, however, submitted by three out of these six firms. All the samples received from the tenderers except M/s Richner were subjected to a short user trial in Siachen Glacier for one month. Trial report of the samples was submitted by Master General of Ordnance's (MGO's) Branch/Army Headquarters (HQrs) on 27 March 1992. As per the trial report, sample of the sleeping bags submitted by M/s Moncler SA, France was only found suitable for introduction into service. According to the Ministry of Defence, M/s Moncler of France had quoted a lower rate of FF 1381 (Rs.6557.45) per piece whereas the past supplier, M/s Richner of Switzerland had quoted a rate of SFR 579.60 (Rs.10571.82) per piece for large size and SFR 479.55 (Rs.8746.92) per piece for medium size. The Price Negotiation Committee (PNC), constituted with the approval of Raksha Mantri, decided that the orders be placed on the lowest technically valid offer and recommended placement of order on M/s Moncler of France. Accordingly, with the approval of competent financial authority, the contract for procurement of 8,588 sleeping bags was entered into with M/s Moncler on 11 May 1992 at a cost of FF 11.86 million equivalent to Rs. 7.65 crore. As per the delivery schedule fixed in the contract, the entire quantity *i.e.* 8588 sleeping bags were to be delivered within 90 days from the date of placement of orders. However, the entire lot of sleeping bags was received from the M/s Moncler of France in six lots between 19 September, 1992 and 21 June, 1993.

5. In their 46th Report, the Committee had found that the execution of contract for procurement of Sleeping bags was beset with irregularities of varied nature. These broadly included: —

- (i) Failure to undertake an in-depth verification of track record of the supplier, M/s Moncler, and disregarding the crucial information supplied subsequently by Indian embassy at Paris that the firm had been suffering losses during the preceeding three years;
- (ii) Non-incorporation of vital element like size specification of sleeping bags in the tender document which amounted to showing undue favour to M/s Moncler ;
- (iii) Failure to get sealed samples authenticated by the signature of the designated authority as per the procedural requirement and inspection and clearance of first three lots of defective sleeping bags (3594 Nos.) without cross checking them with the approved sealed samples.
- (iv) Non-forwarding of specific complaint made by the past supplier M/s Richner of Switzerland regarding alleged bankruptcy of M/s Moncler of France and the possibility of supply of inferior quality bags by the firm, by the Ministry to Director General of Quality Assurance (DGQA) which reinforces the inference of certain collusion.
- (v) Failure on the part of Ministry to seek cancellation of contract with M/s Moncler despite communication from the Indian Embassy, Paris

confirming insolvency of the firm and recommending cancellation of the remaining orders; and

- (vi) Lack of Coordination between Ministry of Defence, Army Head Quarters and Director General of Quality Assurance (DGQA) which resulted not only in pecuniary loss to Government but also denial of essential life saving kits to jawans posted in forward glacial areas.

The manner in which the contract was executed by the Ministry gave an unmistakable impression that the intention was always to accommodate the foreign supplier under any circumstances regardless of the quality of sleeping bags procured and the financial loss to the Government. While it was clearly established that the firm had gone bankrupt and supplied inferior quality of sleeping bags, the Committee were shocked to find from records that despite seeking cancellation/short closure of the contract, the Ministry were negotiating another deal with the firm. Evidently, the role of the Ministry in the entire deal was questionable. The Committee, therefore, recommended that the questionable role of the Ministry of Defence particularly the Officers responsible for the execution of contract with M/s Moncler of France, should be entrusted to an Independent Agency for thorough investigation and they be apprised of the action taken thereon within a period of six months.

6. In their Action Taken Notes, the Ministry have given replies to all the recommendations of the Committee wherein it has been stated that pursuant to the Committee's recommendation to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation. The Ministry have further stated that since, the matter had been handed over to CBI as per the recommendation of the PAC, action on their part has, therefore, been complete.

7. The Committee enquired about the exact date on which the matter was referred to CBI; the latest status of the investigation of CBI in the matter; and the probable date of submission of enquiry report by CBI. In response, the Ministry of Defence in a written reply stated that the matter was referred to CBI on 27th December 2004. It has further been stated that according to the CBI, documents pertaining to the case handed over by the Ministry are under their scrutiny and a decision regarding further course of action would be taken on completion of the same. CBI is stated to have further indicated that since the matter is at an initial stage, it is not possible for them to indicate any date for completion of inquiry in the matter.

8. The Committee are peeved at the casual manner in which the Action Taken replies were furnished by the Ministry which were not only incomplete but also betray lack of seriousness on the part of the Ministry to the gravity of the problem of the case which not only involved pecuniary loss to the Government but had exposed to danger the lives of jawans posted in forward glacier areas. The Committee were disturbed to note that the Ministry did not bother to supply basic facts pertaining to the case such as date of reference of the matter to the CBI for investigation and the

latest status of investigation in the matter. It is only after the Committee's specific enquiry in this regard the Ministry had furnished the same. Further by stating that with handing over of the case to CBI, their action in the matter had been complete, the Ministry have given an impression that they were no longer interested in taking the case to its logical conclusion. The Committee cannot but deplore the irresponsible attitude displayed by the Ministry. The Committee urge the Ministry of Defence to pursue the matter vigorously with CBI so that investigation in the matter is completed within a time bound period, lest the importance and the relevance of the subject would be lost. They also desire that as soon as the Report is finalized and submitted to the Government by CBI, a copy of the same together with gist of findings should be made available to them for their perusal. The Committee further recommend that the Ministry should take deterrent action against the officers responsible for procurement of defective sleeping bags on the basis of findings of the CBI enquiry within three months of the receipt of the Report.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

A Sleeping Bag is one of the items of special snow and mountaineering equipment for troops deployed at Siachen Glacier and Eastern Sector. The Committee note that till the year 1991, the Ministry of Defence had been procuring sleeping bags from M/s Richner of Geneva, Switzerland by placing repeat orders on the firm, the only approved vendor for this item at that time. When the firm sought an increase in prices of sleeping bags in 1991 the Ministry decided to float global tender to increase the vendor base with a view to securing the most competitive price. Global tenders for procurement of sleeping bags were floated on 26 December 1991. Six firms including M/s Richner of Switzerland responded. All the samples received from the tenderers except from M/s Richner, whose samples had been successfully trial evaluated in the past, were subjected to a short user trial in Siachen Glacier. As per the trial report, the sample of the sleeping bag submitted by M/s Moncler of France only was found suitable for introduction into service. According to the Ministry, M/s Moncler of France had quoted a lower price compared to the prices quoted by the past supplier M/s Richner of Switzerland and therefore, Price Negotiation Committee (PNC) recommended placement of order on M/s Moncler of France whose offer was lowest and technically valid. Accordingly, on 11 May 1992, a contract for procurement of 8588 sleeping bags costing FF 11.86 million (Rs. 7.65 crore) for use by Army in Siachen Glacier was entered into with M/s Moncler of France. The Committee's examination has revealed several disturbing aspects in the execution of the contract.

[Sl. No. 1, Appendix II, Para 83 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation. it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the report of the PAC is complete.

*Signature of
Joint Secretary*

[Min. of, Defence O.M. No. 3 (7)/US(O-I-V)/2000/Vol. III dt. 25. 05.05]

Recommendation

The Committee observe that while sleeping bags offered by both M/s Richner of Switzerland and M/s Moncler of France were found suitable for introduction into service, price differential factor clinched the selection in favour of the latter firm. As a matter of fact, M/s Richner had quoted prices for both large (Rs. 10571.82 per piece) and medium (Rs. 8746.92 per piece) sizes for the sleeping bags, which were required/ used by the Army, whereas M/s Moncler quoted price for only one type of sleeping bag (Rs. 6557.45 per piece), whose size was not even specified in the trial report. Undoubtedly, the comparative cost analysis made without reference to the relative size specifications of the sleeping bags offered by both the firms, was a hollow exercise without any tangible basis. On the contrary, significant price differential factor should have cautioned the Ministry to undertake indepth verification of the track record of the supplier so as to ensure quality of the stores to be procured. The Committee find that the verification was at best perfunctory and despite the crucial information supplied subsequently by our embassy at Paris that the Firm M/s Moncler had been suffering heavy losses during the preceding three years was simply disregarded by the Ministry.

[Sl. No. 2, Appendix II, Para 84 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)2000/Vol. III dt. 25.05.05]

Recommendation

The Committee are amazed that a vital element like size specification of the sleeping bags was not drafted into the tender document. This was despite the fact that Army had been using both medium and large sizes of sleeping bags prior to the contract with the French supplier, M/s Moncler. The Ministry failed to adduce any reason for non-incorporation of the size specification in the tender documents. Surprisingly, the DGQA, deposed before the Committee that since they were not associated with the procurement deal, items which were required to be specified in the tender documents were not so specified. So a conscious omission, the opinion of the Committee, amounted to showing undue favour to M/s Moncler and the resultant supply of substandard sleeping bags to the Army.

[Sl. No. 3, Appendix II, Para 85 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)2000/Vol. III dt. 25.05.05]

Recommendation

The Committee note that 8588 sleeping bags were received from M/s Moncler of France in six lots between September 1992 and June 1993. The sleeping bags were required to be inspected on arrival as per DGQA standing instructions and the contract entered into with the firm. It is beyond comprehension as to why the inspecting officials of DGQA inspected and cleared the first three lots of defective sleeping bags (3594 nos.) without cross-checking them with the approved sealed samples. It is perplexing that the approved sealed samples were neither sought by DGQA nor provided by the users at the time of inspection of stores till receipt of a complaints from a firm namely M/s Deftech, Netherlands in December 1992, which brought out several deficiencies in the sleeping bags supplied by M/s Moncler. What is worse is that even though the fourth lot of sleeping bags was compared with an approved sample, the inspectors even failed to notice a superfluous central stitching on outer bags, visible to naked eye and cleared the bags. The Ministry admitted that there was gross dereliction of duty on the part of the officials of DGQA and Army HQrs in carrying out the inspection of stores and the matter was inquired into with a view to fixing responsibility. The action taken on this count has been reviewed by the Committee elsewhere in the Report. The Committee are, however, constrained to observe that it is really a sad commentary on the functioning of an organization like DGQA, which is independent of Users and is vested with the onerous responsibility of inspecting and certifying the quality of stores procured. Viewing the kind of negligence in quality inspection in this case as a major failure of internal control, the Committee strongly feel that the functioning of DGQA calls for a thorough review and revamping in order to guarantee that the quality assurance parameters are not compromised and the services are supplied with defect free quality stores/equipment.

[Sl. No. 4, Appendix II, Para 86 of Forty-sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for

investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No 3(7)/US(O-I-V)/2000/Vol. III, dt 25.05.05]

Recommendation

The Committee note that the samples of the trial evaluated and approved sleeping bags were sealed and maintained at a specified place for future comparisons by the Users. However, the sealed samples were not authenticated by the signature of the designated authority as per the procedural requirement. The Army Headquarters contended that since the sample had been properly stored and documented for, these were as good as authenticated and the concept of sealing with signatures on the samples is another measure of security only. The contention of the Army Headquarters is not maintainable in view of the fact that during inspection of the fourth and the fifth lots of sleeping bags, the inspecting staff of DGQA did not take cognizance of the sealed samples provided to them because those were not duly authenticated. The Committee find no reasons as to why the lapse on the part of the designated officer not to authenticate the sealed samples of sleeping bags was not inquired into by the Army Headquarters while probing the acceptance of defective supplies. It is remarkable that the requirement of authentication of the samples under the signature of a designated officer was not felt till the receipt of a complaint from M/s Deftech, Netherlands, in December 1992 pointing out various defects in the quality of sleeping bags supplied by M/s Moncler. The Committee expect the Ministry to draw suitable lesson from such a procedural fiasco so as to safeguard the interest of the Users and the public exchequer atleast in future procurements.

[Sl. No. 5, Appendix II, Para 87 of Forty-sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/ observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence. O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt 25.05.05]

Recommendation

The Committee find that even before the first lot of the bags was received a specific complaint was received by the Ministry of Defence on 10th September 1992 from the past supplier, M/s Richner of Switzerland regarding the alleged bankruptcy of M/s Moncler of France and the possibility of inferior quality of bags to be supplied by the firm. A scrutiny of relevant records unraveled that the manner in which this complaint was dealt with by the Ministry renders the very transparency of the deal questionable. The allegation of financial bankruptcy of the firm and the quality of stores likely to be supplied should have rung the alarm bells in the Ministry. The very fact that the complaint was not forwarded to the DGQA reinforces the inference of certain collusion. The Defence Secretary admitted in evidence that DGQA should have been consulted before deciding the fate of the complaints which later proved to be well founded. The Committee note that the Ministry absolved their responsibility by merely endorsing the complaint to the User Directorate with the contention that they were expected to keep a watch on the quality of supplies made by M/s Moncler. Had the Ministry forewarned the inspecting officials of DGQA about the alleged quality of supplies, acceptance of defective sleeping bags and resultant loss of public money could have been avoided.

[Sl. No. 5, Appendix II, Para 88 of Forty-sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/ observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence. O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt 25.05.05]

Recommendation

On 3 December, 1992 the Ministry further received a communication from M/s Richner with documentary evidence indicating M/s Moncler going into voluntary liquidation and having been placed under judicial administration on 6 November 1992. In the meantime, the Ministry also received a complaint from another firm namely M/s Deftech, Netherlands highlighting several shortcomings in the sleeping bags supplied by M/s Moncler. The Committee note that on 10 December, 1992, the Ministry wrote to Embassy of India at Paris seeking confirmation of the financial status of M/s Moncler as well as their advice on continuing further business with the firm. The Embassy of India, Paris, in their communication dated 29 December, 1992 while confirming the insolvency of the firm, recommended cancellation of the remaining orders. It is intriguing that even at this stage, the Ministry did not seek cancellation of the contract,

which could have at least prevented supply of remainder 4,994 sleeping bags (out of 8588) received subsequently. The Defence Secretary also conceded in evidence that this was an unusual case where the Ministry continued dealing with a bankrupt firm. The Committee therefore recommend that stringent and decisive action should be taken against the colluding officials responsible for causing avoidable loss to the Government and showing undue and rank favour to the firm.

Sl. No. 7, Appendix II, Para 89 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)2000/Vol. III. dt 25. 05.05]

Recommendation

The Committee were informed that the reports of inferior quality of sleeping bags supplied by M/s Moncler were conveyed to Army Headquarters and they were alerted on 23 December 1992 to ensure that the quality of the sleeping bags was as per the sealed sample at the time of initial inspection and any deterioration in the quality of sleeping bags delivered during warranty period be immediately brought to their notice. It was only on 18 January 1993 that the Army Headquarters sought feedback from Headquarters, Northern Command as by that time 900 sleeping bags had been dispatched to them. Though the Headquarters, Northern Command were asked to forward their feedback by 10 February 1993, it was only on 26 November 1993 that the field formation informed the Army Headquarters about the unsuitability of the sleeping bags. As a matter of fact, the DGQA rejected the sleeping bags received in the sixth lot (1133 nos.) in July 1993 as these were not as per the sealed sample. The Committee regret to note the deplorable lack of coordination between the Department of Defence, Army Headquarters and DGQA which ultimately resulted not only in pecuniary loss to Government but also denial of essential life saving kit to the jawans posted in forward glacial areas.

[Sl. No. 8, Appendix II, Para 90 of Forty-sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha

Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)2000/Vol. III. dt 25.05.05]

Recommendation

The Scrutiny of relevant file also revealed that the firm not only failed to deliver the sleeping bags in time but also failed to furnish the requisite performance/warranty bonds as per the terms of the contract. The Committee note that the Ministry extended the Letter of credit several times at the request of the firm and diluted the conditions of warranty Bond without consulting its finance wing. The performance/warranty Bonds were not received from the supplier as of 29 April, 1993. However, by that time payment to the tune of FF 5332,041.00 had already been made by the State Bank of India, New Delhi to the Supplier. While, as per the LC conditions, the firm was required to submit proof of dispatch of performance Bond and warranty Bond, it is not clear as to how the payment was released to the supplier without these documents. What the Committee could glean from the documents made available to them is that while the issue of payment to the firm was under active consideration of the Ministry, reports obtained from SBI, New Delhi (24.5.1993) revealed that payments to the tune of FF 5.78 million had already been released to the supplier and this information apparently came as a surprise to the Ministry. Apparently, the Ministry were not sure whether Performance/Warranty Bonds had since been received by the State Bank of India. The sequence of events establish conclusively the active connivance of those entrusted with executing the deal. The Committee hope that the Ministry would fix individual responsibility and take exemplary action against the guilty officials. The Committee also want the role of SBI and the circumstances under which payment was released by the SBI to the firm, to be inquired into.

[Sl. No. 9, Appendix II, Para 91 of Forty-sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)2000/Vol. III. dt 25.05.05]

Recommendation

The Committee find that the Letter of Credit (LC) for balance amount of FF 6.08 million was renewed on the basis of a decision taken in a meeting held by Joint Secretary (O) on 21 May 1993. The minutes of meeting show that the User Directorate was agreeable to the release of payment against LC for the Stores already supplied except for a superfluous central stitching which was to be avoided in future supplies. The MGO's Branch, however, on 24th May 1993 intimated the Ministry that the sleeping bags supplied by the firm were not in conformity with the trial evaluated sample due to presence of a central stitching in the outer bag and therefore proposed taking of appropriate action by the Ministry. It was again on 1 June, 1993 the MGO's Branch pointed out the defect in the sleeping bags intimated to the Ministry that those were not acceptable to them. Eventually, after getting a copy of the minutes of the meeting held by JS(O) on 21 May 1993, which were circulated by the Ministry on 3 June 1993, without authentication by officers present in the Ministry, the Director (MGO) on 18 June 1993 had clarified that no commitment regarding acceptability of the bags was made by him during the meeting. Despite this, the Ministry extended the Letter of Credit in May 1993 without obtaining an unconditional quality assurance from the supplier, facilitating encashment of the amount towards supply of defective sleeping bags by the firm. The Army HQrs were at a loss to understand as to how the statement attributed to Director MGO/EM(GS&C) was incorporated in the minutes of 21 May 1993, since according to them, the same officer wrote to the Ministry about the defect found in the sleeping bags and their unacceptability immediately after the meeting, i.e. on 24 May 1993 and also on 1 June 1993. Surprisingly, no reference was made to the bankruptcy of the firm in the meeting where a crucial decision was to be taken with regard to releasing payments to the firm. Apparently, the decision to release payment to the supplier was taken under dubious circumstances and such a decision is amply suggestive of a nexus between certain authorities in the Ministry of Defence and the supplier. The Committee would therefore like answer to some of these questions as to why the Ministry released payment to the firm when the User Directorate had found the sleeping bags defective and unacceptable, why the minutes were not countersigned by all the Members present and why the material fact of bankruptcy of the firm was not mentioned in the meeting held by JS(O). The Committee would also like to be apprised of the action taken against officials responsible for the contract management.

[Sl. No. 10, Appendix II, Para 92 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

The Committee have been informed that following the rejection of sleeping bags which was communicated to M/s Moncler on 6 August 1993, a series of meetings were held by the Ministry with the representative of the firm to arrive at an agreement regarding claim of compensation for defective supplies. The proposal given for rectification of bags and the quantum of compensation offered by the firm were not acceptable to the Ministry. Ultimately, the Ministry decided to encash the Bank guarantee and on 24 September, 1993, advised the Banque Rivaud to encash bank guarantee of FF 2.37 million representing only 20 percent of the cost of the defective sleeping bags. The firm, however, moved the court in Paris and obtained a stay order in October 1993 against payment of the amount. The French Commercial Court give its judgement on 18 November 1997 in favour of the supplier. It is surprising that the Union of India could not be represented in the debates in the Commercial Court of Paris despite being summoned by the Court. It was only after the judgement was announced in favour of the supplier, the Ministry of Defence appealed against the judgement. The Court of Appeal annulled the decision of Commercial Court and decided in favour of the Ministry of Defence. The Committee were informed that an amount of FF 2.27 million representing the principal amount of the bank guarantees minus the administrative charges was received by the Ministry on 3 August 1999. As regards the recovery of balance amount towards cost and charges, an amount of FF 14,000/- awarded by the Supreme Court, where the firm had also appealed against the claim of Government of India, is yet to be released. Considering that an amount of FF 1.09 million has already been paid to the solicitor on account of fees out of FF 2.27 and the net accrual to the exchequer is very minimal, the Committee hardly need to comment on the financial prudence of the Ministry.

[Sl. No. 11, Appendix II, Para 93 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

The Committee note that although Clause 17(b) of the contract stipulated that all the rights and liabilities embodied in the contract shall be determined by referring to the Arbitrator—a nominee of the Secretary of the Ministry under the Laws of India—yet the Ministry of Defence appointed the Arbitrator only in April 1998 i.e. after five years of defective supplies. According to the Ministry, the Legal Adviser (Defence) had opined on a reference made to him in May 1994, that the case of the Department was weak and not tenable on the grounds that no notice had been given to the seller at proper time and goods were appropriated by the buyer without intimating the seller of the recovery of compensation/damages for defect in the goods. When the matter was again referred to LA (Defence) in April 1998, he reiterated the advice given by his predecessor in May 1994. Subsequently, based on the advice of Government Counsel who was appearing on behalf of the Government in the French Court and Ambassador of India in Paris, it was decided by the Ministry to appoint an Arbitrator to strengthen their claim. The Committee find that though a statement of claim for Rs. 5.23 crore was filed before the sole Arbitrator on 25 August 1998, the pace of arbitration proceedings has been tardy. Viewed in the light of opinion rendered by the LA (Defence), the outcome of the arbitration appears a foregone conclusion. Further, there is little hope whether the claim, if awarded by the Arbitrator in India can be executed in France against a bankrupt firm.

[Sl. No. 12, Appendix II, Para 94 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

The Committee find that the Ministry of Defence appointed Deputy Secretary(Q) in September 1994 to enquire into the lapse associated with acceptance of sub-standard sleeping bags. The terms of reference of the enquiry was to (i) make recommendation as to which individuals/organizations were responsible for the above lapse and also to (ii) suggest steps which may be taken to prevent repetition of such lapses. The enquiry report submitted by the DS(Q) in October 1994 pin pointed lapses on the part of officials in DGQA and Army Headquarters for acceptance of defective sleeping bags. The Department of Defence asked the Department of Defence Production & Supplies, under whose control the DGQA functions, to take action as per the findings of the enquiry report. The Committee are constrained to observe that the then Secretary, Department of Defence Production & Supplies did not agree with the findings that the inspecting staff was primarily responsible for accepting the defective stores. It was agreed that the only fault which could be attributed to inspecting staff in DGQA was that they inspected the stores in the absence of an authenticated sealed sample because of the urgency and pressure exerted by the Users as the DGQA did not wish to appear to be uncooperative by refusing to carry out the necessary inspection. The Committee observe that the reasons adduced by the Department of Defence Production & Supplies do not hold good considering that it was mandatory on the part of DGQA to follow the laid down procedure to test and certify the quality of stores on receipt. What is further disquieting to note is the fact that MGO's Branch/Army Headquarters also did not take any action against officials found responsible for the lapses in the enquiry report. To top it, the Department of Defence also failed to pursue the matter to its logical end. The Committee are quite alarmed by the atmosphere of non-accountability which seems to be prevailing in the Ministry of Defence, considering the magnitude of defence purchases.

[Sl. No. 13, Appendix II, Para 95 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25. 05.05]

Recommendation

The Committee's examination revealed that subsequently, on perusal of a news item in November, 1999 highlighting the findings in the Report of C&AG about procurement of defective sleeping bags, Ruksha Mantri (RM) directed the Ministry

that the factual position of the case be put up to him. When full facts of the case were placed before him, the RM passed an order on 1st December, 1999 that action should be initiated within one month against those responsible for procuring the sub-standard sleeping bags. Pursuant to orders of Raksha Mantri, a Court of Inquiry (CoI) was instituted on 24 December 1999 to investigate as to why during receipt inspection, the sleeping bags were passed which did not conform to the trial evaluated and approved samples. The Committee note that six officers in DGQA, Senior Quality Assurance Officer (SQAQ) including some civilian officials of SQAE(GS) and three officers of Det 2 FOD (Army Headquarters) were found responsible in the report of CoI. Pursuant to the findings of COI, two officers in Army Headquarters who failed to produce the sample of sleeping bags to the inspecting staff of SQAE(GS) were awarded severe displeasure which debarred them from promotion throughout their service career. The Committee find that charge sheets for major penalty had been issued against 3 out of six officers in DGQA and it was recommended for filing criminal cases against the then SQAE(Retd.) and other civilian officials of SQAE(GE). The Committee have been informed that the matter was referred to two Government counsels, who opined against the filing of criminal case on the ground that the case lacks evidence to show the element of 'dishonesty and/or criminal misappropriation', as well as connivance of the various officials either among themselves or with the suppliers for the alleged acts of omission and commission. It is further distressing to note that the Government took a decision not to further pursue the issue of filing criminal case against the then SQAQ(Retd.) and other civilian officials of SQAE(GS). Action against three other officials of DGQA was not found possible since they had retired from service between October 1996 and June 2000. Had the Department of Defence Production & Supplies initiated action against erring officials, which they did after a lapse of five years on the intervention of RM, the outcome of the case could have been different. The Committee find that the Department of Defence is no less blameworthy for their failure to pinpoint the then JS(O), who failed to take due cognizance of the complaint received in September 1992, circulated the minutes of the meeting held on 21 May, 1993 without counter signatures of all officers present, which were later contested by the Director MGO(EM/GS&C), did not bring on record the material fact of bankruptcy of the firm and also defied the orders of his superiors to take all precautions to prevent loss to the Government and various other acts of omission and commission relating to the contract management. The Committee is not satisfied with the mere seeking of his explanation as assured by the Defence Secretary. The Committee therefore reiterate that the orders of RM to initiate action against all those responsible for procurement of sub standard sleeping bags must be implemented without any discrimination.

[Sl. No. 14, Appendix II, Para 96 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Secretary/Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

The Committee observe that as per the decision taken by Army Headquarters in August 1995, sleeping bags were cleared and used in the regions of lower heights of Northern and Eastern Commands. According to the Ministry, though these bags could not be utilized in Siachen, yet they were found fit for use in other high altitude areas. Significantly, Army Headquarters themselves had confirmed presence of most of the defects pointed out by the firm M/s. Deftech, Netherlands in the sleeping bags supplied by M/s. Moncler. Having regard to the nature of the defects found, the Committee observe that the decision to issue these sleeping bags to our Jawans operating in extremely difficult weather conditions would have exposed them to great risk to their lives.

[Sl. No. 15, Appendix II, Para 97 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Secretary/Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

The Ministry also failed to claim liquidated damages amounting to Rs. 1.80 crore despite contractual provision of levying 5 percent liquidated damages on delayed deliveries. The Committee are unable to accept the explanation of the Ministry that liquidated damages for delays have been claimed through the statement of claim filed before the Sole Arbitrator as in terms of the contract, liquidated damages were recoverable from the payments due and by not doing so the Ministry failed to secure the pecuniary interest of the Government.

[Sl. No. 16, Appendix II, Para 98 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendations of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No. 3(7)/US(O-I-V)/2000/Vol. III, dt. 25.05.05]

Recommendation

To sum up, various acts of omission and commission by the Ministry, DGQA and Army Headquarters led to procurement of 8,588 sub-standard sleeping bags valuing Rs. 7.6 crore, which could not be used by the troops at Siachen due to their inferior quality. The manner in which the contract was executed by the Ministry gives an unmistakable impression that the intention was always to accommodate the foreign supplier under any circumstances regardless of the quality of sleeping bags procured and financial loss to the Government while it was clearly established that the firm had gone bankrupt and supplied inferior quality of sleeping bags, the Committee are shocked to find from records that despite seeking cancellation/short-closure of the contract, the Ministry were negotiating another deal with the firm. Evidently, the role of the Ministry in the entire deal is questionable. The Committee therefore, recommend that the questionable role of the Ministry of Defence particularly the officers responsible for execution of the contract with M/s. Moncler of France be entrusted to an Independent Agency for thorough investigation. The Committee would like to be apprised of the action taken thereon within a period of six months.

[Sl. No 17, Appendix II, Para 99 of Forty sixth report of PAC
(Thirteenth Lok Sabha)]

Action Taken

In pursuance to the recommendation of the PAC to entrust the case to an independent agency for investigation, it was decided, with the approval of Raksha Mantri, that the case be referred to Central Vigilance Commission (CVC) for investigation by any agency they consider appropriate. The CVC advised that the case be referred to the Central Bureau of Investigation (CBI) for investigation.

2. Since, the matter, as per the recommendation of the PAC, has been handed over to CBI, the action, by the Ministry, on the recommendations/observations of the PAC as mentioned in the Report of the PAC is complete.

Signature of Joint Secretary

[Min. of Defence O.M. No 3(7)/US(O-I-V)/2000/Vol.III, dt. 25.05.05]

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM
GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND
WHICH REQUIRE REITERATION

-Nil-

CHAPTER V

**OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT
HAVE FURNISHED INTERIM REPLIES**

-Nil-

NEW DELHI;
17 November, 2005

26 Kartika, 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,
Chairman,
Public Accounts Committee.

PART II

EXTRACTS OF MINUTES OF THE SITTING OF PUBLIC ACCOUNTS COMMITTEE (2005-2006) HELD ON 14TH NOVEMBER, 2005

The Committee sat from 1600 hrs. to 1630 hrs. on 14th November, 2005 in Committee Room 'C' Parliament House Annexe, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

LOK SABHA

2. Shri Khagen Das
3. Dr. M. Jagannath
4. Shri Tarit Baran Topdar

RAJYA SABHA

5. Shri R.K. Dhawan
6. Dr. K. Malaisamy
7. Shri V. Narayanasamy
8. Shri C. Ramachandraiah
9. Shri Jairam Ramesh
10. Prof. R.B.S. Varma

LOK SABHA SECRETARIAT

1. Shri S.K. Sharma — *Additional Secretary*
2. Shri Ashok Sarin — *Director*
3. Smt. Anita B. Panda — *Under Secretary*
4. Shri M.K. Madhusudhan — *Under Secretary*

REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri U. Bhattacharya — *ADAI (RC)*
2. Dr. A.K. Banerjee — *DG of Audit*
3. Shri Roy Mathrani — *Pr. Director (AB)*
4. Shri R.K. Ghose — *AG (Audit), Delhi*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

1. Shri Anil Baijal — *Secretary*
2. Shri P.K. Pradhan — *Joint Secretary*
3. Smt. Neena Garg — *Joint Secretary & Financial Adviser*

REPRESENTATIVES OF DELHI DEVELOPMENT AUTHORITY

1. Shri A.K. Patnaik — *Finance Member*
2. Shri V.K. Sathoo — *Pr. Commissioner*

REPRESENTATIVES OF DEPARTMENT OF EDUCATION,
GOVERNMENT OF NCT OF DELHI

1. Ms. Reena Ray — *Secretary (Edu)*
2. Shri Vijay Kumar — *Director (Edu)*

2. At the outset, the Chairman, PAC welcomed the Members and Audit Officers to the sitting of the Committee.

3. The Committee observed silence for a minute in memory of Shri K.R. Narayanan, former President of India as a mark of respect to the departed soul.

4. Thereafter, the Committee took up for consideration the following Draft Reports:

- | | | | | |
|-------|-----|-----|-----|-----|
| (i) | xxx | xxx | xxx | xxx |
| (ii) | xxx | xxx | xxx | xxx |
| (iii) | xxx | xxx | xxx | xxx |

(iv) Action Taken on 46th Report (13th Lok Sabha) relating to “Procurement of Defective Sleeping Bags”.

- | | | | | |
|-----|-----|-----|-----|-----|
| (v) | xxx | xxx | xxx | xxx |
|-----|-----|-----|-----|-----|

5. Barring Report on “National AIDS Control Programme”, the Committee adopted all the Draft Reports without any changes. As regards, draft Report on “National AIDS Control Programme”, the Committee after some deliberation adopted the same subject to some minor additions. The Committee, then authorised the Chairman to finalise these Draft Reports in the light of changes suggested by Audit through factual verification, if any, or otherwise and to present the same to Parliament.

- | | | | |
|----|-----|-------|-------|
| 6. | xxx | x x x | x x x |
| | xxx | x x x | x x x |
| | xxx | x x x | x x x |
| 7. | xxx | x x x | x x x |
| | xxx | x x x | x x x |
| | xxx | x x x | x x x |

8. The Committee then decided to postpone the evidence to a subsequent date.

9. A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

APPENDIX

OBSERVATION AND RECOMMENDATION

Para No.	Ministry/Deptt. Concerned	Observation/Recommendation
8	Defence	<p>The Committee are peeved at the casual manner in which the Action Taken replies were furnished by the Ministry which were not only incomplete but also betray lack of seriousness on the part of the Ministry to the gravity of the problem of the case which not only involved pecuniary loss to the Government but had exposed to danger the lives of jawans posted in forward glacier areas. The Committee were disturbed to note that the Ministry did not bother to supply basic facts pertaining to the case such as date of reference of the matter to the CBI for investigation and the latest status of investigation in the matter. It is only after the Committee's specific enquiry in this regard the Ministry had furnished the same. Further by stating that with handing over of the case to CBI their action in the matter had been complete, the Ministry have given an impression that they were no longer interested in taking the case to its logical conclusion. The Committee cannot but deplore the irresponsible attitude displayed by the Ministry. The Committee urge the Ministry of Defence to pursue the matter vigorously with CBI so that investigation in the matter is completed within a time-bound period, lest the importance and the relevance of the subject would be lost. They also desire that as soon as the Report is finalized and submitted to the Government by CBI a copy of the same together with gist of findings should be made available to them for their perusal. The Committee further recommend that Ministry should take deterrent action against the Officers responsible for procurement of defective sleeping bags on the basis of findings of the CBI enquiry within three months of the receipt of the Report.</p>

LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA SECRETARIAT PUBLICATIONS

Sl. No.	Name of Agent	Sl. No.	Name of Agent
ANDHRA PRADESH			
1.	M/s Vijay Book Agency, 11-1-477, Mylargadda, Secundrabad-500361.	20.	The International Book Service, Deccan Gymkhana, Pune-4.
2.	M/s Booklinks Cooperation, 3-4-423/5 & 6, Narayanguda, Hyderabad-500029.	21.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400001.
3.	M/s Ashok Book Centre, Benz Circle, Vasavya Nagar, Vijayawada-520006. (A.P.)	22.	M/s Usha Book Depot, "Law Book Sellers and Publishers" Agents Govt. Publications, 585, Chira Bazar, Khar House, Bombay-400002.
4.	M/s Labour Law Publications, 873, Kothi Bus Stand, Hyderabad-500001.	23.	M & J Services, Publishers Representative Accounts & Law Book Seller, Mohan Kunj, Ground Floor 68, Jyotiba Fule Road, Nalgaum-Dadar, Bombay-400014.
5.	M/s Law Publico Pvt. Ltd., opp. Telegraph Office, 5-1-873, Kothi, Hyderabad-500195.	24.	The Marathwada Book Distributors, Parmimal Khadkeshwar, Aurangabad-431001.
6.	Shri V.A.N. Raju, Newspaper Agent, H.No. 1-2-58, Rahamath Nagar, Kazipet-506003. (A.P.)	25.	M/s Pragati Jer Mahal, 432, Kalbadevi, Road, Bombay-400002.
7.	M/s Vivekananda Law Publishers, Shop No.8, opp. Secundrabad Courts, Secundrabad-500010, Hyderabad.	26.	M/s Jaina Book Agency (India), 64-A, Girgaum Road, Dhobi Talao, Bombay-400002.
BIHAR			
8.	Departmental Publications Sales Centre, Vikas Bhavan, New-Secretariat, Patna (Bihar).	27.	M/s Thosar Granihagar Shabu Lasmi, 201, Samrath Nagar, Aurangabad-431009.
9.	M/s Progressive Book Centre, Zila School, Pani Tanki Chowk, Ramma, Muzaffarpur-842002 (Bihar).	MANIPUR	
GUJARAT			
10.	M/s Vijay Magazines Agency, Station Road, Anand-388001 (Gujarat).	28.	M/s P.C. Jain & Co. Thangal Bazar, Imphal-795001.
11.	The New Order Book Company, Ellis Bridge, Ahmedabad-380006. (T.No. 79065).	MEGHALAYA	
HARYANA			
12.	M/s Indian Documentation Service, Patel Nagar, Post Box No. 13, Gurgaon-122001 (Haryana)	29.	M/s Paul's Agency & Distributors, R.K. Mission Road, Laitumkharh, Shillong-793003.
13.	M/s Prabhu Book Service, Sadar Bazar, Gurgaon-122001.	PONDICHERRY	
14.	M/s Maharishi Dayanand University Book Shop, Rohtak-124001. (Haryana)	30.	Editor of Debates, Legislative Assembly, Department, Pondicherry-605001.
JAMMU			
15.	M/s Haldia Publishers (India), 128-A, Gandhi Nagar, Jammu-180004.	PUNJAB	
KARNATAKA			
16.	M/s People's Book Houses, J.M. Palace Road, Mysore-570024.	31.	M/s Lyall Book Depot, Chaura Bazar, Ludhiana-141008.
17.	M/s Geetha Book House, K.R. Circle, Mysore-570001.	RAJASTHAN	
18.	The Editor, Youth Gazette No. 154, Jyoti Niwas, 4th Cross, 4th Main, 2nd Phase, Marjinath Nagar-560010. (Karnataka).	32.	M/s Pitaliya Pustak Bhandar, Jaipur-302001.
MAHARASHTRA			
19.	M/s Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400002.	TAMIL NADU	
		33.	M/s C. Sitaraman & Co., 37, Royappettah High Road Madras-600014.
		34.	Shri I. Gopalkrishnan, Principal, Salem Sowdeswari College, Salem-636010
		35.	M/s M.M. Subscription Agencies, 123, Third Street, Tatabad, Coimbatore-641012.
		UTTAR PRADESH	
		36.	Law Publishers, Sardar Patel Marg, P.B. No. 70, Allahabad. (U.P.)
		37.	M/s International Publicity Service, GPO Box No. 1114, Varanasi-211001. (U.P.)
		38.	The Law Book Company (P) Ltd., Sardar Patel Marg, P.B. No. 1004, Allahabad-211001. (U.P.)

Sl. No.	Name of Agent	Sl. No.	Name of Agent
39.	M/s S. Kumar & Associates, Marketing & Sales Division, Information Group, 32, Sarojini Devi Lane, Guru Govind Singh Marg, GPO Box No. 251, Lucknow-226001.	56.	M/s Grover Book & Stationery Co., 58/109, Sahyog Building, Nehru Place, New Delhi-110019. (T.Nos. 26419877, 26419651, 26440902).
40.	M/s Ram Advani Bookseller, Hazrat Ganj, GPO Box No. 154, Lucknow-226001.	57.	M/s Biblia Impex Pvt. Ltd., 2/18, Ansari Road, New Delhi-110001.
WEST BENGAL		58.	M/s Universal Book Traders, 80 Gokhale Market, Opp. New Courts, Delhi-110054.
41.	M/s Manimala Buys & Sells, 123, Bow Bazar Street, Kolkata-700001.	59.	M/s Eastern Book Co. (Sales), Kashmere Gate, Delhi-110006.
42.	M/s Bankura News Paper Agency, Machantola, P.O. & Distt. Bankura-722101.	60.	M/s International Publicity Service, GPO Box No. 1114.
43.	M/s Book Corporation, 4, R.N. Mukherjee Road, Kolkata-700001.	61.	M/s Jain Book Agency (South End) 1, Aurobindo Place, Hauz Khas, New Delhi-110016.
44.	M/s Bolpur Pustakalaya, Rabindra Sarani (Shantiniketan) P.O. Bolpur (W.B.).	62.	M/s Seth & Co., Room No. 31-D, Block B, Delhi High Court, Sher Shah Road, New Delhi-110003.
DELHI		63.	M/s Dhaowantra Medical & Law House, 592, Lajpat Rai Market, Delhi-110006.
45.	M/s Jain Book Agency, C-9, Connaught Place, New Delhi-110001 (T.Nos. 23321663 & 23320806).	64.	M/s Oxford Subscription Agency, A-13, Green Park Extension, New Delhi-110016.
46.	M/s J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006. (T. Nos. 291564 & 230936).	65.	M/s K.L. Seth, B-55, Shakarpur, Delhi-110092.
47.	M/s Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001 (T. Nos. 23315308 & 23315896).	66.	M/s Jaina Book Depot, Chowk Chhapparwala,, Bank Street, Karol Bagh, New Delhi-110005.
48.	M/s Bookwell, 2/72 Sant Nirankari Colony, Kingsway Camp, Delhi-110009 (T.Nos. 27112309 & 23268786).	67.	M/s Kamal & Co., 27, DDA Shopping Centre, Arjun Nagar, Safdarjung Enclave, New Delhi-110029.
49.	M/s Rajendra Book Agency, IV-DR-59, Lajpat Nagar Old, Double Storey, New Delhi- 110024. (T.Nos. 26412362 & 26412131).	68.	M/s Standard Book Co., 125, Municipal Market, Connaught Place, P.B. No. 708, New Delhi-110001. (T. Nos. 23712828, 23313899).
50.	M/s Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110033.	69.	M/s Jayale(W) Agency, I-196, Naraina Vihar, New Delhi-110028.
51.	M/s Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.	70.	M/s Sat Narain & Sons. 40-A, Municipal Market, Babar Road, Behind Modern School, Barakhamba Road, New Delhi-110001.
52.	M/s Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110001. (T.Nos. 23364448, 23364478).	71.	M/s R.K. Books, 40/21-A, Gautam Nagar, New Delhi-110049.
53.	M/s Amrit Book Co., N-21, Connaught Circus, New Delhi-110001 (T.No. 23310398).	72.	M/s D.K. Agencies (P) Ltd., A/15-17, Mohan Garden, Najafgarh Road, New Delhi-110059.
54.	M/s Books India Corporation, Publishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110002. (T.Nos. 269631 & 714465).	73.	M/s Ishwar ` Chandra Co., Baldev Bhawan, 9986, Ram Behari Road, Sarai Rohella, New Delhi-110005.
55.	M/s Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110002.	74.	M/s Vijay Book Service C/D/123/C Pitampura, New Delhi-110034.