

NATIONAL TEXTILE CORPORATION LIMITED—
(i) Avoidable payment of commission of Rs. 148.80 lakhs due to appointment of agents for supplies to Defence & other Government Departments; and
(ii) Avoidable Unproductive Expenditure of Rs. 1.41 crores due to shut down of Boilers in Ajudhia Textile Mills of N.T.C. (DP&R) Limited

(MINISTRY OF TEXTILES)

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1993-94**

TENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

TWENTY FIFTH REPORT COMMITTEE ON PUBLIC UNDERTAKINGS (1993-94)

(TENTH LOK SABHA)

NATIONAL TEXTILE CORPORATION LIMITED—
(i) Avoidable payment of commission of Rs. 148.80 lakhs due to appointment of agents for supplies to Defence & other Government Departments; and
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(MINISTRY OF TEXTILES)

[Action taken by Government on the recommendations contained in the 4th Report of the Committee on Public Undertakings (Tenth Lok Sabha)]



Presented to Lok Sabha and Laid in Rajya Sabha on 23.12.1993

LOK SABHA SECRETARIAT
NEW DELHI

December, 1993 / Pausa, 1915 (S)

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Corrigenda to the Twenty-fifth Report of
the Committee on Public Undertakings
(1993-94) on National Textile Corporation
Limited

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<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
iii	-	8	Shri Era Anbarasu	Shri R. Anbarasu
4	1	15	recur	recur
9	2	12	seals	sales
10	-	24	NTC(TN&D)	NTC(TN&P)
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**COMMITTEE ON PUBLIC UNDERTAKINGS
(1993-94)**

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Shri Vilas Muttemwar

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3. Shri P.K. Grover —*Under Secretary*

**ACTION TAKEN SUB-COMMITTEE OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS
(1993-94)**

1. Shri Vilas Muttemwar —*Chairman*
2. Shri Basudeb Acharia —*Convener*
3. Shri Chetan P.S. Chauhan
4. Shri R.K. Dhawan
5. Shri V. Narayanasamy

INTRODUCTION

1. the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Twenty Fifth Report on Action Taken by Government on the recommendations contained in the 4th Report of the Committee on Public Undertakings (Tenth Lok Sabha) on National Textile Corporation Limited—(i) Avoidable payment of Commission of Rs. 148.80 lakhs due to appointment of agents for supplies to Defence & other Government Departments; and (ii) Avoidable Unproductive Expenditure of Rs. 1.41 crores due to shut down of Boilers in Ajudhia Textile Mills of N.T.C. (DP&R) Limited.

2. The 4th Report of the Committee on Public Undertakings (1991-92) was presented to Lok Sabha on 12 March, 1992. Replies of Government to all the recommendations contained in the Report were received by 11 May, 1993. The Replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings (1993-94) on 21 December, 1993. The Committee considered and adopted this Report at their sitting held on 21 December, 1993.

3. An analysis of the action taken by Government on the recommendations contained in the 4th Report of the Committee (1991-92) is given in Appendix-II.

NEW DELHI;
December 22, 1993

Pausa 1, 1915 (Saka)

VILAS MUTTEMWAR,
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 Fourth Report (Tenth Lok Sabha) of the Committee on Public Undertakings on National Textile Corporation Limited which was presented to Lok Sabha on 12th March, 1992.

2. Action Taken Notes have been received from Government in respect of all the 7 recommendations contained in the Report.

These have been categorised as follows:

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

Sl. Nos. 3, 6 and 7.

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

Sl. No. 5

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

Sl. No. 2

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

Sl. Nos. 1 and 4

3. The Committee are constrained to point out with regret that after presentation of the Fourth Report (Tenth Lok Sabha) in March, 1992 it took the Ministry of Textiles more than one year in furnishing action taken replies duly vetted by Audit. The action taken replies were required to be submitted by 11th September, 1992 but the same were furnished to the Committee only on 11th May, 1993 and that too after repeated reminders. The Committee deprecate the delay in furnishing the action taken replies and the casual manner in which the Ministry have treated the recommendations of the Committee. Surely, the Committee expect greater attention of the Ministry in accepting and implementing their recommendations. They, therefore, desire that the Ministry must take due care in future and furnish action taken replies within the stipulated time.

4. The Committee desire that the final replies to recommendations at Sl. Nos. 1 and 4 for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

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

A. Action Taken against defaulting officials

[Recommendations Sl. Nos. 1 & 4 (Paragraphs 2.1, 2.2. & 2.3)]

6. The Committee had noted with regret that the instructions issued by the Government in August 1982 to the National Textile Corporation Limited that no agents were to be engaged by NTC's subsidiaries and Mills for the purpose of securing orders for supplies to Defence and other Government Departments either directly or through DGS&D were flouted by Bharathi Mills, Pondicherry Swadeshi Cotton Mills, Pondicherry and Panipat Woollen Mills, Kharar by continuing to employ agents in violation of the said instructions and an expenditure of Rs. 148.80 lakhs was incurred by way of commission to the agents. The Committee had recommended that the matter should be thoroughly enquired into and responsibility fixed on defaulting officials and that the money so wasted should be recovered from those who had defaulted.

7. Further the Committee had taken a serious view of the fact that although the Report of the CBI recommending criminal prosecution against the Chief Executive Officer of Swadeshi Cotton Mills was received by the Ministry in May, 1989 and a period of more than 2 years had elapsed since then no conclusive action had been taken by the Ministry on the report of CBI and the matter was reported to be still under correspondence with Central Vigilance Commission. The Committee had desired that the matter should no longer be delayed further and prompt action should be taken to bring the guilty to book.

8. In their reply the Ministry have stated that the CBI had recommended, *inter-alia*, prosecution of Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills, Pondicherry (who had already retired) and RDA for major penalty against Shri M Ananthapadmanabhan, CMD, NTC (TN&P) Ltd. The matter was considered in consultation with CVC which agreed to recommendations of the CBI to prosecute Shri Anandraj, the then Chief Executive Officer Swadeshi Cotton Mills and initiate RDA for major penalty against Shri Ananthapadmanabhan, CMD and Shri B.I. Das. However, no action has yet been initiated against Shri B.I. Das on the ground that a similar action was pending against CMD, NTC (TN&P) Ltd. who is the disciplinary authority in case of Shri B.I. Das. Action against Shri Ananthapadmanabhan has already been finalised in consultation with CVC and he was cautioned to be more careful in future. NTC has been asked to initiate action against Shri B.I. Das.

9. The Committee feel that the information given by Government is incomplete and conceals more than it reveals. The Ministry have neither spelt out the action taken against Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills, Pondicherry and other defaulting officials in Bharati Mills, Pondicherry and Panipat Woollen Mills, Kharar nor

mentioned anything about the recovery of the wasteful expenditure incurred by them as a result of employment of agents in contravention of the Government's instructions. Surprisingly no action has so far even been initiated against Shri B.I. Das. The Committee take a serious view of all this and desire that the exact action taken on each count should be intimated to them within 3 months.

B. Review of monitoring system

(Recommendation S. No. 2 Paragraph 2.3)

10. The Committee were surprised to find that the Government after having issued the instructions, did precious little to ensure their implementation and presumed that the same had been implemented. The Committee failed to understand as to how in the absence of the proper feedback, the Ministry satisfied themselves with regard to the compliance of the instructions. The Committee felt that there was definitely something amiss both at the Ministry/Undertaking level in the present system of monitoring the functioning of the public undertakings and the matter needed to be reviewed to bring about the desired improvement.

11. In their reply, the Ministry have stated that public undertakings have been granted functional autonomy. This entails a bond of trust between the Administrative Ministry and the Public Sector Undertaking concerned. Thus Public Sector Undertakings are expected to adhere to the instructions' guidelines/regulations of Government. However all important issues and matters are discussed through a process of review of the functioning of the Corporation and its subsidiaries, both at the Ministry as well as at the level of the Holding Company.

12. The Committee are constrained to point out that the functional autonomy of a public Sector Undertaking is not jeopardized if the administrative Ministry ensures compliance of the instructions issued by them in the interest of healthy growth of the company. It is meaningless to issue instructions and then leave their compliance to the will of the company. The Committee, therefore, need hardly re-emphasise that the existing system of monitoring should be reviewed with a view to ensure timely implementation of the Government's instructions by the Public Sector Undertakings in their true letter and spirit.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

(Recommendation Serial No. 3, Paragraph 2.4)

The Committee also find that as against the normal practice which requires that the mills should work under the direct administrative control of the subsidiary corporation, a special status was accorded to the then Chief Executive Officer of the Swadeshi Cotton Mills, Pondicherry who was allowed to report directly to N.T.C. Holding Company and subsidiary Corporation was not involved in any manner with the decision making process of the mills. The decision to continue with the services of the agents was stated to have been taken at the level of the then Chief Executive Officer of the Mills in consultation with officials of the Holding Company. Thus, the N.T.C. is to be squarely blamed for not having placed the mills under the control of the subsidiary corporation and for allowing resumption of agents in clear violation of the Government instructions. The Committee desire that circumstances which led to granting a special status to the Mills be examined and steps taken to ensure that such lapses are not allowed to recur.

Reply of the Government

NTC has stated that the Chief Executive, Swadeshi Cotton Mills, Pondicherry was allowed to report directly to NTC Holding Company due to lack of clarity regarding the future disposition of the taken over mills. Subsequently, this mill was nationalised and brought under the direct control of NTC (TN&P) Ltd. The control of the other mills whose management had been taken over by the Government was also placed with the Subsidiary Corporations concerned in order to avoid recurrence of such lapses.

(Ministry of Textiles O.M. No. 22012/1/92 NTC dated 7th May, 1993).

(Recommendation S. No. 6, Paragraph No. 2.7)

The Committee regret to find the failure of N.T.C. to take timely action for replacement of an old boiler at Ajudhia Textile Mill, a composite Mill under NTC (DP&R) Ltd. resulted in an unproductive expenditure of Rs. 1.41 crores on idle wages during the period December, 1985 to November, 1987 and the cost of the boiler also increased by Rs. 3.20 lakhs because of delay in procurement. The delay in procurement of the new boiler was mainly attributable to a series of administrative decisions which were altered from time to time. For instance, though the mills initiated action for the procurement of new boiler in the year 1983 but a decision

was taken by the Board of Directors of NTC (DP&R) Ltd. that in view of the labour situation only patch work should be undertaken. In June, 1984 on receipt of the notice of shut down of boiler from the boiler inspector, efforts were made to take the approval from the NTC (Holding Company) for purchase of a new boiler which was refused due to paucity of funds. Thereafter the Holding Company granted approval for procurement of a new boiler in September, 1985 which was communicated to the subsidiary in October, 1985. In view of the fact that in December, 1985 the Delhi Administration ordered shutdown of the boilers in the Ajudhia Textile Mills, it was decided that a boiler ordered of Firm 'X' for another Mill in June, 1985 be diverted to this Mill.

This, however, did not materialise in view of the fresh instructions issued by Holding Company in August, 1986 that proper procedure of inviting quotations through the newspapers should be followed and all earlier orders be cancelled. The company went ahead and placed letter of indent on Firm 'Y' in December, 1986 but since advance was outstanding against Firm 'X' the same was also cancelled in January, 1987 and it was decided to place the order on Firm 'Z' which was the selling agent of firm 'X'. The boiler was finally received in July, 1987 and Commissioned in November 1987 at a total cost of Rs. 16.70 lakhs as against the cost of Rs. 13.50 lakhs estimated in August, 1984, besides idle wages of Rs. 1.41 crores during the period of shut down.

The Committee deprecate the manner in which the entire issue has been dealt with. It is a typical case where the failure on the part of the management of a public undertaking to act judiciously and to take timely decision resulted in avoidable substantial financial as well as production loss. They expect that in future atleast more care and caution shall be exercised by NTC with a view to avoid such cases of infructuous expenditure.

Reply of the Government

NTC has already issued instructions to its Subsidiary Corporations to exercise more care and caution to avoid infructuous expenditure e.g. in the case of the delay in replacement of the boiler at the Ajudhia Textile Mills which resulted in payment of idle wages etc.

(Ministry of Textiles O.M. No. 22012/1/92-NTC dated 7th May, 1993).

(Recommendation Serial No. 7, Paragraph No. 2.8)

The Committee are concerned to note that there are about 124 sick Textile Mills under NTC Ltd. They are not happy with the slow pace of modernisation of these mills. What is really disturbing is that while many of these mills are in a position to generate their own resources for modernisation they are not being allowed to do so and their profits are being adjusted against the losses earned by other units with the result that

even these units are likely to go into red over a period of time. The Committee desired that the entire position be reviewed so as to speed up the modernisation programme of NTC mills.

Reply of the Government

The Turn Around Strategy for NTC envisages selective modernisation at an outlay of about Rs. 533 crores during the 8th Five Year Plan period. This modernisation would maximise contribution levels on existing product mix, explore alternative high value products; increased production of high value blended fabrics, improve present levels of utilisation and productivity, induct sophisticated and appropriate production technology such as rotors in spinning and Hightech looms, Auto Coners, etc, & create a permanent export culture. The above modernisation coupled with rationalisation of surplus work force and financial and managerial restructuring would enable NTC to Turn Around on economically viable lines.

(Ministry of Textiles O.M. No. 22012/1/92-NTC dated 7th May, 1993)

CHAPTER III

RECOMMENDATION WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES

Recommendation Serial No. 5, Paragraph No. 2.6

The Committee were informed that with effect from March, 1990 it has been decided by the Ministry of Defence to do away with the single tender system and N.T.C. will now have to compete with the private sector for supplies to Defence. It was, therefore, essential that N.T.C. should have somebody to protect and promote their interests. The question of engaging the agents will, therefore, need to be re-examined. The Committee desire the Government to make a thorough study of the reasons for fall in the orders from DGS&D and Defence to N.T.C., after dispensing with the services of agents and suggest suitable measures to enable N.T.C. to compete with the private sector in the changed circumstances.

Reply of the Government

NTC is of the opinion that services of agents are necessary to augment orders from DGS&D and Defence (in fact, the withdrawal of Defence from the Single Tender System can be partly attributed to discontinuation of the services of agent). It is not fair to ask NTC to compete with the private sector on the one hand but restrict it from making use of trade practices that may be necessary, in order to procure orders, on the other.

(Ministry of Textiles O.M. No. 22012 / 1 / 92-NTC dated 7th May, 1993).

CHAPTER IV

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

(Recommendation S. No. 2, Paragraph No. 2.3)

The Committee are surprised to find that the Government also after having issued the instructions, did precious little to ensure their implementation and presumed that the same had been implemented. The cases of non-compliance came to the notice of the Ministry through a news items in 1987 in respect of Swadeshi Cotton Mills and on receipt of audit paragraphs in 1986 and 1988 in the case of Bharati Mills and Panipat Woollen Mills respectively. The fact that liberal interpretation was being given by NTC to the Government instructions was also reported to have come to the notice of the Ministry for the first time in 1987 through a news item and it was only then that the Ministry reiterated their earlier instructions by issuing fresh ones. The Committee fail to understand as to how in the absence of the proper feed back, the Ministry satisfied themselves with regard to the compliance of the instructions. This leaves the Committee with the feeling that there is definitely something amiss both at the Ministry / Undertaking level in the present system of monitoring the functioning of the Public Undertakings and the matter needs to be reviewed to bring about the desired improvement.

Reply of the Government

Public Undertakings have been granted functional autonomy. This entails a bond of trust between the Administrative Ministry and the Public Sector Undertakings concerned. Thus Public Sector Undertakings are expected to adhere to the instruction / guidelines / regulations of Government. However, all important issues and matters are discussed through a process of reviews of the functioning of the Corporation and its Subsidiaries, both at the Ministry as well as the level of the Holding Company.

(Ministry of Textiles O.M. No 22012 / 1 / 92-NTC dated 7th May, 1993.)

Comments of the Committee

(Please see Para 12 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

(Recommendation S. No. 1, Paragraph Nos. 2.1&2.2)

According to the instructions issued on 13 August, 1982 by the Government and circulated to the National Textile Corporation Limited no intermediaries / agents were to be engaged by National Textile Corporation's subsidiaries and Mills for the purpose of securing orders and supplies to Defence and other Government Departments either directly or through DGS&D. The Government directive further stipulated that agents already engaged should be discontinued immediately except where such agreements were enforceable against the Corporation in a court of law. Surprisingly, neither the Ministry of Textiles nor the NTC were aware of the rationale behind the issue of these orders which were stated to have been issued as a result of some discussion which took place in the chamber of the then Commerce Minister. According, to the Secretary, Ministry of Textiles although there was nothing on record as to what was discussed in the meeting, the rationale behind the Government's decision was perhaps to remove the middle men between the two Government agencies *i.e.* NTC on the one side and DGS&D / Defence on the other.

The Committee regret to note that these instructions were flouted with impunity by Bharati Mills, Pondicherry and Swadeshi Cotton Mills, Pondicherry both under the control of N.T.C. (Tamil Nadu & Pondicherry) Limited and Panipat Woollen Mills, Kharar which was under the control of N.T.C. (DP&R) Limited by continuing to employ agents in violation of the instructions for long and an expenditure of Rs. 148.80 lakhs was incurred by way of commission to these agents. They are further dismayed by the fact that NTC Limited has tried to defend the engagement of the agents by stating that a liberal interpretation was given to the Government guidelines and these were construed to mean that pre-inspection agents could continue to be employed. The continuance of the agents was also sought to be justified on the ground that the seals made to DGS&D and Defence suffered a drastic downfall on dispensing with their service. The Secretary, Ministry of Textiles, however, admitted during evidence that discontinuation of the other agents was one factor and reduction in sales could also be attributed to other factors like obsolescence of machinery and lack of proper training of workers, etc. He also conceded that no analysis had been made in this regard. The Committee, are, therefore, not satisfied with the arguments advanced by NTC for not following the instructions issued by the Ministry. If it was felt by the

Corporation that the Sales suffered after discontinuation of the agents, nothing prevented it from approaching the Ministry and impressing upon them the utility of the services rendered by the agents. The very fact that at no point of time permission or any clarification was sought by NTC from the administrative Ministry for continuing with the agency system leads the Committee to the conclusion that there was definitely an attitude of defiance on the part of NTC with regard to implementation of the instructions issued by Government. They, therefore, recommend that, as assured by the Chairman-cum-Managing Director of NTC Limited during the course of evidence, the matter should be thoroughly enquired into and responsibility fixed on defaulting officials and that the money so wasted should be recovered from those who have defaulted. They also desire to be informed of the action taken in this behalf within a period of 3 months.

Reply of the Government

The CBI had recommended, *inter-alia*, prosecution of Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills, Pondicherry (who had already retired) and RDA for major penalty against Shri N. Ananthapadmanabhan, CMD NTC (TN&P) Limited. The matter was considered in consultation with CVC which agreed to recommendations of the CBI to prosecute Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills and initiate RDA for major penalty against Shri Ananthapadmanabhan, CMD and Shri B.I. Das. However, no action has yet been initiated against B.I. Das, on the ground that a similar action was pending against CMD NTC (TN&D) Limited, who is the disciplinary authority in case of Shri B.I. Das. Action against Shri Ananthapadmanabhan has already been finalised in consultation with CVC and he was cautioned to be more careful in future. NTC has been asked to initiate action against Shri B.I. Das.

(Ministry of Textiles O.M. No. 22012/1/92-NTC dated 7th May, 1993.)

Comments of the Committee

(Please see para 9 of the Chapter I of the Report)

(Recommendation S. No. 4, Paragraph No. 2.5)

The Committee find that CBI in their report had levelled serious allegations against the then Chief Executive Officer of Swadeshi Cotton Mills who is alleged to have caused wrongful loss of Rs. 45 lakhs to N.T.C. by continuing with the services of M/s. Kumar Textiles against the Government instructions till the surprise check was conducted by CBI in April, 1987. The Committee take a serious view of the fact that although the Report of the CBI recommending criminal Prosecution against the Chief Executive Officer of Swadeshi Cotton Mills was received by the Ministry in May, 1989 and period of more than 2 years has elapsed since then no conclusive action has been taken by the Ministry on the report of

CBI and the matter was reported to be still under correspondence with Central Vigilance Commission.

The Committee desire that the matter should no longer be delayed further and prompt action should be taken to bring the guilty to book. They would like to be apprised of the action taken in this regard at the earliest.

Reply of the Government

The CBI had recommended, *inter-alia*, prosecution of Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills, Pondicherry (who had already retired) and RDA for major penalty against Shri N. Ananthapadmanabhan, CMD, NTC (TN&P) Limited. The matter was considered in consultation with CVC which agreed to recommendations of the CBI to prosecute Shri Anandraj, the then Chief Executive Officer, Swadeshi Cotton Mills and initiate RDA for major penalty against Shri Ananthapadmanabhan, CMD and Shri B.I. Das on the ground that a similar action was pending against CMD, NTC (TN&P) Limited, who is the disciplinary authority in case of Shri B.I. Das. Action against Shri Ananthapadmanabhan has already been finalised in consultation with CVC and he was cautioned to be more careful in future. NTC has been asked to initiate action against Shri B.I. Das.

(Ministry of Textiles O.M.No. 22012/92-NTC dated 7th May, 1993)

Comments of the Committee

(Please see para 9 of the Chapter I of the Report)

NEW DELHI;
December 22, 1993

Pausa 1, 1915(S)

VILAS MUTTEMWAR,
Chairman,
Committee on Public Undertakings.

APPENDIX I

Minutes of the 15th sitting of Committee on Public Undertakings held on 21st December, 1993.

The Committee sat from 15.30 to 16.30 hrs.

PRESENT

Shri Vilas Muttemwar—*Chairman*

2. Shri Chetan P.S. Chauhan
3. Shri Ramesh Chennithala
4. Smt. Saroj Dubey
5. Shri B.M. Mujahid
6. Shri Ramdew Ram
7. Dr. C. Silvera
8. Shri Virendra Singh
9. Shri V. Narayanasamy
10. Shri Pravat Kumar Samantaray
11. Shri G. Swaminathan

SECRETARIAT

1. Smt. P.K. Sandhu—*Deputy Secretary*
2. Shri P.K. Grover—*Under Secretary*

OFFICE OF THE THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Shri R. Chandramauli, Assistant C&AG (Commercial) and Secretary
Audit Board office of the C&AG of India,
New Delhi.

The Committee considered and adopted the draft report as approved by the Action taken Subcommittee on Action Taken by Government on the recommendations contained in the Fourth Report of the Committee on Public Undertakings (1991-92) on National Textile Corporation Limited—(i) Avoidable Payment of Commission of Rs. 148.80 lakhs due to appointment of agents for supplies to Defence and other Government Departments; and (ii) Avoidable unproductive expenditure of Rs. 1.41 crores due to shut down of boilers in Ajudhia Textile Mills of N.T.C. (DP&R) Limited.

2. * * *
3. * * *

4. The Committee authorised the Chairman to finalise the Reports on the basis of factual verification by the Ministry/Undertaking concerned and audit (in respect of report mentioned in Para 1) and to present the same to Parliament.

The Committee then adjourned

APPENDIX II

(*Vide* para 3 of the Introduction)

Analysis of the Action Taken by Government on the recommendations contained in the 4th Report of the Committee on Public Undertakings (Tenth Lok Sabha) on N.T.C. Limited.

I.	Total number of recommendations	7
II.	Recommendations that have been accepted by the Government (<i>Vide</i> recommendations at Sl. Nos. 3,6 and 7)	3
	Percentage to total	42.86%
III.	Recommendations which the Committee do not desire to pursue in view of Government's replies (<i>Vide</i> recommendation at Sl. No. 5)	1
	Percentage to total	14.29%
IV.	Recommendation in respect of which final reply of Government has not been accepted by the Committee (<i>Vide</i> recommendation at Sl. No. 2)	1
	Percentage to total	14.29%
V.	Recommendations in respect of which final replies of Government are still awaited. (<i>Vide</i> recommendations at Sl. Nos. 1 and 4)	2
	Percentage to total	25.56%