

**COMMITTEE ON PUBLIC  
UNDERTAKINGS  
(1978-79)**

**(SIXTH LOK SABHA)**

**THIRTY-NINTH REPORT**

**Action taken by Government on the recommendations contained in Fifteenth Report of the Committee on Public Undertakings (Sixth Lok Sabha)**

**ON**

**CENTRAL INLAND WATER TRANSPORT  
CORPORATION  
(MINISTRY OF SHIPPING AND TRANSPORT)**

*(Presented to Lok Sabha on 25-4-1979)*

*(Laid in Rajya Sabha on 25-4-1979)*



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NEW DELHI**

*April, 1979/Vaisakha, 1901 (S)*

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**COMMITTEE ON PUBLIC UNDERTAKINGS  
(1978-79)**

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22. Shri Sultan Singh

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1. Shri H. G. Paranjpe—*Joint Secretary.*
2. Shri T. R. Krishnamachari—*Chief Financial Committee Officer.*
3. Shri Lekh Raj—*Senior Research Officer.*

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\*Elected w.e.f. 26-12-1978 Vice Shri Deorao Patil died.

**SUB-COMMITTEE ON ACTION TAKEN OF THE COMMITTEE ON  
PUBLIC UNDERTAKINGS**

**(1978-79)**

- 1. Shri Jyotirmoy Bosu—Chairman.**
- 2. Shri O. V. Alagesan—Convener**
- 3. Shri Tridib Chaudhuri**
- 4. Shri Hitendra Desai**
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- 6. Shri K. Lakkappa**
- 7. Shri Bhanu Kumar Shastri**
- 8. Dr. Subramaniam Swamy**
- 9. Shri K. N. Dhulap**
- 10. Shri Era Sezhiyan**
- 11. Shri Viren J. Shah**

## INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Thirty-Ninth Report on Action Taken by Government on the recommendations contained in the 15th Report of the Committee on Public Undertakings (Sixth Lok Sabha) on CIWTC—Utility of Rajabagan Dockyard and other related matters.

2. The Fifteenth Report of the Committee on Public Undertakings was presented on 11th August, 1978. Replies to all the recommendations contained in the Report were received in three batches in February, March and April, 1979. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on 23rd April, 1979. The Report was finally adopted by Committee on Public Undertakings on April 24, 1979.

3. There has been needless prevarication on the part of authorities to modernise and develop the Rajabagan Dockyard. Any further delay in finalising the development plans for the dockyard which is among the best in the country, and implementation thereof should be scrupulously avoided. Under no circumstances should the development of the Dockyard be stalled.

4. Analysis of action taken by Government on the recommendations contained in the 15th Report of CPU (6th Lok Sabha) is given at Appendix.

NEW DELHI;  
April 24, 1979.  
Vaisakha 4, 1901 (Saka)

JYOTIRMOY BOSU,  
Chairman,  
Committee on Public Undertakings.

## CHAPTER I

### REPORT

The Report of the Committee deals with the Action Taken by Government on the recommendations contained in the Fifteenth Report of the Committee on Public Undertakings (1978-79) on Central Inland Water Transport Corporation—Utility of Rajabagan Dockyard and other related matters, which was presented to Lok Sabha on the 11th August, 1978.

2. Action Taken Notes have been received from Government in respect of all the recommendations contained in the said Report. These have been categorised as follows:—

(i) *Recommendations/observations that have been accepted by the Government.*

Sl. Nos. 5, 6, 7, 9, 10, 11, 12, and at paras 25 and 102.

(ii) *Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.*

Sl. Nos. 4 & 8.

(iii) *Recommendations/observations in respect of which the replies of Government have not been accepted by the Committee. NIL*

(iv) *Recommendations/observations in respect of which final replies of Government are still awaited. 1 to 3.*

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

#### **Development of Rajabagan Dockyard**

##### **Recommendations (Sl. Nos. 1 to 3, Paras 106 to 108)**

In these paragraphs the Committee noted with concern that no tangible steps had been taken by Government to modernise and strengthen Rajabagan Dockyard since the proposals were first made by the Bose Committee in 1963. Though a revised project report for development of the Dockyard was submitted by the Corporation in 1972 and approved by the Ministry and the Planning Commission at a cost of Rs. 10.44 crores, still the Corporation was asked to further

prune the estimates. Another revised project report entailing an outlay of Rs. 7.68 crores was submitted by the Corporation but no action thereon was taken as in the meanwhile the Corporation had engaged M/s. Tata Consultant Engineers to prepare a feasibility report based on demand analysis. The Committee recommended that no time be lost in strengthening and modernising the Dockyard and that adequate funds should be provided therefore without curtailing any of its activities. The Committee also observed that the manner in which the proposals for development of the Dockyard had been dragged on showed an utter lack of will and sincere efforts on the part of the Ministry, the Planning Commission and the Corporation and recommended that responsibility should be fixed for appropriate action.

Government in reply have stated that feasibility report for development and modernisation of the Dockyard has since been received from Tata Consultants and the same is under consideration. As regards fixing of responsibility for dragging on the proposals, the Ministry has laboured to say that the proposals have been examined by them from time to time from various angles including availability of demand orders for the Dockyard.

From the Government replies the Committee are more than convinced that there has been needless prevarication on the part of authorities to modernise and develop the Rajabagan Dockyard, which deserves to be deprecated in the strongest possible words. While the Committee may not pursue the question of fixing responsibility for the past lapses, they require that any further delay in finalising the development plans for the Dockyard providing sufficient funds therefor and implementation thereof should be scrupulously avoided. The potentialities of this Dockyard which is among the best in the country, should be fully developed and its efficiency ensured for better utilisation. Under no circumstances should the development of the Dockyard be stalled.

#### **Demolition of Buildings & Theft of Boiler**

##### **Recommendations (Sl. Nos. 9 & 10, Paras 114 & 115)**

In these paragraphs the Committee noted with deep concern the disposal of salvaged material of the buildings worth about Rs. 2 lakhs for a pretty amount of Rs. 16,000 and the theft of boiler from the Rajabagan Dockyard. The Committee called for CBI enquiries which were already going on in regard to these cases to be completed expeditiously so that the erring officers were brought to book.



Government in reply have stated that the reports of CBI have since been received. Regarding disposal of salvaged material the CBI recommended departmental action against Col. B. M. Sarin, OSD but since he has sought premature retirement and the letter of acceptance did not state that an enquiry was pending against him which enabled him to get employment with a private firm, the Central Vigilance Commission has suggested closure of the case. However, CIWTC has been asked to examine the matter further. In regard to theft of boiler, the CBI has asked for sanction for prosecution proceedings to be launched against Shri S. K. Banerjee, Dy. Material Manager and a clerk of the Dockyard and the CIWTC was taking necessary action on this.

The Committee are not convinced with the advice given by Central Vigilance Commission regarding closure of case against Lt. Col. Sarin, They require that Government should take suitable action against him for defrauding the Corporation. The possibility of launching criminal prosecution against him should be explored forthwith. Further the circumstances under which his resignation was accepted without any precondition have to be probed. The Committee also require that no further time should be lost in launching proceedings against the officials involved in the theft of boiler and penalising them for their misdeeds.

## **CHAPTER II**

### **RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN ACCEPTED BY THE GOVERNMENT**

#### **Recommendation (Serial No. 5 Para 110)**

Since the submission of our earlier reports, the Committee are happy to note that the Corporation has started River Services in different directions and, therefore, Rajabagan Dockyard should remain an indispensable establishment in the Corporation for the years to come.

#### **Reply of Government**

Government agree that the Dockyard should remain an essential adjunct of the Company.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979.]

#### **Recommendation (Serial No. 6 Para 111)**

The Committee note that CIWTC got its Vessels repaired from outside parties during 1975-76 and 1976-77 without calling tenders etc. and paid for this purpose as much as Rs. 22,90,411. The Committee require that in future no vessels of the Corporation should be given for repairs to outside parties without a clear written certificate from Rajabagan Dockyard to the effect that the job cannot be attended to by them. If and when a job is given to Private Party, on completion of the job Rajabagan Dockyard should be asked to examine and grant a certificate because in the opinion of the Committee, it is not only the cost of repairs that matters but the quality of the job is also of prime importance.

#### **Reply of Government**

The Corporation has been instructed to comply with the Recommendations of the Committee. CMD of the Corporation confirmed that none of their vessels will be given for repairs to outside party without obtaining a declaration from the Rajabagan Dockyard to the effect that the job cannot be attended to by the Dockyard. The

Corporation has also confirmed that if at any time such work are off-loaded to private parties, the job will be carried out under the close supervision of Dockyard who will certify about the quality of the jobs performed.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979.]

### **Recommendation (Serial No. 7 Para 112)**

The Committee feel that since there is a need for better control, proper men and material management should be introduced for bringing about a reduction in the repair costs at Rajabagan Dockyard. A Standing Committee should be constituted by not less than three persons drawn from similar trade and manufacturing spheres of other Public Sector Undertaking to judge the proficiency of senior officers drawing Rs. 1500 and above with the object of getting rid of such officials who either do not make the grade or have been involved in corrupt practices and mismanagement.

### **Reply of Government**

The Chairman-cum-Managing Director, Central Inland Water Transport Corporation has initiated steps to recruit proper men of the right stamp to exercise better control over production in the Rajabagan Dockyard. A new Material Manager has been appointed to introduce a proper system for control of inventory and to regulate procurement and supply of material in tune with the schedule of various works. A new General Manager for the Rajabagan Dockyard is being appointed, as also a new General Manager (Finance), to ensure better technical and financial control. These steps are expected to lead to completion of jobs according to schedules and consequential reduction in repair cost.

2. The CMD has also been asked to constitute a Committee keeping in view the above recommendation of the Committee on Public Undertakings. While constituting the Committee he has been advised to ensure that it should inspire confidence in its independence and impartiality. The Committee would only judge proficiency of officers drawing Rs. 1500 and above who are at present in service and will not be a permanent Committee.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979.]

**Recommendation (Serial No. 9, Para No. 114)**

The Committee are shocked to note that the salvaged material of the buildings, which was worth about Rs. 2 lakhs or so was disposed of just for a petty amount of Rs. 16,000. There was no such immediate danger and demolition could wait for 6 months as was evident from the letter of the Corporation to the Auctioneer. The whole thing was hustled through by O.S.D. (Lt. Col. Sarin, Retd.) and finalised in just two/three days without observing any of the prescribed formalities and also without seeking the prior approval of the Board of Directors and the Government.

The Committee have come to the inescapable conclusion that it was pre-planned conspiracy between the purchaser, and the O.S.D. of Central Inland Water Transport Corporation to defraud the Corporation in this matter.

The Committee recommend that the CBI should complete their enquiries expeditiously so that the erring officers in this shady transaction are brought to book.

**Reply of Government**

The case had been investigated by CBI who had *inter-alia* recommended initiating suitable action as the Ministry might deem fit in respect of the facts committed with the conduct of Shri B. M. Sarin, Officer on Official Duty, CIWTC, Rajabagan Dockyard.

The Central Vigilance Commission who considered the report of the CBI on the matter had, however, advised as follows:—

“It is apparent that when Col. Sarin sought premature retirement and this was allowed the letter of acceptance did not state that an inquiry was pending against him which enabled him to get employment with a private firm. Since the CBI consider that only departmental action is feasible, the Commission has no alternative but to advise closure of the case against Col. Sarin.”

Accordingly the C.M.D., CIWTC has been informed of the advice of C.V.C. He has also been asked to examine as to what action can be taken against Col. Sarin.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

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**Recommendation (Serial No. 10, Para No. 115)**

Regarding the theft of boiler, the Committee recommend that CBI should complete their enquiries immediately and appropriate action be taken to award exemplary punishment to all those involved in this theft.

The Committee also recommend that security measures should be tightened at the Dockyard to avoid the recurrence of any thefts, pilferages etc. in future.

**Reply of Government**

The report of the CBI has since been received on 31-1-79 in which they have asked for sanction for prosecution proceedings being launched against Shri S. K. Banerjee, Deputy Material Manager, Rajabagan Dockyard and Clerk of the Dockyard. The matter has been referred to the Chairman-cum-Managing Director, Central Inland Water Transport Corporation for necessary action.

Steps are being taken by the Corporation to tighten security by raising boundary wall and providing barbed wire fencing as also other necessary measures.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

**Recommendation (Serial No. 11, Para No. 116)**

The Committee note that sealed envelopes containing verbatim record of proceedings of evidence tendered, sent for correction to the then Chairman-cum-Managing Director (Shri Chelliah), Principal Adviser (Shri M. Yusuf Khan) and the General Manager of Rajabagan Dockyard (Shri Sanjay Sen), and delivered to them were reported to have been tampered with. However, C.R. Dossier of Shri Sanjay Sen showed that he had been earning uniformly good or very good reports since 1968-69 but shortly after he tendered evidence before the Committee *in camera*, the then Chairman-cum-Managing Director rated him in the report for the year 1976-77 (upto November 1977) as "poor and unsuited to hold General Manager's post" and has further recorded that "I have my reservations about his capacity to hold the next lower post".

**Reply of Government**

A departmental enquiry was held by the Chief Vigilance Officer of the Ministry of Shipping and Transport in regard to

delivery of *verbatim* record of the Committee's proceedings and report submitted to the Lok Sabha Secretariat on 25-4-78.

The present Chairman-cum-Managing Director has stated that Shri Sanjay Sen, General Manager, Rajabagan Dockyard is now on long-leave. A correct assessment of his performance will be made by the present Chairman-cum-Managing Director for record in his CR dossier after Shri Sanjay Sen resumes duty and puts in service for some period under him.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

### **Recommendation (Serial No. 12, Para 117)**

The Committee cannot help concluding that Shri Chelliah's assessment of Shri Sen is not only motivated but also malicious. They therefore, recommend that these remarks should be expunged and the report re-written objectively. The Committee also require that all the strictures passed against Shri Chelliah and others in their 2nd, 5th, 7th and 9th Reports relating to the working of Central Inland Water Transport Corporation as well as in this Report should be taken due cognizance of while assessing their conduct and work apart from taking such further action as may be warranted. The Committee note with deep regret that so far no punitive action has been taken against Shri Chelliah and other erring officers of CIWTC. The Committee would like to be informed of the action taken in this regard.

### **Reply of Government**

The question of expunction of the adverse remarks in the Confidential Report of Shri S. Sen is under consideration.

As indicated in Government Replies to the recommendations made in the various Reports of the COPU on CIWTC regarding various irregularities pointed out by the Committee, have been referred to the CBI for enquiry. The question of taking action against Shri Chelliah will be considered as soon as the reports of the CBI become available. Meanwhile, Shipping Corporation of India have been addressed to consider the question of suspension of Shri Chelliah on the basis of certain FIRs (First Information Reports) registered by CBI containing serious allegations against Shri Chelliah.

The position about the other officers is that Shri Yusuf Khan, former Principal Adviser has since retired; Capt. M.D. Khatri dis-

missed; Shri N. K. Sarkar, former Secretary has resigned and Shri P. G. Biswas, FA&CAO has been suspended with effect from 23-11-78. A departmental enquiry against Shri Biswas on the basis of CBI's report on the case pertaining to the demolition of the first floor of the Store Building and first floor of the General Manager's Building in Rajabagan Dockyard is being conducted by a Commission of Departmental Enquiries under the Central Vigilance Commission.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

### **Recommendation (Serial No. Nil, Para 25)**

In fact, the Committee are unhappy to note that the functioning of the Calcutta Officials of C.B.I. has been found to be unsatisfactory. This matter should be looked into by the Home Ministry.

### **Reply of the Government**

The case relating to Rajabagan Dockyard was registered on 12-8-77 by the Calcutta Branch of the CBI as RC No. 26/77-Calcutta. It was alleged that Shri S. K. Banerji, Dy. Material Manager and Shri Sundarshan Pal, Stores Clerk conspired together and sold a serviceable boiler as scrap to a private firm viz. M/s Shankar & Co. After the case was registered, the documents pertaining to this case were called for by the Lok Sabha Secretariat on 21-11-77 and were returned only in the 3rd week of May, 1978. The investigation was, therefore, handicapped during this period. The boiler in question, after being sold to M/s Shankar & Co., passed through three hands before it was finally sold to M/s. Singhanian Oil Mills, Hardoi Road, Sitapur, from where it was finally recovered by the CBI during investigation. One of the firms, through which the boiler passed, was located at Delhi. Thus, investigation at different places distant from each other necessarily took some time. The identity of the boiler had also to be established and this was done by examining a number of witnesses and scrutinising a number of documents. The Inspectors of Boilers at the various places had also to be contacted and their evidence recorded. The investigation of this case has now been completed and necessary sanction for prosecution of the above mentioned two officials has been communicated to the CBI on 8-3-79.

The CBI has assured that they take all possible steps to complete inquiries/investigations as speedily as possible.

[Ministry of Shipping and Transport, O.M. No. 28-IWT(68)/78-P&W dated the 31st March 1979].

**Recommendation (Serial No. Nil, Para 102)**

The Committee was thus given to understand that unless a cut was given to the officers of the Central Inland Water Transport Corporation it was very difficult to get a business and continue it. In view of the contractor having made a clean breast of everything, the Committee would not recommend denial of further business to him. Instead, if and when Corporation gives him any business his performance should be carefully watched and bills submitted by him should be subjected to preaudit. The Committee are making this recommendation in view of the fact that the contractor has a comparatively very small business.

**Reply of the Government**

Necessary instructions have been issued to the Chairman-cum-Managing Director, Central Inland Water Transport Corporation for compliance with the Committee's recommendation.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 8th March, 1979]



## CHAPTER III

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

#### Recommendation (Serial No. 4, Para 109)

The Committee are also concerned to note that though the original activities of the Dockyard were maintenance|repair of Company's fleet and construction of new vessels for augmenting or rehabilitating the fleets the Dockyard ceased to be the acillary to river transport over the years and diversified its activities to ship-building, ship repairing and general engineering. As a result, the Corporation has reached the "absurd" situation when its own yard is taking up outside jobs and for the repair and overhaul of its own vessels, the Corporation has to go to private parties.

#### Reply of the Government

Before the emergence of Bangladesh there was very little scope for River Services operation through erstwhile East Pakistan. As such, for mere survival of Rajabagan Dockyard, it had to undertake construction|repair of outside parties and accept general engineering works.

2. Usually all maintenance and Survey Repairs of CIWTC's own vessels are carried out in the Dockyard. On a few occasions, however, when all the Docks and Slipways of the Dockyard were fully occupied, repairs of a few crafts were off-loaded, to outside parties under compelling circumstances. The Corporation has been asked to give priority to repair and maintenance of its own vessels in the Rajabagan Dockyard. However, since it would be necessary for financial viability of the Dockyard to procure outside orders, it will have to be ensured that these orders are executed according to stipulated delivery schedule and if some unforeseen work in regard to repairs of Corporation's craft comes up it may become unavoidable to get it executed from private parties. It may, however, be mentioned that as also stated by the Committee in Recommendation (Serial No. 6) the cost of repair jobs of Corpora-

tion's vessels entrusted to the private parties during 1975-76 and 1976-77 did not exceed Rs. 20,90,411 only.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

### **Recommendation (Serial No 8, Para 113)**

The Committee are very much concerned to note that while the CIWTC has the requisite expertise, machinery and manpower to manufacture fishing trawlers, Government are reported to have allowed the import of entire requirement of fishing trawlers for the current year. It is also likely that about 300 trawlers for deep sea fishing would be required during the Sixth Plan period. The Committee required that Government should take effective measures for utilising the available expertise, men and machinery at Rajabagan Dockyard for the manufacture of fishing trawlers, thereby obviating the need for any imports of such trawlers.

### **Reply of the Government**

The above recommendation of the Committee has been examined in consultation with the Department of Heavy Industry and Department of Agriculture and the position is that the Project Report submitted by CIWTC for construction of Fishing Trawlers in collaboration with a Norwegian firm, was sent to Department of Heavy Industry some time in January, 1978 for comments. The Project Report was examined in the context of the findings and recommendations of the report on the Perspective Plan for the Development of the Trawler Building Industry prepared by the Deptt. of Heavy Industry in April, 1978. The report had identified CIWTC as one of the yards which have the capacity for making Deep Sea Fishing Vessels. In view of the Demand requirements and also cost estimates spelled out in the report it was opined that CIWTC would have to rephrase|review their Project Report. The reformulated report approved by the Board of Directors of the CIWTC could be further examined.

The matter was further considered by the Committee of Economic Secretaries and following their recommendations, Government is considering adopting a consortium approach for maximising the complimentaries of small and large shipping yards. CIWTC has been classified as category B i.e. medium size ship yards and M/s. Garden Reach Workshop are to lead the consortium in the East

Coast. There is a proposal under consideration of the Deptt. of Heavy Industry to set up an Empowered Committee to interact with the concerned Ministries and Organisations in projecting precise informations of types and quantities of Trawlers required, provide technological assistance, operate the scheme for certification of recognised trawler builders, clear import of components, foreign collaboration, Drawings & Designs and other similar imports. The Empowered Committee will review the progress of Trawler Building Industry and the Development of ancillaries. It has also been proposed that the Empowered Committee will operate a Trawler Development Support Fund through a scheme of assessment of indigenous offers as compared to import offers. Final decision of the Government on these issues is expected shortly.

The Department of Agriculture have intimated that according to Perspective Plan for the trawler building industry prepared by the Department of Heavy Industry, the CIWTC has capability only to modify given designs and with the present facilities can building fishing vessels up to 23 m. only. The Rajabagan Dockyard will have to be considerably strengthened for undertaking construction of larger fishing vessels. The import scheme for 1977 of the Government of India envisage import of only 60 vessels as against requirement of 140 vessels for the period ending 1978-79. Although import authorisation has been given for double of the intended number it was a conscious decision anticipating a heavy fall out of about 50 per cent. For the 5 year Plan, 1978—83, it is proposed to introduce 250 fishing vessels for deep sea fishing.

Tata Consultants have already prepared a Project Report for Development of Rajabagan Dockyard. This Project Report is under consideration of CIWTC who have been advised to take into account the findings of the Recommendations made in the perspective plan for trawler building industry while preparing feasibility report

[Ministry of Shipping and Transport O.M. No. 28-IWT(68)/78-P&W dated the 9th February, 1979]

CHAPTER IV

RECOMMENDATIONS|OBSERVATIONS IN RESPECT OF WHICH  
THE REPLIES OF GOVERNMENT HAVE NOT BEEN  
ACCEPTED BY THE COMMITTEE

NIL

## **CHAPTER V**

### **RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED STATEMENT SHOWING ACTION TAKEN ON THE RECOMMEN- DATIONS|CONCLUSIONS CONTAINED IN THE FIFTEENTH REPORT OF THE COMMITTEE ON PUBLIC UNDERTAKINGS**

#### **Recommendation (Serial No. 1, Para 106)**

The Committee are deeply shocked to note that no tangible steps have been taken by Government all these years to modernise and strengthen the Rajabagan Dockyard, which has great potentialities. Proposals for the development and modernisation of the Dockyard at a cost of Rs. 3 crores were first made by the Bose Committee in 1968 and in pursuance of that expenditure to the extent of Rs. 2.90 crores has been incurred upto July, 1977 resulting only in increase of capacities of a few shops of the Dockyard. No work has practically been done so far for the modernisation and development of dry docks, slipways etc.

#### **Recommendation (Serial No. 3, Para 108)**

The Committee are of the firm opinion that in view of its size, location on the River Hooghly vast expertise and machinery and equipment that it has in its possession, Rajabagan Dockyard is ideally suited for the construction of all types of Inland and Coastal vessels such as fishing trawlers, Tugs, Lighters, Barges, Dredgers, Survey Launches etc. The Committee require that no further time should be lost in strengthening and modernising the Dockyard and adequate funds should be provided therefor. Its workforce should also be increased commensurate with the expansion programme. Under no circumstances any pruning should be allowed. The Committee are totally against any curtailment of its activities.

#### **Replies of Government**

The Corporation have got a report prepared by M/s. Tata Consulting Engineers, Bombay for development and modernisation of the dockyard including their dry docks, slipways etc. The report is under consideration of the Corporation.

The question of development & modernisation of Dockyard will be considered in the light of the feasibility Report of M|s. Tata Consulting Engineers. The question of provision of funds for the purpose will be considered after the feasibility report has been examined and decision thereon taken. The question of necessary increase in its workforce will have to be examined by the Corporation only on the basis of requirements for its production programme after the modernisation programme has been approved and examined.

[Ministry of Shipping and Transport O.M No. 28-IWT(68)|78-P&W dated the 9th February, 1979]

### **Recommendation (Serial No. 2, Para 107)**

The Committee note that in 1972 a revised project report for the development of the Dockyard was submitted by the Corporation, which was agreed to by the Ministry and the Planning Commission at a cost of Rs. 10.44 crores. Subsequently, however, the Corporation was asked by Government to prune the project cost for unknown reasons and another revised project report entailing an investment of Rs. 7.68 crores (including Rs. 3 crores as recommended by the Bose Committee) was submitted by the Corporation. The Corporation has engaged Tata Consulting Engineers to prepare a feasibility report based on demand analysis and the same is still awaited.

This shows utter lack of will and sincere efforts on the part of the Ministry, the Planning Commission and the Corporation to develop the Dockyard, for which responsibility should be fixed for appropriate action.

### **Reply of Government**

The factual position is that the CIWTC sent in November, 1972 a feasibility report for development of the Dockyard at a cost of Rs. 1044 lakhs (inclusive of Rs. 300 lakhs recommended by the Bose Committee). This report was examined and the Planning Commission concurred in the scheme in Jan., 1973. Before the scheme could be implemented, it was necessary to accord financial sanction to the scheme. While the case was being processed a Study Group was set up by the Ministry of Shipping and Transport on viability of CIWTC. A view was expressed in the Study Group that CIWTC should work out the minimum additional funds required to undertake the replacement of obsolete overaged equipment and for modernisation of plants & equipment required for continuing the existing

production activities of the dockyard as distinct from diversifying them even though they may be necessary to make the dockyard a viable unit.

2. In May, 1976 CIWTC accordingly submitted a revised scheme for development of the Dockyard at a cost of Rs. 1010.81 lakhs. The revised scheme was considered in a meeting held in the room of the then Transport Secretary in May, 1976, as one of the items of the mid-term appraisal of the Fifth Plan. It was felt that the Chain Manufacturing Plant and one building berth (small) suggested in the scheme were not immediately necessary. The remaining items came to Rs. 767.81 lakhs. The CIWTC was accordingly addressed on 5-6-1976 to prepare a revised project report costing Rs. 768.00 lakhs along with the results of the cost benefit analysis for going in for construction of building berth. It was also advised to place the revised scheme before the Board of Directors and to intimate their recommendations.

3. On 18-8-1976 the CIWTC sent a fresh scheme for development of the dockyard at an estimated cost of Rs. 768 lakhs along with a note for Project Investment Board (PIB). The affairs of CIWTC were discussed in a meeting held on 21-8-1976 in the Chamber of the then Minister of Shipping and Transport. In this meeting the former Minister of State in the Ministry of Shipping and Transport felt that an investment of about Rs. 800 lakhs in the development of the dockyard would not be justified unless sufficient orders were likely to become available and it had to be borne in mind that there were four similar yards in Calcutta with which the Rajabagan Dockyard had to compete in prices and it would not be prudent to develop this yard further unless further orders were available.

4. CIWTC was asked on 23-8-1976 to send revised project report as also fresh note for PIB in the light of these observations. In November, 1976 CIWTC sent a proposal at a cost of Rs. 201.57 lakhs for construction of one building berth and one shed. This scheme was discussed in the Ministry of Shipping and Transport on 16-12-1976 when the former CMD promised to send a fresh reference regarding construction of building dock/slipway. Subsequently, in February, 1977 the CIWTC sent a revised project report for construction of a building dock at Rajabagan Dockyard at a cost of Rs. 189.00 lakhs. Certain observations thereon were conveyed to CMD, CIWTC in March, 1977, replies to which were received in July, 1977. Since the approval of EFC was also to be taken for the earlier scheme recommended by the Bose Committee at a cost of Rs. 300 lakhs the CIWTC was asked in August, 1977 to send EFC Memo at a cost of Rs. 300.00

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lakhs for development of the dockyard and one building berth at a cost of Rs. 189 lakhs respectively. In September, 1977 the CIWTC furnished EFC Memo for building berth at a cost of Rs. 189 lakhs only. In October, 1977 the CIWTC was addressed again to send both the proforma separately for Rs. 300 lakhs and Rs. 189 lakhs. In August, 1978 the CIWTC has furnished a combined Memo for the total amount of Rs. 489 lakhs. In the meantime, the report of the Tata Consultants for general development of the Rajabagan Dockyard became available and in September, 1978 the CIWTC was asked to send their comments on the report of the Tata Consultants on development of the dockyard and information on certain other points was also asked for. On 28-10-1978 in a meeting held in the Ministry of Shipping and Transport the present CMD stated that the proposals were being looked into afresh in the light of the report of the Tata Consultants and the revised EFC Memo will be submitted in due course. CMD, CIWTC was accordingly asked on 4-11-1978 to send a revised EFC Memo. The CMD, CIWTC is re-examining the proposal in the light of the report of Tata Consultants particularly from the point of marketability of the products to be manufactured by the Dockyard after development in competition with the other firms.

5. It will thus be observed that proposals for development of the Dockyard have been examined from time to time from various angles. The proposals will be processed expeditiously as soon as revised EFC Memo is received from CIWTC after taking into account the recommendations of the Tata Consultants.

[Ministry of Shipping and Transport O.M. No. 28-IWT(68) |78-P&W dated the 9th February, 1979.]



## APPENDIX

(Vide 4 of the Introduction)

Analysis of action taken by Government on the recommendations contained in the 15th Report of the Committee on Public Undertakings (Sixth Lok Sabha)

I. Total number of recommendations made . . . . .	14
II. Recommendations that have been accepted by the Government ( <i>Vide</i> recommendations at Sl. Nos. 5, 6, 7, 9, 10, 11, 12 and at paras 25 and 102) . . . . .	9
Percentage to total . . . . .	64.26%
III. Recommendations which the Committee do not desire to pursue in view of Government's reply ( <i>vide</i> recommendations at Sl. Nos. 4 and 8) . . . . .	2
Percentage to total . . . . .	14.28%
IV. Recommendations/observations in respect of which the replies of Government have not been accepted by the Committee . . . . .	NIL
Percentage to total . . . . .	NIL
V. Recommendations/observations in respect of which final replies of Government are still awaited ( <i>vide</i> recommendations at Sl. Nos. 1 to 3) . . . . .	3
Percentage to total . . . . .	21.42%