

So far as the Vijaynagar plants is concerned, iron ore will be locally available, but coking coal will have to be brought from Bihar. So far as the Visakhapatnam plant is concerned, iron ore would very likely be taken from Bailadilla, but the coking coal will again be taken from Bihar. This is the position so far as the raw materials are concerned.

I did not follow exactly the latter part of the hon. Member's question.

SHRI JAGANNATH MISHRA : What will be the man-power requirements during their construction as well as operation phases ?

SHRI S. MOHAN KUMARAMANGALAM : We have not arrived at any final conclusion regarding man-power requirements. A study group is examining that in order to do so.

श्री आर० बी० बडु : मैं मंत्री महोदय से जानना चाहता हूँ कि बेल्लाडीला से जो आयरन ओर विशाखापत्तनम जायेगा वह कैसे जायेगा ?

This is about transport of ore to Visakhapatnam and shipment to Japan. At present, what is the procedure for bringing iron ore from Bailadilla to Visakhapatnam ? Is it by our own rail or by some other means?

SHRI S. MOHAN KUMARAMANGALAM : At the present moment, we are still examining what will be the exact method of transport. Ordinarily we would expect that the entire ore would be transported by rail. But during the last decade, as hon. members must be aware, there has developed the process of transporting iron ore by slurry. We are examining all the three methods, namely, pelletising and transporting the pellets or sending them by slurry or sending them by rail. We have not come to a final decision.

SHRI B. S. MURTHY : What are the difficulties in acquiring land in Visakhapatnam ? Also what are the other teething troubles in the case of the Visakhapatnam factory ?

SHRI S. MOHAN KUMARA-

MANGALAM : I do not think Government have ever stated that we have had any difficulties regarding acquiring land in Visakhapatnam. The other difficulties are the normal ones that one faces in relation to the establishment of any public sector undertaking of a major character—nothing special.

श्री नाथू राम अहिरवार : अध्यक्ष महोदय, अभी माननीय मन्त्री महोदय ने बताया कि विशाखापत्तनम स्टील प्लांट के लिए बेल्लाडीला से आयरन ओर भेजा जाता है। विशाखापत्तनम और बेल्लाडील के बीच में कोई रेलवे लाइन नहीं है। यह तय है कि बेल्लाडीला को पहले प्राथमिकता मिलनी चाहिये थी स्टील प्लांट लगाने के लिए तो किन कारणों से बेल्लाडीला में स्टील प्लांट न लगाकर विशाखापत्तनम में स्टील प्लांट लगाया जाये, क्या सरकार बेल्लाडीला में स्टील प्लांट लगाने के लिये विचार कर रही है ?

अध्यक्ष महोदय : आप कहां विशाखापत्तनम और बेल्लाडीला पहुंच गये।

श्री नाथू राम अहिरवार : जहाँ पर आयरन ओर है वहाँ पर स्टील प्लांट लगाना चाहिए।

SHRI PILOO MODY : It is a very good question.

MR. SPEAKER : On his recommendation, I am allowing it for answer.

SHRI S. MOHAN KUMARAMANGALAM : The decision to put up a steel plant in Visakhapatnam was taken some years ago. I think all considerations were taken into account in arriving at that decision.

Advance payment for goods not supplied

*248. **PROF. NARAIN CHAND PARASHAR :** Will the Minister of SUPPLY be pleased to state :

(a) whether a firm fraudulently obtained advance payments amounting to Rs. 2.84 lakhs for supplies which were not effected by it, as observed by the public Accounts Committee in its 105th Report (Fourth Lok Sabha);

(b) if so, whether an investigation into the matter has been completed; and

(c) whether in view of this observation, Government is contemplating to consider the question of building safeguards into the general conditions governing contracts of the D. G. S. & D. ?

THE MINISTER OF SUPPLY (SHRI D. R. CHAVAN) : (a) Yes, Sir.

(b) Yes, Sir.

(c) In the light of the observations made by the Public Accounts Committee, certain remedial measures have been taken by the Government from time to time to safeguard Government's interests. A statement listing out these measures is laid on the Table of the House.

Statement

1. Sub-clause 9 of Clause 14 of the condition of contract (DGS & D-68-Revised) has been amended specifying that the railway receipt/consignee's note or bill of lading if any, should be drawn in the name of the consignee or the interim consignee, as the case may be, and should be sent to him.

2. Instructions have been issued to the Purchase Officers that in future Acceptance of Tenders, the consignees should be requested to send an intimation to the Purchase Organisation immediately on receipt of stores giving particulars of the Acceptance of Tender No. and date, date of despatch of stores by the contractor with railway receipt number and date and date of actual receipt by the consignee along with the quantity received.

3. In case of progress payments, in addition to the checks of railway receipts and transport documents, the progress

field staff will also test check the actual receipt of stores by the consignee. This will be done by checking consignee's receipts, sending letter to consignee to certify the receipt and in important cases even by visits to the consignee's premises.

4. Consignees have been asked to promptly report to the Pay & Accounts Officer concerned, with a copy to the Directorate General of Supplies & Disposals, any cases of shortages/discrepancies found in the stores received by them. In this connection, administrative instructions have been issued for preparation of bills by the supplying firms in quadruplicate to enable the Pay & Accounts Officer to use the triplicate copy of the bill as a debit intimation memo to the consignee concerned. This will help the consignee to report to the concerned authorities immediately in case stores have not been received for which payments have been drawn by the firm.

5. Instructions have been issued that all serious complaints received from consignee's and other malpractices, frauds etc. reported by them should immediately be brought to the notice of the senior officers and also periodically reviewed by them so as to ensure prompt and proper action.

6. It has been decided that the Pay & Accounts Officer would, immediately after making payment of advance bills, send a registered letter to the consignee asking him to confirm receipt in full or the extent of short supply of stores as indicated in the railway receipt, within 45 days of receipt of the letter.

7. It has been decided that the contractor should incorporate a certificate on the bill form itself to the effect that the railway receipt No. and date quoted in the bill is genuine and correct.

PROF. NARAIN CHAND PARASHAR : Arising out of answer to (b), may I know the contents of the report of investigation ?

SHRI D. R. CHAVAN : When the fraud was detected, Director, Supply, Bombay, reported it to the CBI, and SPE, Bombay

Branch. Investigation has been completed. There are four cases which are pending in the Additional Chief Presidency Magistrate's Court. One case has been decided. A partner of the firm committed the fraud. He has been convicted and sentenced to pay a fine and also undergo imprisonment.

SHRI S. M. BANERJEE : This is the first time that he is replying to a question as the Minister of Supply ?

MR. SPEAKER : Then he must be congratulated.

PROF. NARAIN CHAND : PARASHAR. What is the name of the firm ?

SHRI D R CHAVAN : The name of the firm is Khushaibhai patel & Sons, and the partner of the firm, I. R. Patel, has been convicted (*Interruption*)

श्री बलीप सिंह : क्या मंत्री महोदय इस फर्म का नाम बतायेंगे ? और क्या कोई लीगल ऐक्शन इसके खिलाफ लिया गया है ? यदि हा, तो उसका क्या रिजल्ट हुआ ?

SHRI D. R. CHAVAN : The name of the firm has been given.

Mr. SPEAKER : He has mentioned it.

श्री हुकम चन्द कच्छवाय : अध्यक्ष महोदय मैं जानना चाहता हूँ क्या यह बात सही है कि जिन अफसरों ने पहले पेमेंट किया है उनका अपना कुछ कमीशन बंधा हुआ था ? क्या जो जांच की गई है उसमें यह पाया गया है कि अफसर स्वयं दोषी है ? यदि हाँ, तो ऐसे कितने अफसरों के खिलाफ केस दायर किये गये हैं और कितने अफसरों के खिलाफ आपने कोई कार्रवाई की है ?

SHRI D.R. CHAVAN : The question is, the fraud has been committed by the firm. Fraud has not been committed by the office; it has not come to the notice of the Government, what is alleged by the hon. Member

is absolutely incorrect.

श्री हुकम चन्द कच्छवाय : इसमें अफसरों से कुछ कमीशन बंधा हुआ था और उन्होंने लालच में आ करके पहले पेमेंट किया है। मैंने पूछा है कि जो जांच की गई है उसमें क्या अफसरों के खिलाफ कुछ निकला है ? यदि निकला है तो उनके खिलाफ भी कुछ कार्रवाई की गई है क्या ?

MR. SPEAKER : It has been categorically stated, (*Interruption*)

इसी का उत्तर दिया है।

SHRI G. VISWANATHAN : This is a case where a firm has received fraudulent payment without supplying any material. Without the official connivance, it is impossible to get payment without supplying the material. I want to know from the Minister, when he says that it is only a fraudulence on the part of the firm, what action has been taken against the officials who have paid the amount. (*Interruption*)

MR. SPEAKER : Order, order.

SHRI D. R. CHAVAN : All the details concerning this case have been given in the 105th report of the Public Accounts committee, 1969. (*Interruption*)

MR. SPEAKER : He has put a categorical question; whether any action has been taken against those officers who have made the payment.

SHRI D. R. CHAVAN : No action has been taken against the officials. (*Interruption*)

श्री हुकम चन्द कच्छवाय : ये अफसरों की बचाना चाहते हैं क्योंकि अफसरों की साठ गठ से सारा कुछ हुआ है। (अध्वर्याय) आप रिपोर्ट देखें तो पता चलेगा कि बहलक में अफसर भी शामिल हैं। (अध्वर्याय)...

MR. SPEAKER : Order, order, He has already categorically stated that no action has been taken. Now, Shri. G. M. Patel, (*Interruption*)

Shouting and screaming is not substitute for the strength and logic of the question. (*Interruption*) आप शान्ति से ज्यादा मजबूती के साथ पूछ सकते हैं। शोर करके से ज्यादा मजबूती नहीं आ जाती।

SHRI H. M. PATEL : Will the Minister be pleased to indicate if the department has carried out any enquiry into this, and whether he has found that there was no scope or there was scope for taking steps against the officers concerned?

SHRI D. R. CHAVAN : The investigation has been done. There was no scope for the officers to commit any fraud; no connivance. I can explain it: how the fraud was committed and all that. I can explain what was the *modus operandi* that was employed. The matter was investigated and the officers were not found to be involved. (*Interruption*)

MR. SPEAKER : I think he is very honestly telling you. He is not hiding or concealing anything.. (*Interruptions*).

SHRI SHYAMNANDAN MISHRA : What is the modality of payment? How is the officer not involved?

SHRI INDRAJIT GUPTA : Who made the payment? Who sanctioned it?

MR. SPEAKER : He is asking about the modality of payment.

SHRI D. R. CHAVAN : This is advance payment made according to the practice prevalent in the DGSD on the basis of the railway receipt. The *modus operandi* in this case was as follows. The firm were not the manufacturers themselves but they were the agents of certain textile mills. They entered into agreement for supplying various stocks. In this case the mill manufactured the cloth and despatched the cloth after inspection to the destination and passed on the railway receipt to the bankers with instructions that if the firm makes payment to the bank the receipt should be given. The firm did not make payment to the bank but quoted fictitious receipt to the Pay and Accounts and got the money, advance payment which was 90 per cent of the total contract. . . (*Interruptions*)

MR. SPEAKER : I have called the next question.

Implementation of ratio of Clerks in E.P.F.O.

*250. **SHRI R. P. YADAV :** Will the Minister of LABOUR AND REHABILITATION be pleased to state :

(a) whether ratio of U.D.Cs and L.D.Cs. has been fixed by the Government from 1:2 to 2:1 Employees Provident Fund Organisation and a Gazette Notification in this regard has also been published; if so the specific features thereof and the policy of the Government; and

(b) the steps being taken to expedite the implementation of the same?

THE DEPUTY MINISTER IN THE MINISTRY OF LABOUR AND REHABILITATION (SHRI BALGOVIND VERMA) : (a) The Government have accepted a recommendation of the Central Board of Trustees based on the report of a Committee of Trustees that the ratio of U.D.Cs and L.D.Cs may be liberalised from 1:2 to 2:1 subject to the condition that there would be no overall increase in the total number of posts as a result of the revision of the ratio and the revised ratio should be given effect to from the date of regular filling up of the posts. No gazette notification has been issued prescribing the ratio of the posts of U.D.Cs and L.D.Cs.

(b) The Provident Fund authorities have reported that the Scheme has already been implemented.

SHRI R. P. YADAV : May I know whether a decision has been taken in the matter to reverse the ratio and if so why the same is not being implemented? What is the number of LDCs and UDCs? After this ratio is reversed, how many LDCs were promoted as UDCs?

SHRI BALGOVIND VERMA : I do not follow the point that the ratio had been reversed. It has already been stated that the ratio had been liberalised from 1:2 to 2:1. Accordingly some posts have been filled; 189 posts have been filled and 189 EDCs