

FIFTEENTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1980-81)

(SEVENTH LOK SABHA)

**COLLABORATION AGREEMENT FOR
MANUFACTURE OF DIESEL ENGINES
FOR SHUNTERS**

MINISTRY OF RAILWAYS

(RAILWAY BOARD)

Discussion taken on 91st Report (Sixth Lok Sabha)]



**PARLIAMENT LIBRARY
DIGITIZED**

Presented in Lok Sabha on
Laid in Rajya Sabha on

LOK SABHA SECRETARIAT
NEW DELHI

December, 1980/Agrahayana, 1902 (Saka)

Price (Rs.) 1.05

Corrigenda to the 15th Report of PAC
(Seventh Lok Sabha) presented to Lok
Sabha on 23.12.1980.

<u>Page</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
6	25	enhanced	changed
	26-27	delete the words	'they agreed'
9	last line	earliest	earlier
10	14	state	stated

CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE	(iii)
INTRODUCTION	(v)
CHAPTER I — Report	1
CHAPTER II — Recommendations and Observations that have been accepted by Government	4
CHAPTER III — Recommendations and Observations which the Committee do not desire to pursue in the light of the replies received from Government	13
CHAPTER IV — Recommendations and Observations replies to which have not been accepted by the Committee and which require reiteration	14
CHAPTER V — Recommendations and Observations in respect of which Government have furnished interim replies	15
APPENDIX — Conclusions and Recommendations	16

(iv)

21. Prof. Rasheeduddin Khan

22. Shri Indradeep Sinha.

SECRETARIAT

1. Shri H. G. Paranjpe—*Joint Secretary.*

2. Shri D. C. Pande—*Chief Financial Committee Officer.*

3. Shri T. R. Ghai—*Senior Financial Committee Officer.*

INTRODUCTION

I, The Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Fifteenth Report on action taken by the Government on the recommendations of the Public Accounts Committee contained in their Ninety First Report (Sixth Lok Sabha) on collaboration agreement for manufacture of diesel engines for shunters relating to the Ministry of Railways (Railway Board). The 91st Report dealt with a case of unauthorised deviation made in a collaboration agreement entered into between the Chittaranjan Locomotive Works and a German firm, where the Committee had recommended that a thorough probe should be conducted by a body independent of the Railway Board. In this Action Taken Report, the Committee have expressed their satisfaction at the action taken by the Ministry of Railways (Railway Board) in having the whole case examined by the C.B.I. and taking appropriate action against the defaulting officers after consulting the Central Vigilance Commission.

2. On 20 August, 1980, the following 'Action Taken Sub-Committee' was appointed to scrutinise the replies received from Government in pursuance of the recommendations made by the P.A.C. in their earlier reports:

1. Shri Chandrajit Yadav—Chairman.
 2. Shri K. P. Unnikrishnan
 3. Shri K. P. Singh Deo
 4. Shri V. N. Gadgil
 5. Shri Satish Agarwal
 6. Shri N. K. P. Salve
- } Members.

3. The Action Taken Sub-Committee of the Public Accounts Committee (1980-81) considered and adopted the Report at their sitting held on 2 December, 1980. The Report was finally adopted by the Public Accounts Committee (1980-81) on 9 December, 1980.

4. For reference facility and convenience, the recommendations and observations of the Committee have been printed in thick type

in the body of the Report, and have also been reproduced in a consolidated form in the Appendix to the Report.

5. 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 December, 1980.

26 Agrahayana, 1902 (S).

CHANDRAJIT YADAV,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with the action taken by Government on the Committee's recommendations or observations contained in their 91st Report (Sixth Lok Sabha) on the collaboration agreement for manufacture of diesel engines for shunters.

1.2. The 91st Report was presented to Lok Sabha on 31st August, 1978 and contained in all 19 recommendations or observations. The Action Taken Notes in respect of all the 19 recommendations or observations have been received from Government and these have been broadly categorised as follows:

- (i) Recommendations or observations that have been accepted by Government:

S. Nos. 1—19.

- (ii) Recommendations or observations which the Committee do not desire to pursue in the light of the replies received from Government:

Nil

- (iii) Recommendations or observations replies to which have not been accepted by the Committee and which require reiteration:

Nil

- (iv) Recommendations or observations in respect of which Government have furnished interim replies:

Nil

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

Reference of the entire case to the Central Bureau of Investigation for further examination

(S. Nos. 17 and 19—Paras 1.86 & 1.88)

1.4. After examining a case of unauthorised deviation in a collaboration agreement entered into between the Chittaranjan Loco-

motive Works and a German firm, the Committee had in para 1.86 of the Report recommended as under:

“Having regard to the facts narrated in the foregoing paragraphs which strongly raise suspicion about *bona fides* and having regard to the avoidable payment of Rs. 9 lakhs to the foreign firm and an almost total indifference displayed by various authorities concerned despite their awareness of the unauthorised deviation right from the beginning, the Committee recommend that a thorough probe should be conducted by a Body independent of the Railway Board so that the part played by various officials at different points of time in this sordid episode could be clearly and fully brought out and those responsible for the lapses and for loss to the Government could be suitably brought to book.”

1.5. In para 1.88 of the Report, the Committee had further recommended as under:

“Considering, therefore, that the opinion of the Law Secretary is neither sound nor conclusive and in fact raises questions of fundamental importance for the proper functioning of the administrative machinery and ensuring that officials of doubtful integrity do not defeat Government's orders and cause avoidable loss to the Government and unlawful gain to private parties by successfully evading their responsibility for faithfully implementing Government's instructions and orders, it is desirable that the independent inquiry is made by the Central Vigilance Commission or the Central Bureau of Investigation so that no ambiguity is left in regard to the legal liability of officials who violate or depart from Government instructions and orders, as in this case.”

1.6. In their Action Taken Note dated 22nd February, 1979, the Ministry of Railways (Railway Board) stated:

“The recommendations of the PAC have been accepted. As desired by them, the entire case has been remitted to the Central Bureau of Investigation for examination on the advice of Central Vigilance Commissioner. The report of the Central Bureau of Investigation is still awaited.”

1.7. In a further note dated 26th August, 1980, the Ministry of Railways (Railway Board) have stated:

“While accepting the observations made by the Public Accounts Committee in paras 1.70 to 1.85 and 1.87 the Ministry of Railways would submit that in terms of Committee’s recommendations made in paras 1.86 and 1.88 the entire matter was entrusted to C.B.I. for investigation. Their report has been received and examined in consultation with the Central Vigilance Commission. On the advice of the Central Vigilance Commission, recordable warnings have been issued to the then Joint Director, Mechanical Engineering (Workshops), Joint Director, Railway Stores (Development) and Section Officer, Mechanical (Locos) Branch. In addition, Government’s displeasure has been communicated to the then Additional Member Mechanical, who has since retired as no other disciplinary action was possible.”

1.8. The Committee note with satisfaction that the Ministry of Railways (Railway Board) considered it fit to remit the entire case relating to the unauthorised deviation in a collaboration agreement entered into between Chittaranjan Locomotive Works and a West German firm for indigenous manufacture of diesel engines for shunters, to the Central Bureau of Investigation for examination on the advice of the Central Vigilance Commission. The Committee further note that on the basis of the Report of the CBI and in consultation with the Central Vigilance Commission, the Ministry of Railways (Railway Board) have taken appropriate action against the defaulting officers. The Committee trust that necessary remedial measures, procedural or otherwise, will also be taken in the light of the findings of the CBI to obviate recurrence of the cases of the type referred to in the Committee’s 91st Report (Sixth Lok Sabha).

CHAPTER II

Recommendations and Observations that have been accepted by Government

Recommendations

1.70. The Committee note that for implementing the proposal for technical collaboration between the Railways and a West German firm (Mak) for indigenous manufacture of diesel engines for shunters in Chittaranjan Locomotive Works, the firm had in June 1966 sent a draft agreement incorporating *inter alia* the provision in regard to payment of engineering fees and Royalty to them. The terms and conditions regulating payment of royalty and engineering fees were further negotiated by the Railways with the firm and the confirmation to thus mutually agreed terms was formally conveyed by the firm under their letter dated 20th July, 1967 to Additional Member (Mechanical), Railway Board. The terms and conditions were subsequently got approved from the Foreign Agreements Committee of the Ministry of Industrial Development and Company Affairs, in December 1967. According to the terms and conditions as approved, the agreement was to be operative for a period of 10 years and engineering fees at 3 per cent and royalty at 2 per cent on the value of Mak engine and components would be payable for the first 8 years for the first 400 engines built at Chittaranjan Locomotive Works and during subsequent two years only engineering fees at 2 per cent would be payable for 60 engines per year. As per the clause approved by the Foreign Agreement Committee, royalty was not payable during 9th and 10th years of the agreement irrespective of the fact whether 400 engines were produced during the first 8 years or not.

1.71. Surprisingly enough, on the basis of a revised proposal of the firm received in April 1968, a modification was incorporated in the agreement executed by the Chittaranjan Locomotive Works in June 1968. In terms of this modification, the royalty at stipulated percentage would be payable for a period of 10 years, the payment of royalty being limited to 400 engines only, whereas according to the clause earlier approved by the Foreign Agreements Committee, no royalty was payable during the 9th and 10th years of the agreement. The Committee have been given to understand that

209 Mak engines have been produced in the first 8 years of the collaboration agreement and according to Railways' own estimates, 80 Mak engines would be manufactured in the final two years (i.e. by June, 1978) of the currency of the agreement. The Committee learn that this modification in the agreement will cost the national exchequer DM 2,31 lakhs (about Rs. 9 lakhs) being an avoidable payment of royalty based on the original *vis-a-vis* revised terms regulating payment of royalty during the 9th and 10th years under the agreement.

1.72. The manner in which the collaboration agreement was executed, the unauthorised deviations that were made therein and the various omissions and commissions, deliberate or otherwise, are discussed in the succeeding paragraphs. The facts which have emerged are sufficient to convince the Committee about the need for conducting a deeper enquiry to establish the *bona fides* of high ranking officials in the Railway Board.

1.73. The Committee find that after the firm had conveyed their formal concurrence to the negotiated terms of the agreement, *vide* their letter of 20th July, 1967 addressed to the Additional Member (Mechanical), Railway Board in regard to the engineering fees and royalty, the firm's representative had conducted certain discussions in the matter in January 1968 both at Chittaranjan and at Delhi with the General Manager, Chittaranjan Locomotive Works and the Additional Member (Mechanical). Subsequently, in April, 1968, the firm sent a revised draft making a change in the period over which royalty would be payable as mentioned above. The Committee regret that no formal record of the aforesaid discussions having an important bearing on the matter was kept. The Committee are led to believe that the unauthorised variations incorporated later on in the agreement at the time of its formal execution must have been informally finalised at these discussions. The Committee do not agree with the reasons advanced by the Chittaranjan Locomotive Works Administration that the variation in the terms of the agreement was due to error on the part of the administration in interpreting the decision of the Foreign Agreements Committee as there was no ambiguity in the decision of that Committee and there was no scope for any mis-interpretation.

1.74. The Committee note that on receipt of the communication from the firm in April 1968 the Additional Member (Mechanical), Railway Board had written to the General Manager, Chittaranjan Locomotive Works for signing of the agreement with the changes suggested by the firm. However, the FA&CAO, Chittaranjan Loco-

motive Works specifically pointed out that by incorporating the changes, suggested by the firm, there would be financial implications and as such they were not prepared to sign the agreement. Under the circumstances, the Chittaranjan Locomotive Works wrote to the Railway Board seeking definite directions. The Committee are surprised to note that in spite of this objection having been sent by the General Manager, Chittaranjan Locomotive Works in consultation with his FA&CAO, the then Additional Member (Mechanical) observed that there was not much difference between the two and that there were no financial implications and the Chittaranjan Locomotive Works should go ahead with the signing of the agreement. It may be noted that in coming to this decision, he did not consult the Finance Branch of the Railway Board.

1.75. On 18th June, 1968, the Additional Member (Mechanical), Railway Board gave final orders to the Chittaranjan Locomotive Works for signing of the revised agreement. Subsequently, on 21st June, 1968, a communication was addressed to the Ministry of Industrial Development (Foreign Agreements Committee) seeking their approval to the modifications in the terms of the agreement earlier concurred in by the Committee on the plea that "the sum total of both the paras (of the original and revised agreement) was the same and only the language used in the revised para conveyed the meaning clearly" and "that as the wording of the clause as accepted by the Foreign Agreements Committee seems to be confusing, this should be enhanced as such and if they agreed, they agreed, they would make this change." Further the revised agreement was executed on 29th June, 1968 without waiting for the concurrence or comments of the Ministry of Industrial Development (Foreign Agreements Committee), since the Additional Member (Mechanical) had already directed the Chittaranjan Locomotive Works for signing of the agreement.

1.76. The Committee further note that in their communication of 26th July, 1968 to the Railway Board, the Ministry of Industrial Development had stated that the proposed revised terms would have financial implications and categorically stated that the revised terms could not be accepted, unless the Foreign Agreements Committee's revised approval was taken. The Ministry of Industrial Development, therefore, asked for 50 copies of the revised memorandum for consideration by the Foreign Agreements Committee. The Committee regret that no action was taken to send the revised memorandum to the Foreign Agreements Committee but instead efforts were made, obviously to cover up the lapses, to persuade the West German firm to agree to the original clause as approved by the Foreign Agreements Committee. But the firm did not oblige.

1.77. According to the rules no change in the agreement could be effected without the approval of the Chairman, Railway Board and the Financial Commissioner and also in this case the Foreign Agreements Committee. The Committee was greatly surprised by the revelations made by the Railway Board in the material furnished to them that an important contract with a foreign firm had been unauthorisedly modified by the Additional Member (Mechanical) to the disadvantage of the country and in favour of the foreign collaborator even without the knowledge of the Chairman, Railway Board and the Financial Commissioner and of the Foreign Agreements Committee (the Ministry of Industrial Development) and disregarding the objection raised by the FA&CAO, CLW. It is a matter of concern that in January 1971 the Chairman, Railway Board and the Financial Commissioner knowing fully that the matter was earlier dealt with by the Additional Member, asked the same officer in his capacity as Member (Mechanical) (as he had been promoted by them) to look into the matter and put up a report. Surprisingly the relevant file did not come to surface till the Member (Mechanical) concerned retired in 1973. The Chairman, Railway Board and the Financial Commissioner do not appear to have pursued the matter after January 1971. The reason for their lapse has not been adequately explained.

1.78. The Committee regret to note yet another important deviation from the prescribed procedure to the effect that the revision in the terms of the agreement having financial implications was accepted by the Additional Member (Mechanical) even without consulting the Associate Finance in the Board's office although the original terms and conditions of the agreement, as approved by the Foreign Agreements Committee in December 1967, were finalised in consultation with the Finance Directorate.

1.79. Another disturbing feature of the case is that though the modified agreement as executed was put up to the Financial Commissioner on 23 July, 1968, unauthorised deviation went undetected as he did not go into the details. The Committee do not agree with the argument that the agreement was put up to him just for his information. Had the Financial Commissioner gone into the details of the agreements, he might have noticed the deviations made therein and could also take remedial measures in time. To the extent that this was not done is in the opinion of the Committee a positive lapse.

1.80. The Committee note that on 28 July, 1968, the Ministry of Industrial Development had requested the Railway Board for 50 copies of the revised memorandum for reconsideration of the matter

by the Foreign Agreements Committee. It is a matter of great concern that the revised memorandum was held up in the Mechanical Directorate for a long period of about six years. It has come to the Committee's notice that the draft memorandum was approved by the Member Mechanical only on 19 April, 1974. The Ministry of Industrial Development (Foreign Agreements Committee) accorded their *ex-post-facto* approval to the revised agreement in June 1974. While according their approval, the Ministry had *inter alia*, observed that the matter should be brought to the notice of both the Chairman, Railway Board and the Minister of Railways so that an enquiry could be made as to who was responsible for the unauthorised deviation at the time of signing of the agreement. The Committee are deeply concerned to note that such an important development was brought to the notice of the Ministry of Railways only on 11 August, 1976, i.e., a fortnight before the matter was scheduled to be discussed by this Committee, despite the fact that the Foreign Agreements Committee had very specifically asked for it as far back as June 1974. The officials of the Railway Board must be called to account for the wilful delay in putting up the case before the Minister almost after a period of two years.

1.81. The Committee note that as a result of the enquiry conducted by the Railway Board, the responsibility for the unauthorised modifications in the agreement with the West German firm resulting in an avoidable loss of about Rs. 9 lakhs to the exchequer has been fixed on the then Additional Member (Mechanical). But virtually, this fixation of responsibility has not served any purpose, since the Additional Member (Mechanical) had retired in 1973. All his accounts having been already settled, the Railway Board, according to the existing establishment rules, is helpless to take any action against him. The Committee note that the Ministry of Railways had sought the advice of the Ministry of Law as to what further action could be taken against the Additional Member (Mechanical) who was held responsible for the loss suffered by Government and who has since retired from service. According to the Law Secretary, the only remedy available to the Government was to file a suit against the then Additional Member (Mechanical) if there was evidence. According to him this evidence should be the evidence of the Members of the Foreign Agreements Committee of the period 1967 and 1968 who could depose to say that the Foreign Agreements Committee would not have approved the modified terms. After having had some correspondence with the Ministry of Industrial Development and Department of Economic Affairs in regard to the non-availability of the members of the Foreign Agreements Committee of 1967 and 1968, the Railway Board concluded that the evidence on which the suit

could be sustained against the then Additional Member (Mechanical) was not available and in the absence of this evidence it would be risky to venture upon any litigation against the then Additional Member (Mechanical). The Ministry of Law to whom the matter was again referred expressed their agreement with the opinion of the Ministry of Railways that it would not be desirable to venture upon any litigation against the then Additional Member (Mechanical) in these circumstances.

1.82. The Committee feel that the advice given by the Ministry of Law, if accepted, would give rise to serious administrative difficulties for Government. It would not be possible in future to hold any official responsible for any unauthorised departure from the orders or decision of a Committee appointed by the Government if, after lapse of time, it could be pleaded that the unauthorised departure would have been ratified at a later point of time or the Members of that very Committee could have maintained that they would not have disapproved of the departure from the decision had the case been referred back to them. It would appear from the opinion of the Law Ministry that in such circumstances the onus for proving loss to Government arising from an unauthorised departure from the decision of the competent authority would lie on Government and not on the officer responsible for that departure. This will only encourage the corrupt officials to indulge in wilful departures from decisions in the hope that by the time their sins are discovered they would be retired and Government would be helpless in initiating any action against them. Such a situation may raise a basic problem in the smooth and day-to-day functioning of the administration.

1.83. The Committee also find it interesting to note that at one stage the Railway Board had come to the conclusion that the responsibility for carrying out a change in the terms of the Collaboration agreement without consulting the Financial Commissioner and the Chairman, Railway Board and for not obtaining the prior concurrence from the Foreign Agreements Committee should rest wholly on the then Additional Member (Mechanical). They had also felt that if the appropriate authorities had been consulted by the then Additional Member (Mechanical), the additional liability fastened on the Government would not have arisen. However, after the legal opinion had been obtained, which suggested that it was risky to venture upon any litigation against the then Additional Member (Mechanical), the Railway Board have shifted from their earliest stand and have come forward with the plea that "Routine

processing of a case is the responsibility of the Directorate Personnel. But in such cases it is difficult to fix responsibility on any one person at this late date. Moreover it is not the function of the Member concerned, who is responsible for decision taking and not for routine procedure." The Committee cannot but take a serious note of this somersault and ambivalent attitude of the Railway Board in a matter which has involved an avoidable burden of about Rs. 9 lakhs on the national exchequer.

1.84. The Committee need hardly point out that three top officials of the Railway Board who tendered evidence before the Committee have admitted that there has been a serious lapse in the handling of the case for which there was no defence. The then Chairman, Railway Board, had in his evidence tendered before the Committee on 27th August, 1976 *inter alia* state:

"It is true that the agreement as concluded with the West German firm provided for terms slightly different from what were agreed to by the Foreign Agreements Committee and this extra payment has certainly come to be paid, and we have no defence on that particular period."

Again the Member (Mechanical), Railway Board, while giving evidence before the Committee on 31st March, 1978 deposed:

"The main point is the failure of the Railway Ministry to have obtained the Foreign Agreements Committee's approval to the modifications in the agreement. To that, we have no reservation and we entirely accept that that was a complete error."

The present Chairman, Railway Board, in his evidence before the Committee tendered on 31st March, *inter alia*, stated:

"There have been some lapses in following the procedure. It has resulted in the things which we could have avoided."

1.85. According to the rules, no change in the collaboration agreement could be made without the approval of the Financial Commissioner and Chairman, Railway Board. In this case the Additional Member (Mechanical), Railway Board had, however, gone out of the way, disregarding flagrantly the prescribed procedure, in giving an uncalled for benefit to a foreign firm. The perfunctory manner in which the whole case has been dealt with at

all levels creates doubts about the bonafides of the other persons as well.

1.86. Having regard to the facts narrated in the foregoing paragraphs which strongly raise suspicion about bonafides and having regard to the avoidable payment of Rs. 9 lakhs to the foreign firm and an almost total indifference displayed by various authorities concerned despite their awareness of the unauthorised deviation right from the beginning, the Committee recommend that a thorough probe should be conducted by a Body independent of the Railway Board so that the part played by various officials at different points of time in this sordid episode could be clearly and fully brought out and those responsible for the lapses and for loss to the Government could be suitably brought to book.

1.87. The Committee note that the opinion given by the Law Secretary as reproduced at pages 46-47 of the Report is qualified by many laboured assumptions. It has been stated by the Law Secretary that the Financial Commissioner had eventually approved of the modifications of the agreement. In this connection attention is invited to the evidence of the Railway Board's representative as reproduced at page 30 where it has been pointed out that the paper put up to the Financial Commissioner merely stated that the agreement has been signed and it was taken to mean that it had been signed in accordance with the clearance given by the Railway Board and the Foreign Agreements Committee. The deviation made in the agreement was not brought to the notice of the Financial Commissioner. It is, therefore, not understood as to how the Law Secretary can maintain or assume that the Financial Commissioner had approved the modifications. In fact it would be far fetched even to assume, as done by the Law Secretary, that the Financial Commissioner had noted the changes and then approved the agreement.

1.88. Considering therefore that the opinion of the Law Secretary is neither sound nor conclusive and in fact raises questions of fundamental importance for the proper functioning of the Administrative machinery and ensuring that officials of doubtful integrity do not defeat Government's orders and cause avoidable loss to the Government and unlawful gain to private parties by successfully evading their responsibility for faithfully implementing Government's instructions and orders, it is desirable that the independent inquiry is made by the Central Vigilance Commission or the Central Bureau of Investigation so that no ambiguity is left in regard to the legal

liability of officials who violate or depart from Government instructions and orders, as in this case.

[Sl. Nos. 7 to 19, Paras 1.70 to 1.88 of 91st Report of PAC
(VI Lok Sabha).]

Action Taken

Paras 1.86 and 1.88

The recommendations of the PAC have been accepted. As desired by them, the entire case has been remitted to the Central Bureau of Investigation for examination on the advice of Central Vigilance Commissioner. The report of the Central Bureau of Investigation is still awaited.

Paras 1.70 to 1.85 and 1.87

Action taken notes on the observations made in these paras will be furnished to PAC after the findings of the C.B.I. have been made available and examined by Railway Ministry.

[Ministry of Railways (Railway Board) O.M. No. 78-B(C)-
PAC/VI/91, dated 22-2-79].]

Supplementary Information

While accepting the observations made by the Public Accounts Committee in paras 1.70 to 1.85 and 1.87 the Ministry of Railways would submit that in terms of Committee's recommendations made in paras 1.86 and 1.88 the entire matter was entrusted to C.B.I. for investigation. Their report has been received and examined in consultation with the Central Vigilance Commission.

On the advice of the Central Vigilance Commission, recordable warnings have been issued to the then Joint Director, Mechanical Engineering (Workshops), Joint Director, Railway Stores (Development) and Section Officer, Mechanical (Locos) Branch. In addition, Government's displeasure has been communicated to the then Additional Member Mechanical, who has since retired as no other disciplinary action was possible.

[Ministry of Railways (Railway Board) O.M. No. 78-B(C)-
PAC/VI/91, dated 26th August, 1980].]

CHAPTER III

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

NIL

CHAPTER IV

RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

NIL

CHAPTER V

RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF
WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES.

NIL

NEW DELHI;
17 December, 1980.

26 Agrahayana, 1902 (S).

CHARANJIT YADAV,
Chairman,
Public Accounts Committee.

APPENDIX

Conclusions/Recommendations

Sl. No.	Para No.	Ministry/Department Concerned	Conclusion/Recommendation
1	1.8	Railways	<p>The Committee note with satisfaction that the Ministry of Railways (Railway Board) considered it fit to remit the entire case relating to the unauthorised deviation in a collaboration agreement entered into between Chittaranjan Locomotive Works and a West German firm for indigenous manufacture of diesel engines for shunters, to the Central Bureau of Investigation for examination on the advice of the Central Vigilance Commission. The Committee further note that on the basis of the Report of the CBI and in consultation with the Central Vigilance Commission, the Ministry of Railways (Railway Board) have taken appropriate action against the defaulting officers. The Committee trust that necessary remedial measures, procedural or otherwise, will also be taken in the light of the findings of the CBI to obviate recurrence of the cases of the type referred to in the Committee's 91st Report (Sixth Lok Sabha).</p>