

CENTRAL GOVERNMENT



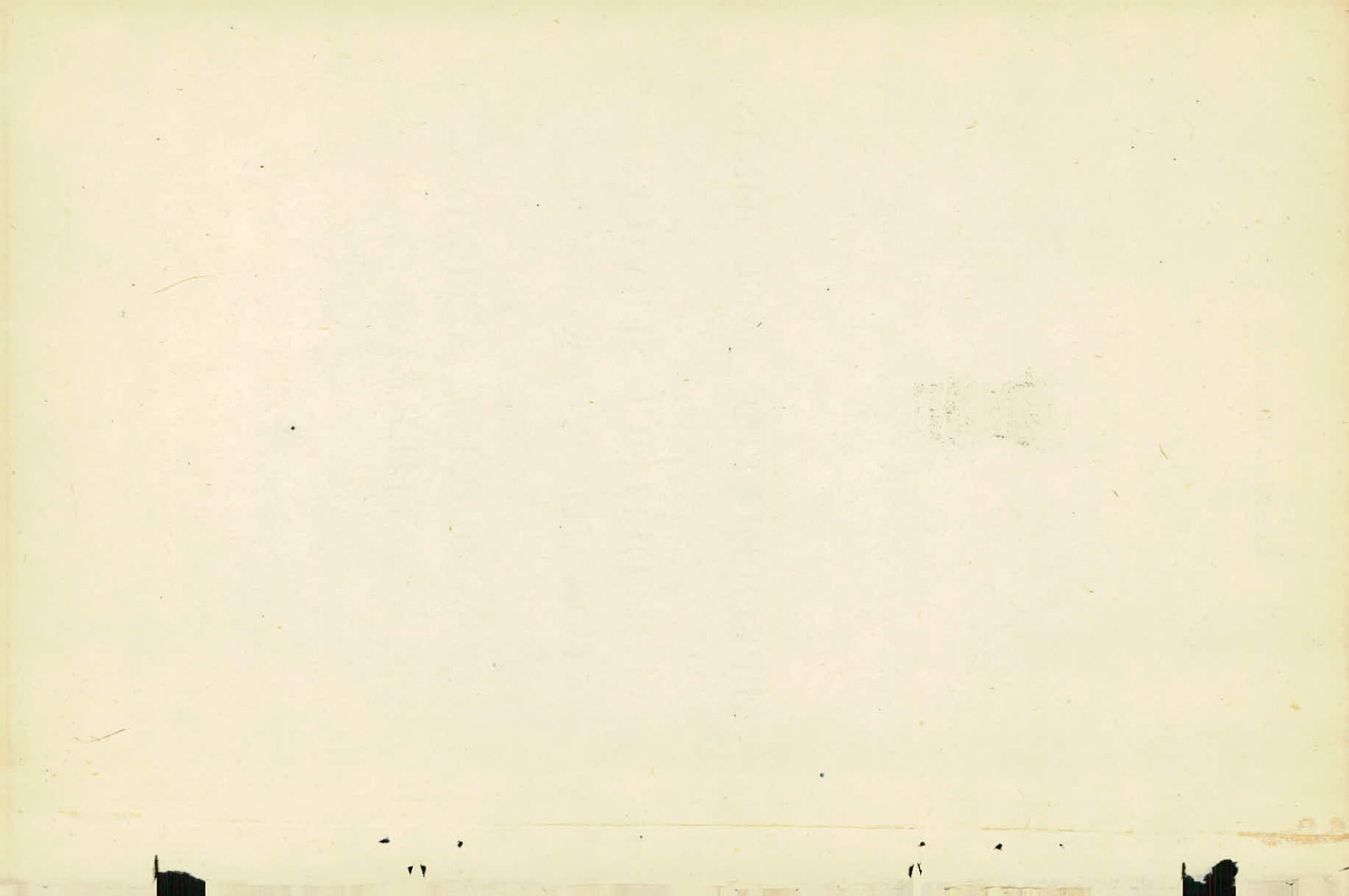
APPROPRIATION ACCOUNTS  
OF  
THE DEFENCE SERVICES  
FOR THE YEAR 1956-57  
AND  
COMMERCIAL APPENDIX  
THERE TO



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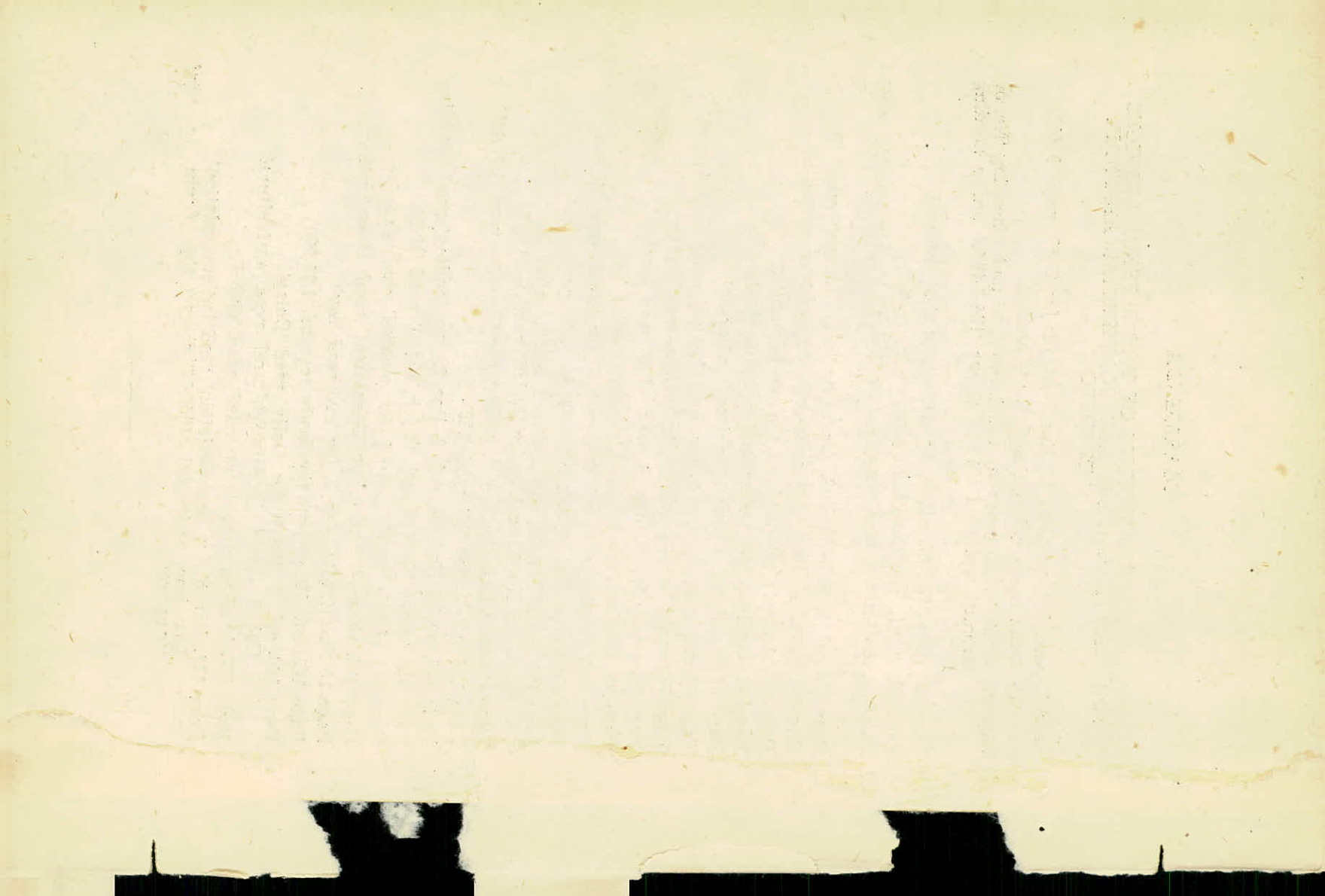




## CORRIGENDA

### APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES FOR THE YEAR 1956-57 AND COMMERCIAL APPENDIX THERE TO.

- Page 3, para. 7, Grant No. 12, line 3, col. 2, for '5 67' read '5.67'.
- Page 15, serial No. 4, col. 5, line 7, for '.' read ','.
- Page 26, serial No. 25 (xxxviii), col. 2, insert '1' under heading 'No. of aircraft' and read '24-8-1956' for '124-8-1956' under heading 'Date'.
- Page 28, serial No. 27, col. 2, line 11, delete ',' at the end.
- Page 30, col. 1, Sub-Head E, delete the letter 'S'.
- Page 31, Sub-Heads E, F and G, line 2, for ',' after 'awards' read '.'/.
- Page 32, col. 1, Sub-Head G, for 'S' against 'Charged' read 'R'.
- Page 44, para. 30, line 13, for 'co-ordinted' read 'co-ordinated'.
- Page 49, Amount col., add 'Rs.' in the beginning.
- Page 50, heading, for 'partculars' read 'particulars'.
- Page 67, serial No. 3, line 13, delete ',' after 'to'.
- Page 73, serial No 30, line 2, for 'July August' read 'July-August'.
- Page 76, serial No. 43, line 2, for 'trailor' read 'trailer'.
- Page 80, serial No. 22, line 5, for 'trailor' read 'trailer'.
- Page 96, heading, for 'n' after 'clearance' read 'in'.
- Page 100, serial No. 4, col. 6, item (2), for '46,00' read '46,000'.
- Page 105, serial No. 27, col. 6, line 3, for 'site' read 'steel'.
- Page 115, serial No. 69, col. 2, line 2, add 'a' after 'at'.
- Serial No. 72, col. 3, for '1,80,00' read '1,80,000'.
- Page 118, serial No. 35, col. 5, correct the figure to read '1,27,448'.
- Page 126, col. 1, for '20' read '120'.
- Page 127, serial No. 126, col. 2, line 2, for 'tanding' read 'standing'.
- Page 129, serial No. 138, col. 6, for '40,500' read '40,506'.
- Page 147, serial No. 138, line 4, for 'awared' read 'awarded'.
- Page 152, para 18, line 6, for 'Depatment' read 'Department'.
- Page 157, certificate, line 3, for 'mv' read 'my'.
- Page 160, col. 10, correct the figure to read '1,94,990'.
- Page 166, col. 2, line 9, for 'Daily' read 'Dairy'.
- Col. 5, line 4, for 'argricultural' read 'agricultural'.
- Page 177, heading, line 2, for 'nded' read 'ended'.
- Page 178, line 8, for 'accomodation' read 'accommodation'.
- Last line, under col. '1956-57' correct the figure to read '16,93,769'.



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## APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES 1956-57

(NOTE.—The figures in these accounts are in thousands of rupees unless otherwise stated.)

### SECTION I.—GENERAL REVIEW

The Sanctioned Grants and Appropriations on Revenue Account for the Defence Services under the four Grants—Army, Navy, Air Force and Non-Effective charges—during 1956-57 stood at Rs. 233·18 crores (Original Voted Grant Rs. 226·54 crores *plus* Supplementary Voted Grant Rs. 5·67 crores *plus* Supplementary *Charged* Appropriation Rs. 0·97 crore) as against the actual expenditure of Rs. 218·03 crores (Voted expenditure Rs. 217·04 crores and *Charged* expenditure Rs. 0·99 crore). The Sanctioned Grant and the Appropriation under Defence Capital Outlay was Rs. 28·12 crores (Original Voted Grant Rs. 28 crores *plus* Supplementary *Charged* Appropriation Rs. 0·12 crore) against an actual expenditure of Rs. 22·49 crores (Voted expenditure Rs. 22·35 crores *plus* *Charged* expenditure Rs. 0·14 crore).

2. *Supplementary Grant.*—A Supplementary Grant of Rs. 5·67 crores was voted by the Parliament in March 1957 under Grant No. 12—Defence Services, Effective—Army. This was obtained mainly to meet payments for the purchase of certain Defence stores and supplies from abroad decided upon during the course of the year and partly to meet additional expenditure on account of increase in prices of food commodities and additional purchase of tinned foodstuffs in connection with operations in certain areas. A sum of Rs. 3·08 crores out of the Sanctioned Grant (Original and Supplementary Grants) was ultimately found to be unnecessary.

3. *Supplementary Appropriations.*—As a result of constitutional changes which took place in the wake of independence, the Defence Services expenditure which prior to 15th August 1947 was Non-voted, came into the category of Voted expenditure with the exception of charges which, in common with similar expenditure debitable to Civil Estimates, were to be *Charged*, under Article 112(3) of the Constitution. Due, however, to an oversight, no distinction between Voted and *Charged* items of expenditure was made in the past in the Demands for Grants and *Charged* expenditure continued, since the 15th August 1947, to be classified in the accounts as Voted expenditure. As this was incorrect, it was decided to rectify the position in the accounts for 1956-57. Accordingly, Supplementary Appropriations of Rs. 2·44 lakhs and Rs. 11·74 lakhs were obtained during March 1957 under Grant No. 12, Defence Services, Effective—Army and Grant No. 117, Defence Capital Outlay respectively, to meet payments in satisfaction of court decrees/arbitration awards against the Government. In addition, a Supplementary Appropriation of Rs. 94·48 lakhs on account of interest portion of equated payments of commuted value of pensions and the interest portion of Capital Outlay on sterling pensions was also obtained under Grant No. 15—Defence Services, Non-Effective.

4. *Delay in the adjustment of debits.*—With the separation of accounts from audit with effect from the 1st April 1955 in the Ministries of Works, Housing and Supply and Food and Agriculture (the two Ministries with which the Defence Services are primarily concerned in this context) and the



introduction of the cash reimbursement system in consequence thereof, a substantial volume of payments which under the old procedure of exchange accounts would have been adjusted in the Defence books in the March Final and Supplementary Accounts remained unadjusted on 31st March 1957. A sum of Rs. 1.88 crores (mainly on account of cost of supply of imported wheat) representing reimbursements made during 1957-58 by the Controllers of Defence Accounts to the Pay and Accounts Officers of Ministries of Food and Agriculture and Works, Housing and Supply for supplies of stores to the Defence Services during 1956-57 and earlier was adjusted in the accounts for the year 1956-57 as a special case with the concurrence of the Comptroller and Auditor General.

5. *Expenditure connected with the despatch of Indian Contingent of the United Nations Emergency Force in Egypt.—*

Arising out of India's obligations as a member of the U.N.O., an Indian Army Contingent of the United Nations Emergency Force was despatched to Egypt during the year under review. It was decided that the expenditure on the Indian Contingent should be charged initially to the Defence Services Estimates, subject to review after a firm decision was taken on the question of sharing expenditure on the United Nations Emergency Force by the Member States of the United Nations Organization. The question of allocation of the expenditure as between the Defence Services and the External Affairs Ministry is also under consideration. Meanwhile, arrangements have been made to keep a complete record of all expenditure (normal as well as additional expenditure) connected with the units and personnel forming part of the Indian Contingent. An amount of Rs. 5.84 lakhs (Rs. 3.55 lakhs normal expenditure and Rs. 2.29 lakhs additional expenditure) on this account stands adjusted in the Defence books in the accounts for 1956-57. It was subsequently decided, in consultation with the Comptroller and Auditor General, that the above expenditure was on a 'New Service' not contemplated in the Budget. As no provision for it was made either in the original or in the supplementary Budget, it is being mentioned in this Review.

6. *General explanations for variations between the Sanctioned Grants and the actual expenditure.—*

The Budget for the year was framed on the assumption that supply position would show improvement and it would, therefore, be possible for the Defence Services to procure their requirements to the extent contemplated at the time of framing the estimates. Due, however, to the continuance of difficult conditions abroad in regard to procurement of supplies, this expectation did not materialise. There were also cases in which lesser purchases were eventually made as a result of reduction in demands.

Expenditure under the Non-Effective head showed reduction compared to the Sanctioned Grant mainly due to the fact that, as explained in paragraph 3 above, provision for interest portion of equated payments of commuted value of pensions and interest portion of Capital Outlay on sterling pensions was initially made in the Budget Estimates under "Voted", but subsequently a Supplementary Appropriation was obtained as the expenditure on this account was correctly to be classified as "Charged" expenditure. Consequently, the provision for this expenditure made in the Voted portion was found excessive and resulted in the saving.

Expenditure of a Capital nature also showed substantial reduction compared to the Sanctioned Grant. This was due mainly to the non-utilisation of provision on the Naval Construction Programme. There was also considerable saving in the works expenditure due to various reasons like delay in the starting of works, slow progress of works, changes in the scope of works, slow progress of land acquisition proceedings, non-materialisation of plant and machinery, etc., which has been set off to some extent by larger investment than originally anticipated in the share capital of the Hindustan Aircraft (Private) Ltd.

All known and foreseeable excess provision in the Sanctioned Grants was surrendered in the Revised and Final Estimates for the year.

7. The Actuals for the year compared with the Sanctioned Grants/Appropriations, the Revised Estimates and the Final Estimates are shown in the table below:—

(In crores of rupees)

No. and Name of Grant		Sanctioned Grant or Appropriation	Revised Estimate	Final Estimate	Actual Expenditure
<i>Expenditure met from Revenue</i>					
12— Defence Services, Effective—Army					
	Voted.	{ O. 150·23 } S. 5·67 }	155·90	151·68	152·82
	Charged.	S. 0·03	0·03	0·03	0·05
13— Defence Services, Effective—Navy	Voted.	O. 14·31	13·48	12·88	12·47
14— Defence Services, Effective—Air Force	Voted.	O. 48·17	42·97	39·15	38·58
15— Defence Services, Non-Effective					
	Voted.	O. 13·83	12·89	12·89	13·17
	Charged.	S. 0·94	0·94	0·94	0·94
<b>TOTAL ON REVENUE ACCOUNT</b>					
	Voted.	{ O. 226·54 } S. 5·67 }	225·24	216·60	217·04
	Charged.	S. 0·97	0·97	0·97	0·99
<i>Capital Expenditure</i>					
117— Defence Capital Outlay					
	Voted.	O. 28·00	23·94	23·12	22·35
	Charged.	S. 0·12	0·12	0·12	0·14
<b>GRAND TOTAL ON REVENUE AND CAPITAL ACCOUNT</b>					
	Voted.	260·21	249·18	239·72	239·39
	Charged.	1·09	1·09	1·09	1·13
	<b>TOTAL</b>	<b>261·30</b>	<b>250·27</b>	<b>240·81</b>	<b>240·52</b>

NOTE.— 'O' stands for Original Grant and 'S' for Supplementary Grant/Appropriation.



It will be seen from the above that taking the Revenue and Capital expenditure together there was a saving of nearly Rs. 21 crores compared to the Sanctioned Grant. This works out to 8 per cent. as against the saving of about 12.5 per cent. in the year 1955-56. Compared with the Revised and the Final Estimates for the year, the savings are Rs. 9.75 crores and Rs. 0.29 crore respectively, which in terms of percentage work out to 3.9 and 0.1 respectively. The corresponding figures for the previous year were 5.9 and 0.8 respectively.

A detailed comparison of the Estimates and the Actuals and explanations for variations between the Final Estimates and the Actuals under various Sub-heads of Grants are given in Section IV of these accounts.

8. The general standard of store accounting and stock verification was more or less the same as in the previous year.

9. A detailed review of the expenditure incurred by the Military Engineer Services is given separately in Section V of these Accounts. A review of the accounts of the manufacturing concerns of the Defence Services is included in the Commercial Appendix.

NEW DELHI;

Dated the 23 DEC 1958

S. JAYASANKAR,

*Financial Adviser,*

*Ministry of Finance (Defence).*

NEW DELHI;

Dated the 23 DEC 1958

O. PULLA REDDI,

*Secretary to the Government of India,  
Ministry of Defence.*

## SECTION II.—CHANGES IN FORM AND CLASSIFICATION

10. No important change was made during the year 1956-57 in the form and classification of accounts of the Defence Services.

## SECTION III.—MISCELLANEOUS OBSERVATIONS

11. *Excesses over charged Appropriations.*—The following statement shows the excesses over the individual *charged* appropriations requiring regularization :—

Serial No.	No. and Name of Appropriation	Sanctioned Appropriation	Actual Expenditure	Excess
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	12—Defence Services, Effective—Army	2,44,000	4,36,786	1,92,786
2.	14—Defence Services, Effective—Air Force.	..	46,904	46,904
3.	117—Defence Capital Outlay	11,74,000	13,15,087	1,41,087

12. The Controller General of Defence Accounts' certificate in respect of expenditure during the year 1956-57 is given in paragraph 17.

13. Statement showing items of expenditure exceeding Rs. 2,000 in each case in respect of which the necessary sanction of the Government of India is awaited (referred to in the first sub-paragraph of paragraph 17) is printed as an annexure to the Controller General of Defence Accounts' certificate.

14. Contributions paid to international organisations from the Defence Services Estimates are mentioned in foot-notes to the Grants concerned in Section IV.

15. The Commercial Appendix to the Appropriation Accounts has also been incorporated in these Accounts. The annual reports of the Directors to the Shareholders and the accounts of the Hindustan Aircraft (Private) Ltd.

and the Bharat Electronics (Private) Ltd. have not been included in the Commercial Appendix as, in accordance with Section 639 of the Companies Act, 1956, these are required to be presented to the Parliament separately.

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NOTE.—In the Appropriation Accounts exhibited at pages 30 to 41.

‘ O ’ stands for Original Grant and appears in column 1 only when a figure is shown against it and is omitted from that column when the figure against it is *nil*.

‘ S ’ stands for Supplementary Grant/Appropriation sanctioned by the Parliament.

‘ R ’ stands for residual modifications (reappropriation/surrender) sanctioned by the competent authorities other than Parliament.

The figures shown in the second column of the Accounts against all sub-heads are the figures as they stand after all modifications including surrenders or withdrawals but the figures shown in the same column against ‘ Total ’ represent merely the totals of the Original and the Supplementary Grants/Appropriations (if any), unaffected by surrenders or withdrawals. In order to neutralise the effect of reductions made in the provision under different sub-heads on account of Surrenders or withdrawals, a sub-head “Surrenders or withdrawals within Grant or Appropriation” is opened, where necessary, as the last sub-head in the Accounts.

No explanation is given for variations between the original grant/appropriation and the final grant/appropriation against individual sub-heads. Explanation is given mainly for divergencies between the final figure in column 2 and the actual expenditure in column 3, the difference between which appears in column 4. No amounts or percentages are prescribed for explaining these divergencies. Explanations of variations in respect of those cases only which are likely to be required by the Public Accounts Committee are included.



SECTION IV.—APPROPRIATION ACCOUNTS

16. Grand Summary of Appropriation Accounts by Grants and Appropriations, 1956-57.

No. and Name of Grant		Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure	Actual Expenditure more(+) less(—) than the	
					Original Grant or Appropriation	Final Grant or Appropriation
I		2	3	4	5	6
12—Defence Services, Effective—Army	{ Voted.	1,50,23,19	1,55,90,31	1,52,82,56	+2,59,37	—3,07,75
	{ Charged.	..	2,44	4,37	+4,37	+1,93
13—Defence Services, Effective—Navy		14,31,07	14,31,07	12,46,61	—1,84,46	—1,84,46
14—Defence Services, Effective—Air Force	{ Voted.	48,16,99	48,16,99	38,58,03	—9,58,96	—9,58,96
	{ Charged.	..	..	47	+47	+47
15—Defence Services, Non-Effective	{ Voted.	13,83,23	13,83,23	13,16,72	—66,51	—66,51
	{ Charged.	..	94,48	94,48	+94,48	..
Total expenditure met from Revenue	{ Voted.	2,26,54,48	2,32,21,60	2,17,03,92	—9,50,56	—15,17,68
	{ Charged.	..	96,92	99,32	+99,32	+2,40
117—Defence Capital Outlay	{ Voted.	28,00,00	28,00,00	22,35,34	—5,64,66	—5,64,66
	{ Charged.	..	11,74	13,15	+13,15	+1,41
GRAND TOTAL	{ Voted.	2,54,54,48	2,60,21,60	2,39,39,26	—15,15,22	—20,82,34
	{ Charged.	..	1,08,66	1,12,47	+1,12,47	+3,81

NOTE.—The above account does not include the recoveries shown below, which are adjusted in the accounts in reduction of the expenditure.

Revenue	6,19,60
Capital	2,78,34
<b>TOTAL</b>	<b>8,97,94</b>

CONTROLLER GENERAL OF DEFENCE ACCOUNTS'  
CERTIFICATE, 1956-57.

17. I certify that, to the best of my knowledge and belief, no part of the expenditure contained in these (1956-57) Appropriation Accounts has been incurred without the sanction of the Government of India, where such is required by regulations or other orders, with the exception of certain items, where the necessary sanction is awaited. Particulars of such items of Rs. 2,000 and over in value in each case are furnished in the annexure to this certificate.

I also certify that, with the exception of consuming units employed in aid of civil power in Assam and those employed with the United Nations Emergency Force in Egypt which have been authorised to adopt the field system of accounting, a test check of the Defence Services store accounts for 1956-57 has been carried out under my direction. The store accounts of units and formations in the Jammu and Kashmir area continued to be subjected to a reduced scope of test check during the year as in the previous years. The standard of maintenance of the accounts was almost the same as during the previous year.

Cases continued to occur in which the store accounts and/or connected documents were either incomplete or not maintained at all or were not produced for check; the position in this respect is more or less the same as in the previous year.

Irregularities such as unauthorised and uneconomical use of Government transport/aircraft, excess drawal of rations and unauthorised issue of equipment etc., were noticed as in the previous year.

The results of stock verification in the Army were carried out during the year showed that the situation was more or less the same as during the previous year. The number of Army Units and Formations including Military Engineer Services formations in which stock verification was either incomplete or not conducted at all was almost the same as in the previous year. Cases in which the stock verification was unsatisfactory in that it failed to bring out actual deficiencies/surpluses on ground were also observed to a larger extent. Surpluses and deficiencies in Ordnance Depots were, however, not of the same magnitude as in the previous year. Stock verification was carried out in all the factories with the exception of a few items and revealed better results.

The biennial stock verification in the Air Force Equipment Depots/Maintenance Units was completed by the due date, with the exception of one Depot, where although the physical verification is stated to have been completed the position could not be verified in the absence of entries in the relevant records. In three cases, however, the documentation of the results thereof had not been completed.



On the Navy side, stock verification was either not carried out or was incomplete in four formations. The results of stock verification where carried out were generally satisfactory.

Cases continued to occur to a greater extent than in the previous year—in which certain Army Depots, Naval Establishments, Equipment Depots of the Air Force and some units and formations could not link the vouchers on which the stores were actually brought on charge by them with the particular Issue Vouchers/Packing Accounts in which consignments were notified as having been issued to them. It was not, therefore, possible in a number of cases to verify with reference to the available copies of consignors' issue vouchers/invoices that the stores indicated therein had been fully brought to account in the books of the respective consignees. Cases in which stores stated to have been issued have not been brought to account at all by the consignees and cases in which vouchers have not been produced to audit continued to recur.

Recoveries of considerable magnitude on account of stores issued on payment and services rendered to States, Government Departments and Private bodies, could not be effected for various reasons, such as want of receipted copies of issue vouchers and/or the issue rate etc. The position in this regard continued to be unsatisfactory.

The position in regard to recovery of rent and allied charges is unsatisfactory. There has been an appreciable increase in the outstanding amount which deserves special attention.

The check of authorised proportions of stores by the Defence Accounts Department continued to be restricted to important and expensive items. In some cases, this check could not be exercised at all owing to the non-fixation of the quantities of stores authorised to be held and/or owing to the frequent fluctuations in the composition of the units and formations.

No proper or complete check of pension payments made during the year in respect of certain Indian Military Pensioners (including Indian State Forces personnel) could be conducted due to the non-receipt of Pension Payment Accounts from the Pension Disbursing Officers and for certain other reasons. The irregularities in the pension payments by one Pension Paymaster and one Treasury Office reported in the previous years are still under investigation. Cases of fraudulent drawal of pensions from three Civil Treasuries have also been noticed during the year.

*Ad Hoc* committees set up to deal with the backlog of audit objections raised prior to 31st March 1955 (including those raised by Statutory Audit) continued to function during the year. Although a considerable number of objections has been settled as a result of the Committees' deliberations, the balance of outstanding objections continues to be very high and the position of settlement of audit objections cannot be regarded as satisfactory.

I also certify that the expenditure met from the special Grants-in-Aid made to Cantonment Boards from the Defence Services Estimates has been

## ANNEXURE TO FIRST SUB-PARAGRAPH OF PARAGRAPH 17

Statement showing items of expenditure of Rs. 2,000 and over in each case in respect of which sanction of the Government of India is awaited.

Serial No.	Brief particulars	Amount involved	Head of account	Circumstances in which expenditure was incurred without sanction of Government of India or was admitted without proper authority	Remarks
I	2	3	4	5	6
		Rs.			
I	Payment of rent by Garrison Engineers for hired bungalows without execution of lease agreements with the landlords, as follows:—				
			Major Head 58		
(i)	1956-57 . . . .	17,939	Main Head 7	Payment was made to avoid eviction.	The objection was first raised in July 1954 and the case reported to Service Headquarters in March 1957.
(ii)	1956-57 . . . .	2,227	Do.	Do.	The objection was first raised in December 1952 and the case reported to Service Headquarters in March 1957.
(iii)	1956-57 . . . .	18,009	Do.	Do.	The objection was raised in April 1950 and the case reported to Service Headquarters in March 1957.

			Rs.				
(iv)	1940-41	.	1,280	3,77,418	Do.	Do.	The objection was raised in October 1954 and the case reported to Service Headquarters in February 1956.
	1941-42	.	2,442				
	1942-43	.	8,571				
	1943-44	.	11,070				
	1944-45	.	14,557				
	1945-46	.	16,680				
	1946-47	.	16,680				
	1947-48	.	19,237				
	1948-49	.	20,715				
	1949-50	.	20,884				
	1950-51	.	26,714				
	1951-52	.	27,543				
	1952-53	.	27,692				
	1953-54	.	31,296				
	1954-55	.	34,505				
	1955-56	.	48,401				
	1956-57	.	49,151				
(v)	1956-57	.	.	60,387	Do.	Do.	The objection was raised in March 1957 and the case reported to Service Headquarters in January 1958.
(vi)	1956-57	.	.	15,986	Do.	Payments were made to avoid legal action.	The objection was raised during 1956-57 and the case reported to Service Headquarters in January 1958.
(vii)	1956-57	.	.	11,016	Do.	Do.	Do.
(viii)	1956-57	.	.	3,930	Do.	Do.	Do.



1	2	3	4	5	6*
		Rs.			
2	Expenditure incurred in excess of Administrative Approval/ revised Administrative Approval by Garrison Engineers on certain works as under :-				
	(i) 1951-52 to 1956-57 . . .	1,18,431	Major Head 86	The excess expenditure was discovered as a result of adjustments made from time to time.	The objection was raised in February 1955 and the case reported to Service Headquarters in January 1958.
	(ii) 1951-52 to 1956-57 . . .	1,14,772	Do.	Do.	The objection was raised in April 1951 and the case reported to Service Headquarters in December 1955.
	(iii) 1950-51 to 1956-57 . . .	60,573	Do.	The expenditure was incurred as certain credits were expected to be adjusted in the project. As, however, the expenditure has exceeded the amount, a fresh approval will be necessary to regularize the expenditure.	The objection was raised in November 1954 and the case reported to Command Headquarters in May 1957.
3	Expenditure incurred on a work without obtaining prior concurrence of the Government as required under rules.	21,989	Major Head 86 Sub-head A	The acceptance of necessity for an industrial work at an estimated cost of Rs. 80,020 was accorded by the Director General, Ordnance Factories though he is empowered to sanction upto Rs. 50,000 only.	The objection was raised and reported to higher authorities in July 1955.
		Rs.			
	1955-56 . . .	995			
	1956-57 . . .	20,994			

4 Unauthorised issue of free rations to civilian personnel attending courses of instruction beyond 1st April 1947 and upto 31st March 1957.

94,925  
(approx.) Major Head 58  
Main Head 6A

The expenditure was authorised as a "Joint Measure" during the last war. In view of the termination of the financial agreement between the United Kingdom Government and the Government of India with effect from 1st April 1947. Government sanction for incurring the expenditure is necessary as the original Government sanction became in-operative from that date in view of the change in incidence.

The objection was raised in April 1954 and the case reported to Service Headquarters in June 1956.

5 Irregular employment of establishment in excess of authorised strength in a Factory during 1956-57 as under:—

4,650 Main Head 5

- (a) Charge Electrician . . . I  
(b) Fitter . . . . . I  
(c) Mazdoors . . . . . 5 upto  
July 1956  
(d) Mazdoor . . . . . I from August  
1956 on-  
wards.

Payment was made as the individuals were actually employed, though their employment was not covered by Government sanction.

The objection was raised in April 1957 and the case reported to Service Headquarters in January 1958.

6 Payment of compensation for land acquired in excess of the amount sanctioned by Government.

8,346 Main Head 7

The amount sanctioned by Government was an estimated figure. The payment of Rs. 24,010 was decided by the High Court.

The objection was raised in March 1954 and the case reported to Service Headquarters in January 1958.

	Rs.
1945-46 . . . . .	3,963
1946-47 . . . . .	2,193
1947-48 . . . . .	15,636
1949-50 . . . . .	90
1953-54 . . . . .	1,607
1956-57 . . . . .	521
<b>TOTAL</b> . . . . .	<b>24,010</b>
Amount sanctioned . . . . .	15,664
<b>Excess</b> . . . . .	<b>8,346</b>





	Rs.	
(i)	8,443	The objection was raised in June 1957 and the case reported to higher authorities in July 1957.
(ii)	17,552	The objection was raised in June 1957 and the case reported to higher authorities in July 1957.
(iii)	41,213	The objection was raised in July 1957. The case was, however, reported to higher authorities in June 1957.
(iv)	13,765	The objection was raised in January 1958. The case was, however, reported to Service Headquarters in July 1957.
(v)	9,479	The objection was raised in July 1957 and the case reported to higher authorities in the same month.
(vi)	22,031	The objection was raised in December 1957. The case was, however, reported to higher authorities in July 1957.
(vii)	18,075	The objection was raised in January 1958. The case was, however, reported to higher authorities in July 1957.





12	Irregular use of Government transport by an Ammunition Depot during the period August 1955 to March 1957.	31,743	Major Head 58	The vehicles (3 Ton ) were used for the conveyance of food and bedding of guards in excess of two trips authorised under the existing orders.	The objection was raised in August 1956 and the case reported to Service Headquarters in January 1958.
13	Provision of free Service transport to a Naval Base Post Office to carry mails to and from an Island Post Office from 1st July 1952 to 31st March 1957.	30,008	Major Head 59 Sub Head B	The use of Service transport was authorised by the Commanding Officer having regard to the facts that (i) the Base Post Office was opened inside the Base at the request of the Naval authorities and (ii) the postal authorities would not undertake the carriage of heavy mails/ parcels until such time a special van was sanctioned to the Post Office. The provision of free Service transport is, however, not covered by the existing rules/orders.	The objection was raised in December 1952 and the case reported to Naval Headquarters in January 1956.
		Rs.			
	1952-53 . . . .	2,399			
	1953-54 . . . .	5,894			
	1954-55 . . . .	6,520			
	1955-56 . . . .	9,157			
	1956-57 . . . .	6,038			
14	Unauthorised expenditure incurred by way of pay and allowances from the 1st October 1956 onwards consequent on the retention of two Air Force Officers beyond their tenure.	19,600	Major Head 60 Sub Head A	As the officers were retained in service, salary continued to be paid to them.	The objection was raised in December 1956 and the case reported to Air Headquarters in April 1957.
15	Unauthorised expenditure on pay and allowances consequent on the retention in service of an Air Force Officer for the period from 7th March 1956 to 17th May 1957, after being declared permanently unfit.	7,829	Do.	As the officer was retained in service, salary continued to be paid to him.	The objection was raised in February 1957 and the case reported to Air Headquarters in May 1957.
16	Provision of free transport by an Air Force unit for conveyance of parties of airmen exceeding 20 in number while proceeding on temporary duty, posting etc., during 1956-57.	2,355	Major Head 60	As the parties have to route march in such cases, provision of Government transport was irregular.	The objection was raised in June 1956 and the case reported to Air Headquarters in January 1958.

1	2	3	4	5	6
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Rs.

- |    |   |        |                             |   |   |
|----|---|--------|-----------------------------|---|---|
| 17 | Expenditure on salary of locally recruited staff of the Air Attache to the Indian Embassy in a foreign country on scales of pay for which Government sanction does not exist. | 44,003 | Major Head 60<br>Sub Head C | Sanction exists for the posts but not for scale of pay etc. | The objection was raised in July 1954 and the case reported to Air Headquarters in August 1957. |
|----|---|--------|-----------------------------|---|---|

Rs.

1954-55	.	.	.	9,496
1955-56	.	.	.	17,711
1956-57	.	.	.	16,796

- |    |   |       |     |   |  |
|----|---|-------|-----|---|--|
| 18 | Expenditure on employer's contribution of Social Insurance for locally recruited staff of the Air Attache to the Indian Embassy in a foreign country. | 8,420 | Do. | The terms and conditions of employment have not been laid down by Government. | The objection was raised in August 1957 and the case reported to Air Headquarters in the same month. |
|----|---|-------|-----|---|--|

Rs.

1954-55	.	.	.	2,598
1955-56	.	.	.	4,391
1956-57	.	.	.	1,431

- |    |  |        |                             |  |   |
|----|--|--------|-----------------------------|--|---|
| 19 | Expenditure incurred during 1956-57 in respect of hotel accommodation provided to Air Force officers in a foreign country beyond 3 months at a time. | 17,435 | Major Head 60<br>Sub Head A | Government sanction is required to be obtained for the expenditure incurred on account of hotel accommodation beyond 3 months. | The objection was raised in January 1957. The case was, however, reported to Air Headquarters earlier in May 1956 and again in November 1957. |
|----|--|--------|-----------------------------|--|---|

- |  |                          |  |   |
|--|--------------------------|--|---|
| 20 Expenditure on pay and allowances incurred in consequence of irregular employment of a non-matriculate as a lower division clerk from 1st December 1954 to 31st March 1957 by an Air Force formation.                                 | 3,329 Sub Head C         | Under existing orders only matriculates can be employed in such posts. The payment was made as the individual was actually employed.   | The objection was raised in January 1957 and the case reported to Air Headquarters in August 1957.  |
| 21 Payment of pay to eleven re-employed Military pensioners in nine Air Force formations during 1948 to 1957.  | Not assess-<br>able. Do. | Under rules the pay of re-employed Military pensioners is required to be fixed by Government after taking into account their pension. The pay in these cases has not yet been fixed by Government. | The objections were raised from time to time and reported to Air Headquarters on various dates. The irregularity was also reported in the Appropriation Accounts for the years 1954-55 and 1955-56. |
| 22 Unauthorised employment of one clerk each in three Air Force units with effect from 15th July 1955.   | Do. Do.                  | The payment was made as the individuals were actually employed.  | In one case the objection was raised in August 1956 and in the other two cases in December 1956. These were reported to Air Headquarters in July 1955, May and July 1957 respectively.              |
| 23 Expenditure incurred on the pay and allowances of nine Air Force officers rendered unfit for flying duties and transferred from General Duty Branch to Ground Duty Branch on various dates during 13th May 1955 to 3rd December 1956. | Do. Sub Head A           | Do.]   | The objections were raised during April 1956 to February 1957 and the cases reported to Service Headquarters in January 1958.   |





(iv)	I	1-12-1956	Airlift of stores.	Do.	Do.	Existing orders do not authorise sorties being undertaken solely for conveyance of stores.	The objection was raised in December 1956 and the case reported to higher authorities in April 1957.
(v)	I	16-11-1956	Do.	Do.	Do.	Do.	Do.
(vi)	I	12-3-1957	Do.	Do.	Do.	Do.	Do.
(vii)	I	13-3-1957	Do.	Do.	Do.	Do.	Do.
(viii)	I	28-3-1957	Do.	Do.	Do.	Do.	Do.
(ix)	I	11-2-1957	Do.	Do.	Do.	Do.	Do.
(x)	2	September and October 1956.	Supply dropping and relief work during floods in a State.	Do.	Do.	Flights were undertaken in anticipation of Government sanction.	The objection was raised in October 1956 and the case reported to Air Headquarters in the same month.
(xi)	I	September and October 1956.	Do.	Do.	Do.	Do.	Do.
(xii)	I	October 1956.	Relief work during floods in a State.	Do.	Do.	Do.	Do.
(xiii)	I	October and November 1956.	Visit of a foreign dignitary.	Do.	Do.	Do.	The objection was raised in December 1956 and the case reported to Air Headquarters in the same month.
(xiv)	I	5-10-1956	Do.	Do.	Do.	Do.	The objection was raised in December 1956 and the case reported to Air Headquarters in December 1957.

1	2	3	4	5	6		
No. of aircraft	Date	Particulars	Rs.	Major Head 60	Flights were undertaken in anticipation of Government sanction.	The objection was raised in June 1956 and the case reported to Air Headquarters in June 1957.	
(xv)	2	February and March 1956.	Visit of a foreign dignitary	Exact monetary value not assessable	Major Head 60	Flights were undertaken in anticipation of Government sanction.	The objection was raised in June 1956 and the case reported to Air Headquarters in June 1957.
(xvi)	1	7-10-1956	Airlift of stores.	Do.	Do.	Existing orders do not authorise sorties being undertaken solely for conveyance of stores.	The objection was raised in December 1956 and the case reported to Air Headquarters in May 1957.
(xvii)	1	8-11-1956	Airlift of passengers/rations.	Do.	Do.	Do.	Do.
(xviii)	1	9-11-1956	Airlift of stores.	Do.	Do.	Do.	Do.
(xix)	1	15-11-1956	Airlift of 17,000 lbs. of stores.	Do.	Do.	Do.	Do.
(xx)	1	4-12-1956	Airlift of 2,500 lbs. of stores.	Do.	Do.	Do.	Do.
(xxi)	1	26-12-1956	Airlift for three Dakota engines from one station to another.	Do.	Do.	Do.	Do.
(xxii)	1	24-12-1956	Airlift of parachutes.	Do.	Do.	Do.	Do.
(xxiii)	1	22/23-11-1956.	Airlift of Air Force personnel.	Do.	Do.	Flights were undertaken in anticipation of Government sanction.	Do.



(xxiv)	I	24-11-1956	Do.	Do.	Do.	Do.	Do.
(xxv)	I	12-12-1956	Do.	Do.	Do.	Do.	Do
(xxvi)	I	19-11-1956	Airlift of 4,500 lbs. of baggage.	Do.	Do.	Existing orders do not authorise sorties being undertaken solely for conveyance of stores.	The objection was raised in December 1956 and the case reported to higher authorities in May 1957.
(xxvii)	I	28 to 31-3-1957	Airlift of 10,000 lbs. of tents and fuel oil.	Do.	Do.	Do.	The objection was raised in March 1957 and the case reported to higher authorities in July 1957.
(xxviii)	I	6-10-1956	Airlift of water, rations and Army personnel.	Do.	Do.	Do.	The objection was raised in December 1956. The case was, however, reported to higher authorities in November 1956.
(xxix)	I	25/26-5-1956.	Airlift of stores.	Do.	Do.	Do.	The objection was raised in June 1956 and the case reported to higher authorities in June 1957.
(xxx)	I	10-5-1956	Airlift of stores.	Do.	Do.	Do.	Do.
(xxxi)	I	11-2-1956	To two civilian officials.	Do.	Do.	Flights were undertaken in anticipation of Government sanction.	The objection was raised in December 1956 and the case reported to Air Headquarters in June 1957.

1	2	3	4	5	6
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	<u>No. of aircraft</u>	<u>Date</u>	<u>Particulars</u>	<u>Rs.</u>			
(xxxii)	I	5-3-1956	To three civilian officials.	Exact monetary value not assessable.	Major Head 60	Flights were undertaken in anticipation of Government sanction.	The objection was raised in December 1956 and the case reported to Air Headquarters in December 1957.
(xxxiii)	I	3/7-5-1957	To four civilian officials.	Do.	Do.	Do.	Do.
(xxxiv)	I	19-3-1956	To a civilian official.	Do.	Do.	Do.	Do.
(xxxv)	I	29-6-1956	To a Non-Commissioned Officer.	Do.	Do.	Do.	Do.
(xxxvi)	I	6-7-1956	Do.	Do.	Do.	Do.	Do.
(xxxvii)	I	5-11-1956	To a civilian.	Do.	Do.	Do.	Do.
(xxxviii)		124-8-1956	Do.	Do.	Do.	Do.	Do.
(xxxix)	I	24/25-8-1956.	Do.	Do.	Do.	Do.	Do.
(xl)	I	11-1-1956	To three Air Force officers.	Do.	Do.	Do.	Do.
(xli)	I	15-1-1956	To four Air Force officers and one Army officer.	Do.	Do.	Do.	Do.

(xlii)	I	1-12-1956	To two civilians.	Do.	Do.	Do.	The objection was raised in December 1956 and the case reported to Air Headquarters in December 1957.
(xliii)	I	3-12-1956	To four Other Ranks.	Do.	Do.	Do.	Do.
(xliv)	I	13-10-1956	To sixteen members of an Indian Air Force Football Team to a foreign country.	Do.	Do.	Do.	Do.
(xlv)	I	16-10-1956	To a V.I.P.	Do.	Do.	Do.	Do.
(xlvi)	I	17-10-1956	Do.	Do.	Do.	Do.	Do.
(xlvii)	..	April to September 1956.	Airlift of certain stores for Hindustan Aircraft (Private) Limited, Bangalore.	Do.	Do.	Do.	The objection was raised in September 1956 and the case reported to Air Headquarters in June 1957.

26. Over-issue of special rations for aircrews employed in an operational area as follows :—

(i)	Special rations were issued prior to 12th November 1956 in respect of each landing of aircrew instead of on a per-day basis, as prescribed.	Not known.	<i>Major Head 60</i> Sub Head E	The case came to light after the issue of rations.	The objection was raised in October 1956 and the case reported to Air Headquarters in February 1957.
(ii)	Such issues were also made in some cases for sorties less than the prescribed duration of two hours during October 1955 to January 1956.	Do.	Do.	Do.	The objection was raised in November 1955 and the case reported to higher authorities in September 1957.



Rs.

27	Unauthorised use of Service transport by an Air Force unit and its detachment for conveyance of airmen beyond 40/68 miles for recreational purposes when such facilities are admissible only within a radius of 10 miles. The irregularity continued upto 28th October 1956 and 25th May 1956 respectively. Due, however, to the non-availability, of the relevant records, the dates from which the irregularity commenced are not ascertainable.	Not known	Major Head 60	The case came to light after the use of transport.	The objection was raised and the case reported to Air Headquarters in December 1956.
28	Issue of soap to personnel of a factory in excess of the prescribed scale.	27,190	Major Head 58 Main Head 5	The excess issue which is stated to have been necessitated by the hazardous nature and peculiar conditions of work in the factory was noticed after the issue.	The objection was raised in January 1953. The case was, however, reported to the Director General, Ordnance Factories earlier in November 1951.
		Rs.			
	1951-52 . . . .	5,326			
	1952-53 . . . .	6,770			
	1953-54 . . . .	6,554			
	1954-55 . . . .	2,693			
	1955-56 . . . .	2,912			
	1956-57 . . . .	2,935			
29	Irregular issue of extra milk to under-nourished recruits of a Training Regiment from 15th July 1948 to the 31st December 1955.	Not assessable.	Main Head 6A	The irregular issues were made under a misapprehension of orders.	The objection was raised in October 1956 and the case reported to Service Headquarters in January 1958.

- |                      |  |                    |               |   |   |
|----------------------|--|--------------------|---------------|---|---|
| 30                   | Expenditure incurred during the period 1st April 1954 to 31st October 1955 on construction of a naval craft in excess of the sanction accorded by Government.                                  | 35,862             | Major Head 59 | The original estimate on the basis of which Government sanction was issued was prepared on a rough basis.   | The objection was raised in March 1956 and the case reported to Naval Headquarters in June 1957.  |
| 31                   | Unauthorised issue of field telephones, cables etc., from stock for installation in two Naval Stores Depots during 1953-54.  | 8,000<br>(approx.) | Do.           | The issue was made erroneously under the wrong impression that these were dead stock items and not equipment for which Government approved scales are necessary.  | The objection was raised in November 1955 and the case reported to Naval Headquarters in December 1957.   |
| <i>Major Head 58</i> |  |                    |               |   |   |
| 32                   | Payments made during 1956-57 to an electric supply company on account of electric energy supplied to Military Engineer Services at rates higher than those provided in the contract agreement. | 10,370             | Main Head 7C  | The contract agreement provided for charging of Re. 0-1-9 per unit above 16,000 units. The company, however, charged at the uniform rate of Re. 0-3-0 per unit for all supplies. The payment was made to avoid loss of rebate allowed by the company. | The objection was first raised in June 1951. The case was, however, reported to Service Headquarters in March 1951. Conclusion of revised agreement is under consideration at Service Headquarters. The case was also exhibited in the Appropriation Accounts of 1955-56. |

## APPROPRIATION ACCOUNTS

### 19. Grant No. 12—Defence Services, Effective—Army

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess(+) Saving(-)	
1		2	3	4	
A—Pay and Allowances of the Army.	}	O. 45,34,74 R. 13,91	} 45,48,65	45,10,36	-38,29
B—Pay and Allowances and Miscellaneous expenses of Territorial Army, etc.	}	O. 2,03,35 R. -41,95	} 1,61,40	1,44,08	-17,32
C—Pay and Allowances of Civilians employed with (or for) the Army.	}	O. 23,09,25 R. 8,61	} 23,17,86	23,04,13	-13,73
D—Transportation and Miscellaneous.—					
{ Voted . . .	}	O. 12,01,77 R. 27,78	} 12,29,55	12,30,46	+91
{ Charged . . .	}	S. 99 R. -15	} 84	85	+1
E—Expenditure on Manufacturing Establishments (including stores and works).—					
{ Voted . . .	}	O. 17,80,93 R. -1,33,99	} 16,46,94	16,44,56	-2,38
{ Charged . . .	}	S.	} ..	1,13	+1,13
F—Purchase and sale of stores (Other than for Manufacturing Establishments and M.E.S.).—					
{ Voted . . .	}	O. 24,53,68 S. 30,33 R. -1,37,46	} 23,46,55	25,20,19	+1,73,64
{ Charged . . .	}	S. 1.45	} 1.45	1.82	+37



## EXPLANATIONS

*Sub-Head B.*—The saving is due to:—

- (1) Non-receipt of debits from certain State Governments in respect of the re-imbusement payable to them on account of expenditure in respect of National Cadet Corps Units (Rs. 8 lakhs);
- (2) less expenditure on Lok Sahayak Sena due partly to lesser number of trainees completing training and less expenditure on ration allowance (Rs. 3 lakhs) and partly to non-adjustment of expenditure on publicity (Rs. 2 lakhs) ; and
- (3) less expenditure on the Territorial Army due to lesser number of trainees coming up for training (Rs. 4 lakhs).

*Sub-Heads E, F and G—“Charged”.*—The excess under ‘Charged’ is due to payments on account of arbitration awards, court decrees, which were initially classified erroneously as ‘Voted’ expenditure, having been correctly re-classified subsequently as ‘Charged’.

*Sub-Head F.*—The excess of Rs. 174 lakhs under ‘Voted’ includes Rs. 170 lakhs representing re-imburements made during 1957-58 to the Pay and Accounts Officers, Ministries of Food and Agriculture and Works, Housing and Supply, for supplies of stores to the Defence Services during 1956-57 and earlier. The amount was readjusted to the accounts of 1956-57, as a special case, with the concurrence of the Comptroller and Auditor General. Provision for bulk of this expenditure was available in the sanctioned budget but was surrendered at the time of fixing the final estimates as such re-adjustments were not contemplated at that time.

Grant No. 12—Defence Services, Effective—Army—*contd.*

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess(+) Saving(-)
I		2	3	4
G—Expenditure on Works (other than Capital projects), Maintenance, etc.				
{ Voted . . .	{ O. 13,00,86 R. -17,62 }	12,83,24	12,73,67	-9,57
{ Charged . . .	S. 15	15	57	+42
H—Charges in England	{ O. 12,38,61 S. 5,36,79 R. -1,43,51 }	16,31,89	16,52,20*	+20,31
I—Loss or Gain by Exchange.	R. 2,84	2,84	2,91	+7
Surrenders or withdrawals within Grant or Appropriation . . .	R. 4,21,39	4,21,39	..	-4,21,39
TOTAL . . .	{ Voted Charged	1,55,90,31 2,44	1,52,82,56 4,37	-3,07,75 +1,93

\*Includes 6,69 on account of contribution for 1956-57 to the Imperial War Graves Commission.

NOTE.—The above account does not include the recoveries shown below, which are adjusted in the accounts in reduction of the expenditure.

Particulars	Sub-Head	Budget Estimate	Revised Estimate	Actual Recoveries more(+) less(-) than the		
				Actual Recoveries	Budget Estimate	Revised Estimate
I	2	3	4	5	6	7
Pay and Allowances of Civilians . . .	C	1,03,57	92,60	99,40	-4,17	+6,80
Ordnance and Clothing Factories . . .	E	3,52,56	1,81,39	1,71,22	-1,81,34	-10,17
Military Farms . . .	E	1,89	1,89	1,58	-31	-31
Tools and Plant and Machinery . . .	G	12,43	11,10	11,83	-60	+73
Stores . . .	G	3,00,00	2,90,00	3,23,37	+23,37	+33,37
M.E.S. Advances . . .	G	..	..	9,27	+9,27	+9,27
TOTAL . . .	..	7,70,45	5,76,98	6,16,67	-1,53,78	+39,69

EXPLANATIONS—*contd.*

*Sub-Head H.*—The excess is due mainly to an omission to provide in the final estimates for certain payments in respect of ordnance stores, as the intimation thereof was received from the High Commissioner in the United Kingdom after the estimates were finalized.





**Grant No. 14—Defence Services, Effective—Air Force**

EXPLANATIONS

*Sub-Head B.*—The saving is due to delay in the commencement of training of an Auxiliary Air Force Squadron.

*Sub-Head D.*—The excess is due to larger expenditure in respect of transportation charges (Rs. 5 lakhs) and printing and stationery (Rs. 3 lakhs) partly set off by savings due to non-receipt of bills in respect of telephone charges (Rs. 2 lakhs).

*Sub-Head E.*—The saving is due to :—

(In lakhs of rupees)

(1) Non-materialisation of supplies . . . . .	40
(2) Less payments to H.A.(P)L. and other agencies towards the cost of supplies and services . . . . .	26
(3) Less expenditure on Customs Duty . . . . .	8
(4) Reduced planned flying effort put in during the later part of the year . . . . .	9
(5) Larger number of personnel drawing living-out ration allowance, fluctuation in prices, etc. . . . .	3
	<hr/>
	86
	<hr/>

*Sub-Head F.*—The excess under 'Voted' is due mainly to expenditure on certain works, correctly debitable to Civil Estimates, having been adjusted in the Defence books. The debit could not be raised against the Civil Accounts Officer concerned before the accounts of the year were closed.

The excess under 'Charged' is due to payments on account of arbitration awards/court decrees, which were initially classified erroneously, as 'Voted' expenditure, having been correctly re-classified subsequently as 'Charged'.

## Grant No. 117—Defence Capital Outlay

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess (+) Saving (—)
I		2	3	4
<b>A—Defence Capital Outlay</b>				
A1—Army	{ Voted. { O. 8,43,00 } { R. —1,61,25 }	6,81,75	6,17,85	—63,90
	{ Charged. S. 11,74	11,74	12,38	+64
A2—Navy	{ O. 12,00,00 } { R. —3,80,87 }	8,19,13	8,10,87	—8,26
A3—Air Force.	{ Voted. { O. 3,82,00 } { R. —5,94 }	3,76,06	3,67,37	—8,69
	{ Charged.	..	77	+77
A4—Industrial Development,	{ O. 3,75,00 } { R. 60,00 }	4,35,00	4,39,25	+4,25
Surrenders or withdrawals within Grant or Appropriation	R. 4,88,06	4,88,06	..	—4,88,06
TOTAL	{ Voted. 28,00,00 } { Charged. 11,74 }	28,00,00	22,35,34	—5,64,66
		11,74	13,15	+1,41

NOTE.—The above account does not include the recoveries shown below, which are adjusted in the accounts in reduction of the expenditure.

Particulars	Budget Estimate	Revised Estimate	Actual Recoveries	Actual Recoveries more (+) less (—) than the	
				Budget Estimate	Revised Estimate
I	2	3	4	5	6
Recoveries on Capital Account	1,70,00	2,70,57	2,78,34	+1,08,34	+7,77



## Grant No.117—Defence Capital Outlay

## EXPLANATIONS

*Sub-Head A1.*—The saving under 'Voted' is due mainly to:—

(In lakhs of rupees)

(1)(a) Non-materialization of plant and machinery for the Ordnance Factories to the extent anticipated . . . . .	20
(b) Less expenditure on factory works for reasons such as slow progress of works, non-finalization of contractors' bills, non-adjustment of certain payments, etc. . . . .	12
(2) Non-materialization of stores to the extent anticipated. . . . .	14
(3) Non-receipt of debits and non-payment of bills . . . . .	8
(4) Less expenditure on stock-pile due to non-materialization of supplies of steel and larger withdrawals from stock-pile . . . . .	7
(5) Non-payment of cost of land acquired. . . . .	2
	63

The balance of the saving is mainly due to payments on account of arbitration awards/court decrees, which were initially classified erroneously as 'Voted' expenditure, having been correctly re-classified subsequently as 'Charged'. This has resulted in a corresponding excess under 'Charged'.

(In lakhs of rupees)

*Sub-Head A3.*—The saving under 'Voted' is due to :—

(1) Non-settlement of bills and slow progress of works . . . . .	4
(2) Non-receipt of debits and inter-departmental schedules . . . . .	2
(3) Non-materialization of stores to the extent anticipated . . . . .	2
	8

The excess under 'Charged' is due to payments on account of arbitration awards/court decrees, which were initially classified erroneously as 'Voted' expenditure, having been correctly re-classified subsequently as 'Charged'.

30. The reports of Controllers in regard to the observance of rules relating to contracts by the Military Engineer Services authorities indicate that, in two cases, contracts were given to the tenderers other than the lowest. There was one case of defective drafting of contract which resulted in extra expenditure to the State. There were a few cases in which the amounts of the contracts were enhanced; but in several cases the period allowed in the contracts for completion was extended. No case in which work was commenced prior to execution of contracts has been reported. The Controllers' reports also indicate several miscellaneous irregularities, such as issue of covering deviation orders, conclusion of contracts with insufficient securities, deviations from the normal procedure in the preparation of contract documents and acceptance and operation of contracts and delay in the rendition of completion reports. Cases indicating lack of proper and co-ordinated planning have also been reported. Some of these irregularities have resulted in unintended assistance to the contractors.

31. With effect from 1st April 1956, furniture has been categorised into two classes, *viz.*, 'Old' and 'New' for the purpose of control over the expenditure on repairs and renewals thereof; furniture manufactured prior to 1st April 1946 being termed as 'Old' and furniture manufactured after that date as 'New'. Percentages for maintenance (*i.e.* repairs and renewals) of these two categories have been fixed at 10 and 6½ respectively as against the uniform rate of 10 % obtaining prior to 1st April 1956.

The total book value of furniture held on charge in all Commands, including surplus and obsolete furniture, was Rs. 9.80 crores and the total expenditure on their repairs and renewals during the year was Rs. 63.63 lakhs as against the authorised limit of Rs. 82.06 lakhs, based on the prescribed percentages for the different types of furniture. The average percentage on maintenance works out to 6.49 as against 7.12 last year.

32. The system of maintenance of store accounts in Engineer Store Depots and Engineer Parks was generally satisfactory. The correct procedure for stock-holding and stock disposal was also followed. The delay in disposal of stores which were either declared surplus long back or ceased to be in demand, however, still continues. Stock verification was carried out in the usual manner.

In regard to Military Engineer Services formations, the Controllers' reports indicate that stock verification was carried out in all formations with the exception of three, where it was not carried out at all, and seven, where such verification was only partially done. The divisional stocks were generally within quantitative limits prescribed with a few exceptions. Stock Book rates were also properly worked out except in a few cases. The expenditure on the maintenance of stores in divisional stocks was reasonable.

33. The Military Engineer Services Standard Schedule of Rates, 1954, as the basis of tendering, was introduced from October 1955 and the majority of the contracts concluded during the year 1956-57 was based on this new Schedule. The Controllers' reports reveal that the rates quoted by the tenderers were generally between 20% above to 10 % below the rates in this Schedule.

34. The total expenditure on establishment during the year amounted to Rs. 282.80 lakhs against a total works load of Rs. 2160.40 lakhs. This



works out to 13.09% as against 13.03 % for the year 1955-56 and 12.09% for the year 1954-55. There is thus a gradual increase in the expenditure on establishment without corresponding increase in the works load. The percentage of establishment charges to works expenditure has been worked out on the total actual expenditure on Military Engineer Services establishment less estimated expenditure on such portions of the establishment as are not engaged on execution of works.

35. A statement showing cases of remission or reduction of departmental charges on works undertaken by the Military Engineer Services during the year under review is printed as an Annexure to this paragraph.



## ANNEXURE TO PARAGRAPH 35

Statement showing cases of remission or reduction of departmental charges on works undertaken by the Military Engineer Services for Municipalities, Cantonment Boards, local Governments, etc., during 1956-57

Serial No.	Name of work	Estimated cost.	Expenditure incurred		Amount of departmental charges remitted/reduced	
			During 1956-57	To end of 1956-57	During 1956-57	To end of 1956-57
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Calcutta—Construction of National Cadet Corps Club . . . . .	60,000	4,750	51,272	451	4,871
2	Dinapore—Repairs to roads maintained by the Cantonment Board . . . . .	14,000	119	10,738	12	1,074
3	Dinapore—Construction of flush type group latrine in Sadar Bazar area . . . . .	18,822	(—) 18	15,517	(—) 2	1,552
4	Dinapore—Repairs to Cantonment School . . . . .	475	254	413	25	41
5	Kohima—Construction of Naga Hospital . . . . .	24,73,000	78,673	20,93,543	19,275	5,12,919
6	Mathura—Construction of a Board room in Cantonment Board Office . . . . .	10,053	4,914	8,709*	491	871
7	Pachmari—Installation of temporary water supply line in Bazar area . . . . .	5,000	49	4,315	12	1,057
8	St. Thomas Mount, Madras—Construction of a drain next to a church . . . . .	4,287	1,497	1,497	150	150

9	St. Thomas Mount, Madras—Construction of sweepers' quarters . . . . .	11,450	8,701	8,701	870	870
10	Lajpat Nagar—(Kilokri Scheme)—					
	(a) Earthworks and bridges . . . . .	3,90,000	5,980	2,97,899	987	49,153
	(b) Construction of culverts, storm water and side road drains . . . . .	4,70,000	1,950	4,10,470	322	67,728
	(c) Provision of water supply . . . . .	3,25,000	615	2,69,717	102	44,503
11	Jalahalli—Construction of Bharat Electronics Factory :					
	(a) Phase I . . . . .	1,02,96,370	15,00,922	54,60,335	2,17,634	7,55,499
	(b) Phase III—B . . . . .	26,24,577	3,71,140	16,23,730	53,815	2,35,440
	(c) Air conditioning of workshop . . . . .	3,89,747	2,55,074	2,55,074	36,986	36,986
	(d) Provision of one Siren . . . . .	389	350	350	51	51
	(e) Works on temporary buildings . . . . .	2,22,778	142	1,99,482	21	20,235

\* Includes an expenditure of Rs. 3,795 actually incurred during 1955-56, the corresponding departmental charges remitted/reduced having been included in the figure shown in Column 7.

## APPENDIX A

*Statement of losses of cash, overpayments, etc., pertaining to the post-partition period, finally dealt with during the year 1956-57.*

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<i>I. Cash losses, overpayments, irrecoverable claims, etc., due to theft, fraud or neglect.</i>	
	ADJUTANT GENERAL'S BRANCH	
1	<p>Loss due to misappropriation of public money by a Station Staff Officer during October 1950 to 15th November 1951. From October 1950 onwards the officer had been accumulating heavy cash balances in excess of actual requirements through emergency cash requisitions without prior consent of the Audit Officer. Audit objections raised directly against the officer and through the Area Headquarters, from time to time went unheeded by the officer. The administrative authorities, did not also check the physical cash balances nor did they enforce the officer to comply with their instructions to limit the cash balances and to submit the accounts for quarterly check by the Station Audit Board until 16th November 1951 when the officer absconded. Court of Inquiry held on 6th December 1951 assessed the loss and made the officer entirely responsible. The officer who surrendered himself on 17th January 1952, was tried by a General Court Martial and sentenced to be cashiered and undergo rigorous imprisonment for 5 years. An amount of Rs. 3,833 standing to the credit of the officer was forfeited. Another Army officer was reprimanded for negligence in the performance of his duties as a member of the Regimental Audit Board. Army Headquarters have since issued instructions to the effect that a senior officer should periodically carry out surprise checks of cash balances in selected units at each station; quarterly Station Audit Boards should be manned by competent personnel; emergency cash requisitions should not be drawn on civil treasuries without specific orders of the authorities sanctioning the move of troops at less than 48 hours' notice on operations and should be signed only by Station Commanders (not below Major's rank)/ Administrative Commandants after fully satisfying themselves of the amount required.</p>	84,062



Serial No.	Nature of losses written off with particulars	Amount
2.	Loss on account of non-recovery of charges in respect of mess servants from the officers of a unit during the period December 1946 to March 1950. The unit commander who was found to have failed in his duty was warned about his lapse. The amount for pre-partition period is Rs. 1,927. Recoveries were effected from the officers who were present with the unit. No recovery was possible from those who had either been repatriated or released.	5,621
3	Loss due to over issue of pay for the period 7th December 1948 to 30th September 1950 on account of erroneous fixation of pay of a medical officer of a former State Force. The overpayment was detected in September 1952. But as the officer had already retired in October 1950 and in view of the lapse of time it was decided on grounds of equity not to recover the overpayments. The Accounts Officer concerned had been denied further promotion in view of the unsatisfactory work done by him in the State concerned and this was considered as sufficient punishment as to cover his responsibility in the case. The Financial Adviser concerned had already retired in April 1951.	5,452
4	Extra expenditure caused to the State by the grant of 3 holidays with pay in excess of the 14 holidays in a year admissible under rules to industrial employees of a Workshop in 1949 due to misapprehension of orders by the Officer Commanding. The officer's explanation that approval of a higher officer of Service Headquarters had been obtained by telephone could not be substantiated. He was conveyed a warning to be more cautious in future.	14,691
5	Loss due to theft of cash from the treasure chest of a Regimental Centre on 25th November 1952 when it was in the custody of the Quarter Guard. A Court of Inquiry was held on 9th December 1952 but individual responsibility could not be established. Fines totalling Rs. 6,000 were imposed on the Officer Commanding, another officer who was the imprest holder, 4 Junior Commissioned Officers, 3 Non-Commissioned Officers and 25 Other Ranks as an administrative measure; the balance was written off.	9,000

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
6	<p>Loss resulting from misappropriation of cash by an officer during November 1947 to December 1950. Cash was drawn from the bank every month and from the amounts so drawn the previous month's deficiencies used to be made up and false entries of deposits into bank shown. The difference between the dates of entry in the account books and the dates of the treasury receipts remained undetected. The deficiency in cash was discovered in December 1950 when another officer took over. The officer was then put under arrest. The Court of Inquiry held in January 1951 to investigate the loss found him guilty. He was invalided out of service and the case was further pursued in the Civil Court but had to be closed as the officer died on 21st August 1956. The Officer Commanding of the unit who was the imprest-holder and another officer were severely reprimanded for negligence. A sum of Rs. 2,348 being the amount of payments withheld from the officer concerned was made good towards the loss.</p>	30,667
ENGINEER-IN-CHIEF'S BRANCH		
7	<p>Overpayment as a result of incorrect fixation of pay of 23 Storemen and a Motor Attendant of the Military Engineer Services in that contrary to the intention of the Government their pay was refixed at a stage higher than the minimum of the prescribed scales. The payments which related to the period July 1948 to June 1953 were continued even after the position was clarified by the Service Headquarters on 25th August 1950 under a genuine misapprehension. Recovery of the amounts was not effected, as it was considered that it would cause hardship to the individuals concerned. The disciplinary aspect of the case, so far as it relates to personnel of the Defence Accounts Department, was examined but owing to the absence of the records, could not be pursued further.</p>	14,182
8	<p>Extra expenditure caused to the State due to irregular placing of work orders on a contractor by a Military Engineer Services Division in 1950-51 at higher rates than those prevailing in the Division for the</p>	10,765



Serial No.	Nature of losses written off with particulars	Amount
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Rs.

same type of work. The audit objection was raised in April 1951. But a Court of Inquiry was held only in July 1954. Penal deductions totalling Rs. 850 were imposed on 4 officers for their *faux pas* and recorded warnings were also issued to them.

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|----|--|--------|
| 9  | <p>Loss on account of misappropriation of electric and water charges recovered from consumers during the period 15th August 1947 to 30th August 1950 in an Engineer Division. The fraud was perpetrated by three Meter Readers who collected money in cash contrary to the normal procedure, which requires the consumers to deposit the money into the treasuries and entered fictitious treasury receipt numbers in the consumers' ledger accounts besides making alteration of figures to cover the fraud. One Meter Reader was sentenced to two years' rigorous imprisonment and dismissed from service; action against two others could not be taken as they had already been discharged. Two Supervisors were punished with stoppage of annual increment for one year with cumulative effect besides penal recovery of Rs. 100 from one of them. The third Supervisor was censured.</p>  | 7,447  |
| 10 | <p>Loss representing overpayment to a contractor by a Military Engineer formation and the extra cost incurred in getting the work left unfinished by him completed by another agency during 1949-50. During May to August 1949 the contractor was paid Rs. 36,730 as 'on account' payment. The contractor failed to complete the job by the due date and for this reason the contract was terminated and the work got completed by another agency. The contractor did not submit his final bills and accordingly bills were prepared by the authorities in June 1950. On technical check of these bills it was found that the contractor had been overpaid. Efforts made to trace the contractor failed. A sum of Rs. 3,407 due to the contractor under another contract and a further sum of Rs. 1,000 held as security deposit were adjusted against the overpayment. A Court of Inquiry convened in July 1953 to investigate the causes of overpayment held the Garrison Engineer, Sub-Divisional Officer and the Superintendent, Buildings and Roads responsible for the overpayment. As the Garrison Engineer</p> | 12,948 |



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	had resigned his job in September 1949, no action could be taken against him. The Sub-Divisional Officer was called upon to pay 25% of the amount overpaid in 12 monthly instalments and the Superintendent, Buildings and Roads, was warned to be more careful in future.	
FACTORIES		
11	Loss representing the difference in value of 5,494 lbs. of certain stores of inferior quality supplied by a contractor and accepted by an Ordnance Factory in 1949 without proper inspection. The stores were paid for at Rs. 1/10/- per lb. as against the price of annas eight per lb. for the inferior quality. The stores were found to be below specification when it was taken up for use in April 1952 and had, therefore, to be put to alternative use. The suppliers repudiated liability to compensate for the loss on the ground of delay in reporting the discrepancy. Out of an overpayment of Rs. 6,181 a sum of Rs. 1,291 only could be recovered from them. No individual could be directly held responsible for not inspecting the supply at the time of receipt. Non-holding of a Court of Inquiry was condoned by Government in September 1956.	4,890
MASTER GENERAL OF ORDNANCE BRANCH		
12	Loss resulting from misappropriation of cash in an Engineer Workshop during May/June 1954 by a clerk who was authorised to collect cash on account of payment issues. The individual was tried by a Civil Court and sentenced to rigorous imprisonment for one year and a fine of Rs. 200. An officer was warned for not exercising proper supervision.	6,565
	Losses exceeding Rs. 10 but not exceeding Rs. 2,500 in each case.	42,838
TOTAL I		2,49,128

Serial No.	Nature of losses written off with particulars	Amount
Rs.		
<i>II. Cash losses, overpayments, irrecoverable claims, etc., due to other causes.</i>		
MASTER GENERAL OF ORDNANCE BRANCH		
1	Loss representing extra expenditure incurred by a depot due to adoption of the un-authorised procedure of booking stores by rail at Railways' risk instead of at owner's risk prior to June 1954, attributed to ignorance of the rules.	12,891
2	Loss representing the cost of 576 gallons of petrol issued to a State Government which hired 24 vehicles from a depot during civil disturbances in October 1947 and deficiencies found in 14 vehicles returned by that Government on various dates during August 1950 to January 1952. The recovery of the amount was waived by the Government of India.	19,504
ADJUTANT GENERAL'S BRANCH		
3	Overpayment of pay and allowances as a result of erroneous classification awarded to 120 personnel re-enrolled on short service engagement in the Corps of Electrical and Mechanical Engineers during the emergency recruitment drive in 1951. The erroneous classification arose out of misinterpretation of Government orders. Out of the total amount of Rs. 23,306 overpaid, an amount of Rs. 8,399 was recovered from the individuals concerned before they were released from service.	14,907
4	Loss on account of erroneous grant of terminal leave from 1st March to 30th September 1948 and consequent overissue of pay to a former British Army officer who had been in civil employ whence he proceeded to the United Kingdom on 4 months' leave from 26th February 1947. The leave was further extended provisionally upto 25th July 1947. The admissibility of longer leave, as for those in military employ, was under consideration till May 1951 when the civil department ordered his reversion to military employ from 1st March 1947 and granted 12 months' leave pending retirement from the same date in substitution of the earlier	7,911



Serial No.	Nature of losses written off with particulars	Amount
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Rs.

- leave. In the meantime, the United Kingdom Government regarded the officer as having reverted to military employ from 26th July 1947 and granted him 12 months' leave pending retirement from 1st October 1947. The overpayment involved was £807-7-0 against which £105-4-6 due to the officer on account of readjustment of pension was set off. Out of the balance, a sum of £ 108-15-2 pertains to the pre-partition period.
- 5 Loss on account of payment of acting allowance in addition to trade pay made to 102 Junior Commissioned Officers who acted in place of Commissioned Officers during 29th August 1944 to 31st March 1948. The overpayment was attributed to a genuine misapprehension of rules which provided for the allowance in addition to grade pay but not trade pay. Similar overpayment made to 169 individuals amounting to Rs. 32,716 had been written off in August 1952. The amount written off on this account in September 1956 was Rs. 22,372 of which Rs. 7,743 pertains to pre-partition period. 14,629.
- 6 Overpayments resulting from erroneous computation of war excess in respect of six Junior Commissioned Officers who officiated in place of Commissioned Officers and were in receipt of acting allowance on 31st March 1948 while fixing their pay under the New Pay Code. The loss was occasioned by a genuine misapprehension of Regulations and nobody was held responsible. The cases of the nature are not likely to recur, as the element of "War Excess" has already been completely absorbed in the basic pay. 7,158.
- 7 Overpayment resulting from erroneous grant of pension to a former State Forces Officer by a State Government in May 1951 after the financial integration of the State Forces from 1st April 1950. His former rate of pension of Rs. 66-11-0 was raised to Rs. 250-3-0 upon his retirement after re-employment for the period 3rd August 1947 to 14th June 1949, taking into account this period as well. Under the State rules he was entitled only to a gratuity of Rs. 800 for the re-employed period. The error was detected in June 1955. The amount of Rs. 800 was set off against the total overpayment and the balance written off. 12,326.



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
8	Loss due to an erroneous grant of disability pension to a Junior Commissioned Officer during 8th November 1946 to 31st May 1954. Out of the total amount of Rs. 8,033, a sum of Rs. 816 pertains to pre-partition period.	7,217
QUARTERMASTER GENERAL'S BRANCH		
9	Loss representing payment of demurrage and wharfage charges by two Vehicle Depots during 1948—51 for detention of railway wagons at military siding, attributed to lack of suitable lifting facilities. The Railways' claim was reduced by Rs. 1,000 by negotiations.	5,015
10	Extra expenditure caused to the State by despatch at Railways' risk of non-explosive stores by a unit during August and October 1952 in that the Railways had to be paid higher freight as if the stores were explosive goods. Railways, at whose requirement the freight was paid, declined to reduce their claim in the absence of precise classifications of the commodity in the tariffs.	13,457
11	Extra expenditure incurred on the move of a Ration Stand from its location to two other stations for the purpose of making payment issue of rations to entitled personnel without the sanction of the Service Headquarters during 6th December 1946 to 16th June 1951 and 9th August 1949 to 16th June 1951 respectively. The expenditure involved is Rs. 21,530 of which the amount pertaining to the pre-partition period is Rs. 3,287.	18,243
12	Loss due to short recovery on account of hire of Central Public Works Department furniture from Army officers on old rates of pay at a station for the period prior to 1st August 1951 and exemption from payment of arrears upto 31st August 1954 in respect of officers who had since retired from service.	5,946
13	Loss of revenue on account of allotment of accommodation of higher class to officers entitled to lower class and <i>vice versa</i> , due to various reasons at a station during 1948—1950. Remedial instructions to avoid recurrence of such losses have been issued.	8,004

Serial No.	Nature of losses written off with particulars	Amount
Rs.		
ENGINEER-IN-CHIEF'S BRANCH		
14	Loss representing cost of barrack damages discovered at the time of taking over of certain buildings in April 1950. The loss was attributed to pilferage facilitated by insufficient watch and ward staff when the area was under occupation by certain Petrol, Oil and Lubricants Depots. A Court of Inquiry was held in October 1950 but responsibility for the loss could not be fixed.	6,428
15	Loss on account of non-recovery of hire charges for furniture issued to a Troops Family Welfare Centre from 1st November 1948 to 17th May 1955. Though the irregularity was pointed out in April 1952, no action was taken apparently as the authorities considered the issues as covered by rules. In consideration of the fact that the issues were for the welfare of the troops, the amount was written off by Government.	5,342
16	Overpayment to a contractor under a contract of 1944-45 for transport of bricks by river. According to the contract, payment was to be made at a certain rate per mile, the distances being measured as the shortest direct route by water between the points concerned. Payment was, however, made in February 1948 on the basis of longer routes contrary to the provisions in the contract. The grounds on which the payment was made could not be ascertained, as no proper documents were later available.	37,685
17	Extra expenditure incurred by Government in the execution of a work during 1950-51. After the acceptance of tender, but before the work order was issued, the contractor requested cancellation of the contract. This was not agreed to and the work was completed at the contractor's risk and expense. The matter went to arbitration where the contractor contended that as the acceptance letter provided that Government did not accept any liability for expenditure the contractor might incur before the work order was placed the same was not absolute and unqualified. The arbitrator gave the award in favour of the contractor. Steps have been taken in June 1953 to remove the defects in the acceptance letter.	15,478



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
18	Loss due to non-recovery of rental charges for the period 1st August 1954 to 3rd March 1955 from a cinema contractor in respect of a Garrison Cinema. The contractor discontinued cinema shows from 31st July 1954 and left the station. Though rent bills were issued regularly these were not acknowledged by the contractor. No effective action to take over the building/recover rent could be taken as certain disputes arising out of the contract were under arbitration. The arbitrator held that the contract was terminated with effect from 31st July 1954. The arbitrator's award was published on 17th January 1955 and the building was taken over by the Military Engineer Services on 4th March 1955.	5,306
19	Loss representing payment made to a contractor in 1948 against two furniture supply contracts of 1943-44, for 650 charpoys and 46 chairs alleged to have been supplied to a Division but not actually supplied or taken on charge. No proper proof in support of the supplies was produced by the contractor. The officer who ordered the payment had left India. There were no specific reasons on record to show the causes for which payment was made.	9,048
20	Two cases of losses (Rs. 21,725 and Rs. 42,120) representing barrack damages to hired and requisitioned buildings found, on their inspection, in April 1951 the cost of which could not be recovered from the occupants. No proper inventories were prepared when the buildings were taken over during the last war nor responsibility for general repairs agreed upon with the owners. Responsibility for damages could not be placed on the occupants who had left service on release/repatriation, as no periodical inspections were carried out. Allocation of the loss between pre and post partition periods had also not been possible. Disciplinary aspect could not also be pursued as the whereabouts of the concerned officials were unknown.	63,845
21	Loss on account of irrecoverable quartering charges due from displaced persons who occupied Government premises during the period after 14th August 1947 to the 7th June 1954. As	9,052



Serial No.	Nature of losses written off with particulars	Amount
	efforts to realise rent and allied charges from the individuals failed, eviction orders were issued and ultimately police force was employed to get the quarters vacated.	
22	Loss representing the irrecoverable decretal amount due from a firm of auctioneers. The loss arose on account of failure on the part of the military authorities to redeem the sale proceeds of Defence stores in full during the year 1949-50. A civil suit filed on 9th July 1951 did not materialise as the defendent did not present himself in the court. The cost of the civil suit amounted to Rs. 790. The police investigations carried out later revealed that the firm had closed their business and left for a foreign country without leaving any immovable properties behind. In view of the poor financial position of the firm the legal opinion was that it would not be worthwhile to pursue the case.	9,693
23	Loss representing the amounts (Rs. 8,307, 6,337 and 9,599) paid to the landlords as terminal compensation in respect of three buildings hired during 1940 and 1942 to accommodate Service personnel. The amounts should have been recovered from the tenants as 'Barrack Damages'. But the normal rules for hiring were not followed during the war with the result that no inventories of fittings and fixtures were prepared in respect of these buildings at the time of taking over. At the time of restoration of premises the owners claimed compensation for losses and damages to the buidlings. The compensation was assessed by a Joint Survey Board and was paid after usual audit checks.	24,243
AIR HEADQUARTERS		
24	Loss on account of non-recovery of rent for two refrigerators used by an officers' mess from 28th January 1947 to 5th September 1953, under the wrong impression that they were handed over as gifts by the departing United States Forces and British Air Forces when in fact they had been purchased by Government, which fact came to notice in February 1950. The total amount recoverable was Rs. 12,064 of which the amount	11,405

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<p>pertaining to pre-partition period was Rs. 659. As the mess was not in a position to pay the arrears of rent, recovery was waived.</p>	
25	<p>Loss representing landing and housing charges for the period December 1949 to May 1954 in respect of a private civilian aircraft which crashlanded at a Service airfield on 8th December 1949. The owner, a foreign national, neither took delivery of the crashed aircraft from the authorities nor paid the dues against him. Efforts were made to settle the matter through the foreign diplomatic mission concerned but to no avail. The aircraft was eventually auctioned in May 1954 for Rs. 680 which sum was adjusted towards the dues.</p>	16,268
NAVAL HEADQUARTERS		
26	<p>Loss on account of irrecoverable barrack damages which came to light during inspection carried out by the Military Engineer Services during 1948-49 in a Naval Base, attributed to conditions obtaining during the last war when proper periodical muster, preparation of inventories and handing/taking over reports were not prepared. Two Boards of Inquiry were held in March 1951 and January 1952 respectively. But responsibility could not be pinpointed. An officer of the Navy was, however, conveyed the displeasure of the Chief of the Naval Staff for having failed to keep the higher authorities informed of the progress of the case.</p>	17,534
	<p>Losses exceeding Rs. 10 but not exceeding Rs. 5,000 in each case.</p>	5,21,802
	TOTAL II . . . .	<u>8,90,337</u>
	GRAND TOTAL I AND II . . . .	<u>11,39,465</u>



Serial No.	Nature of losses written off with particulars
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*III. Losses monetary value of which could not be assessed.*

QUARTERMASTER GENERAL'S BRANCH

- 1 Loss of a Railway Warrant form in a Supply Platoon detected during June 1955. The Court of Inquiry held a Captain and a Havildar responsible for the loss. The Captain was warned and the Havildar reprimanded.
- 2 Loss of the counterfoil of a Railway Warrant in a unit discovered in March 1953, attributed to the negligence of two officers, one of whom was warned to be more careful in future. No action could be taken against the other as he died in April 1955.
- 3 Loss of 3 Railway Warrant forms in a unit discovered in August and September 1953 attributed to the neglect of the Officer Commanding. 4 Other Ranks were suspected to have removed the forms. In the absence of conclusive evidence no disciplinary action could be taken against them. The actual use of the warrants has not been established. The Sub Area Commander has also ordered that the cost of the warrants should be made good from the Officer Commanding and the 4 Other Ranks in case the use of forms is detected.
- 4 Loss of approximately 2,344 Railway Warrants/Military Credit Notes in a Signal Unit during the period prior to July 1952. The discrepancies, which occurred during the re-organisation of the unit in February 1948 when proper records were not being maintained were detected in July 1952 at the time of handing and taking over. No evidence to prove misuse, theft or fraud in the matter could be established by the Court of Inquiry held on 9th March 1956. However, an officer who was in particular, considered blameworthy for not taking timely action was conveyed the displeasure of the General Officer Commanding.
- 5 Loss arising out of the use of Government transport during August 1952 to March 1953 between unit lines at a station and the Rail Head and *vice versa* for conveyance of personnel proceeding on/returning from leave. Particulars of runs performed for this purpose could not be segregated for want of authentic details, as Government stores were also stated to have been transported in the same vehicles.
- 6 Loss of Railway Warrant/Military Credit Note/Concession Voucher forms in 7 units/formations discovered on different dates during November 1949 to September 1955 involving 35 forms in all. Disciplinary action such as replacement, written and verbal warnings, severe displeasure of the General Officer Commanding and reprimand were taken in 6 cases against the negligent officers/personnel concerned.



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Serial No.	Nature of losses written off with particulars
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- 7 Loss of a Railway Warrant during April 1953, attributed to the negligence of the Officer Commanding, who was conveyed the severe displeasure of the General Officer Commanding-in-Chief on 31d October 1953.
- 8 Loss on account of recovery of water charges at the lower rates prescribed by the Military Farms authorities instead of at the higher rates fixed by the Military Engineer Services, from the staff of a Military Farm prior to January 1952. As the date from which the supply was connected to the Military Engineer Services water system was not available with both the supplying and receiving authorities, the amount due for recovery could not be worked out. Responsibility for the loss could not be fixed on any one.
- 9 Loss of 2 Railway Warrants in an Ambulance Platoon, detected in June 1949 and July 1952 respectively. A Court of Inquiry was held in August 1952 but no blame could be attributed to any particular individual.
- 10 Loss of a Military Credit Note with counterfoil discovered in June 1955 at the time of handing/taking over of charge by officers. No Court of Inquiry was held and no one was held responsible for the loss.
- 11 Loss of a Military Credit Note in a Regiment discovered in March 1956 and stated to have been torn due to excessive handling of the book. The loss was published in the Railway Gazette to prevent its misuse. The officer concerned was warned to be more careful in future.
- 12 Loss on account of non-credital of amounts realised by an Army Service Corps formation from unauthorised payment issues made during the period prior to August 1951 which came to light in September 1951. The issues were made out of surpluses created by under-issue of articles to regular customers. In the absence of definite evidence, the period to which the irregularity relates and the extent of loss involved could not be assessed. The irregularity was facilitated by the absence of serially machine numbered cash memos. Out of 6 persons held responsible for the loss by the Court of Inquiry conducted in September 1951, no action could be taken against 3 as proof of their complicity could not be established. Of the remaining 3, one was dismissed from service, another was reduced in rank and the third was awarded 28 days' rigorous imprisonment. Remedial measures have also been taken.
- 13 Loss of five Railway Warrant and 25 Military Credit Note forms from the custody of certain Army units and formations, discovered on

Serial  
No.

Nature of losses written off with particulars

- various dates between March 1953 and July 1954. In one case the persons held to blame have been warned. In the other two cases the responsibility could not be pin-pointed.
- 14 Loss arising from unauthorised issue of 3 Military Credit Notes to private parties by a Supply Depot in January 1948. Though the irregularity was pointed out by the Internal Check authorities in April 1948, no action to recover the amounts or regularise the issues was taken in time. As no records were available and in view of the time lag involved, further investigation was not considered useful.
- 15 Loss of 2 Railway Warrants in a unit discovered sometime between November 1948 and April 1950. The exact circumstances under which the loss occurred or the same was discovered are not known. The unit to which the book of forms was originally supplied was disbanded in 1946. Due to the non-availability of the persons concerned a Court of Inquiry could not be convened nor the disciplinary aspect examined.

#### ADJUTANT GENERAL'S BRANCH

- 16 Non-recovery of the prescribed charges for mess servants due from officers of a unit from 15th August 1947 to 31st December 1949. Due to the absence of records it was not possible to verify whether or not recoveries during the period were effected and credited to the State in all cases.

#### GENERAL STAFF BRANCH

- 17 Loss of a Railway Warrant form along with its counterfoil in a Signal Regiment during February/ March 1955. The Court of Inquiry convened to investigate the circumstances of the loss held the then Adjutant of the unit responsible. On recommendation of the Court of Inquiry, it was decided that the amount of the warrant should be recovered from the officer held responsible for its loss, if later on it was found to have been used by some one.
- 18 Loss of one Railway Warrant form in February- March 1955 in a Signal Unit. The Adjutant was held responsible and will make good the cost if and when the use of the warrant comes to light.
- 19 Loss of one Railway Concession Voucher form in a Field Regiment discovered on 6th August 1953. The officer concerned was reproved by the Officer Commanding.



Serial No.	Nature of losses written off with particulars
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- 20 Loss of 26 Railway Warrant forms discovered during a check conducted in 1951 in a unit. The forms were being held by the unit since 1945-46. Surplus forms were brought on charge. There were no records to show how and when the forms came into the unit's possession and whether the missing forms were actually used and, if so, when or how those were disposed of.
- 21 Loss of five Railway Warrant forms in a Signal Regiment detected at the time of handing/taking over of duties by clerks of the Regiment during December 1952. The Court of Inquiry held to investigate the circumstances of the loss blamed the officiating Officer Commanding the unit. The officer and a Junior Commissioned Officer were warned to be careful.

#### MASTER GENERAL OF ORDNANCE BRANCH

- 22 Loss on account of non-sale of fruits during the years prior to 1948 in an Ordnance Depot. The circumstances in which contracts for the sale of fruits/usufructs were not drawn as in subsequent years, could not be investigated due to lapse of time and changes in staff.
- 23 Non-recovery of transport charges and air freight incurred on the despatch of 20 Rangers Boats No. 10 on loan to a State Government by an Ordnance Depot in October 1953, as the required particulars were not obtained from the authorities who incurred the same and included in the issue vouchers.

#### FACTORIES

- 24 Loss on account of extra expenditure caused to the State due to grant of air passages from Europe to India instead of sea passages to certain foreign technicians recruited abroad for service in India and their families prior to 1954. The agreements, under which the services of these personnel were secured, provided for the grant of air passages only in cases of public interest and that under specific directions of the Government and not as a matter of course. As the agreements had already been closed and the technicians left India, the question of recovery of the difference or fixing responsibility for the extra expenditure was not pursued further.



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Serial No.	Nature of losses written off with particulars
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- 25 Loss on account of workmen being permitted to leave on pay days before closing hours in three Ordnance Factories prior to August 1953, August 1954 and September 1954 respectively.

#### LANDS, HIRING AND DISPOSALS DIRECTORATE

- 26 Loss of two Railway Warrant forms during 1949 in a Sub Division, detected at the time of handing/taking over. The exact circumstances under which the loss took place could not be investigated due to the release of the officers etc.

#### ENGINEER-IN-CHIEF'S BRANCH

- 27 Loss on account of one Railway Concession Voucher form found missing in February 1949 in a unit. The date of loss and the circumstances relating thereto could not be ascertained, as the book containing the form had been in use since 1945 and had been transferred from place to place.
- 28 Non-recovery of service taxes in respect of about 20 buildings hired at a military station for the period prior to October 1952. These taxes, which were recoverable from the occupants were not recovered under a misapprehension that as taxes were not paid directly by the Military Engineer Services to the Municipalities they were not recoverable from the tenants. The irregularity was pointed out in audit in January 1954. But due to non-availability of the records of occupants and their whereabouts being not known it was not found possible to effect recoveries. Approximate amount of loss comes to Rs. 3,000 per year. Remedial measures have been taken to avoid recurrence of such cases in future.

#### AIR HEADQUARTERS

- 29 Loss due to non-recovery of hire charges for use of Service transport by 'living-in' officers from their residence to the place of work and back during 1st to 31st January 1951. The recovery was waived as the necessary records were not available.

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Serial No.	Nature of losses written off with particulars
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## MEDICAL DIRECTORATE

- 30 Loss of 2 Railway Warrants in a Military Hospital during November 1954. The Court of Inquiry, held to investigate and apportion the responsibility for the loss of forms, opined that the forms were lost due to laxity in the safe custody and handling of the Warrant book. The then Registrar of the hospital was tried summarily by the General Officer Commanding and was awarded 'reprimand'. Displeasure of the General Officer Commanding was conveyed to other two officers who were partly responsible for the loss.
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## APPENDIX B

*Statement showing by various categories the total amount of store losses pertaining to the Defence Services relating to post-partition period finally dealt with during the year 1956-57.*

(In rupees)

Categories of losses	Food and forage	Petrol, oil, lubricants and aviation spirit	Other Army Service Corps stores	Mechanical Transport vehicles and connected stores	Other Ordnance and clothing stores	Medical stores	Military Engineer stores and buildings	Miscellaneous stores	Aviation stores	Naval stores	Total
I. Actual losses due to theft, fraud or neglect	30,875	1,613	45,120	2,42,271	4,39,111	1,453	6,84,953	1,173	14,71,228	10,096	29,27,893
II. Actual losses due to other causes—											
(a) Fire	..	..	..	1,710	868	..	88,806	1,306	..	5,758	98,448
(b) Deficiencies in actual balances	10,611	2,07,749	4,900	53,52,745	11,86,284	8,351	1,24,613	54,656	2,88,759	2,10,855	74,49,523
(c) Deterioration	10,732	19,278	60,588	25,131	6,00,331	21,912	1,34,949	3,40,053	38,357	1,10,604	13,61,935
(d) Defective storage	180	43,133	77	..	13,446	230	9,509	4,822	2,000	..	73,397
(e) In transit	1,38,204	3,85,937	76,934	5,50,645	7,73,991	14,646	1,29,738	1,14,669	64,039	68,424	23,17,227
(f) Miscellaneous causes	1,62,799	5,17,459	1,63,974	7,27,296	3,74,397	34,160	13,01,466	2,23,783	1,14,979	1,13,762	37,34,075
<b>TOTAL II</b>	3,22,526	11,73,556	3,06,473	66,57,527	29,49,317	79,299	17,89,081	7,39,289	5,08,134	5,09,403	1,50,34,605
<b>GRAND TOTAL I AND II</b>	3,53,401	11,75,169	3,51,593	68,99,798	33,88,428	80,752	24,74,034	7,40,462	19,79,362	5,19,499	1,79,62,498

NOTE 1. —Details of losses exceeding (i) Rs. 5,000 due to theft, fraud or neglect and (ii) Rs. 15,000 due to other causes in each case are given in the Annexure to this Appendix.

NOTE 2. —Losses of aircraft as a result of crashes and accidents due to incidence of service have not been included in this statement.



## ANNEXURE TO APPENDIX B

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<i>I.—Losses due to theft, fraud or neglect exceeding Rs. 5,000 in each case.</i>	
	MASTER GENERAL OF ORDNANCE BRANCH	
1	Losses of Rs. 8,928, 14,366 and 8,012 on account of damages to three vehicles resulting from accidents on 23rd May 1952, 7th September 1953 and 29th November 1953 respectively. In the first two cases, the drivers were fined Rs. 22 and Rs. 200 respectively. In the second case in addition to fine the driver was awarded 20 days' rigorous imprisonment. In the third case, the driver was severely reprimanded and was made to forego seniority for two years, in addition to being fined Rs. 333.	31,306
2	Loss on account of deficiencies of certain stores revealed on stock verification carried out in a Station Workshop, during March to June 1952. The loss was attributed partly to incorrect accounting and partly to carelessness on the part of the store-keepers and supervisory officers. A fine of Rs. 14 was imposed on an individual. Disciplinary action was not taken against any other individual as it was not possible to fix responsibility.	25,280
3	Loss on account of misappropriation of rations and other stores in a Workshop Company during the period 1950 to 1953. The loss was attributed to mal-administration, bad accounting, lack of proper supervision and negligence on the part of nine individuals. Two Havildars were reduced to ranks, awarded imprisonment for different periods and dismissed from service. A Junior Commissioned officer was awarded reproof and placed on non-recommendation list for further promotion. Another Junior Commissioned Officer was awarded reprimand. Penal recoveries amounting to, Rs. 2,282 were effected from the two Junior Commissioned Officers and two other Havildars. Of the three officers found guilty, one (Major) forfeited 3 months' seniority and he as well as the others (Captains) were reprimanded.	39,092

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
4	Loss attributed to wrong accounting of stores, non-observance of procedural and accounting instructions, improper use of financial powers by individual officers, lack of supervision etc., in one depot during the period April 1947 to April 1950. Nine officers were held to blame. Disciplinary action was taken against six officers. In the case of the rest no action could be taken as they had already been released from service. Disciplinary action was also taken against the individuals of the Defence Accounts Department for failure to carry out the audit of the accounts of the depot and detection of irregularities in time.	2,08,137
5	Loss of stores in an Ordnance Depot due to theft discovered during stock-taking in January 1952. Three storemen held responsible for the loss have been dismissed from service.	18,015
6	Loss on account of damage to a vehicle as a result of an accident on 24th April 1954, attributed to an error of judgment on the part of the driver who was severely reprimanded and fined seven days' pay.	5,610
7	Loss on account of deficiency of serviceable and repairable telephonic equipment discovered in an Ordnance Depot during stock-taking on 13th January 1953, attributed to incorrect accounting. The storekeeper held responsible was warned.	5,975
NAVAL HEADQUARTERS		
8	Loss of certain Naval stores discovered at the time of change of officers in 1952, in a Naval Dockyard. Severe displeasure of the Chief of Naval Staff was conveyed to the officer held responsible for the loss.	6,427
9	Loss due to over issue of 6,158 rations in a Naval Barracks during November 1954 to March 1955 attributed to incorrect preparation of documents and lack of supervision thereof. One officer was conveyed the severe displeasure of the Chief of the Naval Staff and another officer was admonished.	12,316



Serial No.	Nature of losses written off with particulars	Amount
Rs.		
QUARTERMASTER GENERAL'S BRANCH		
10	Losses (ranging from Rs. 7,760 to Rs. 9,000) on account of damage through accident to six vehicles on different dates during the period May 1954 to May 1955. The drivers were blamed for the accidents in all these cases and disciplinary action was taken against them. Fines (ranging from Rs. 20 to Rs. 50) totalling Rs. 151 were also imposed on 5 drivers towards recovery of a part of the cost of damages.	51,842
11	Loss on account of damage to a vehicle and driver's kit due to accident in June 1955. The driver was sentenced to 21 days' rigorous imprisonment for negligent driving and in addition fined a sum of Rs. 18.	15,322
12	Two cases of losses (Rs. 17,398 and Rs. 9,262) resulting from accidents to mechanical transport vehicles which occurred on 2nd September 1951 and 28th June 1954 respectively. In both the cases the drivers were held responsible. In the first case the driver was fined Rs. 100 and in the other he was severely reprimanded.	26,660
13	Loss resulting from destruction of a building and the stores stored therein by fire on 25th July 1953 in an Ammunition Depot. The fire was attributed to the negligence of the personnel in charge of 'controlled fire' operation being carried out in the area to destroy the elephant grass which had grown around the building. An officer was warned in writing, another official's increment was postponed for six months and a Jemadar reprimanded.	15,106
14	Furniture found deficient in an Ordnance Depot on 100% physical check in September 1950. No stock-taking had previously been carried out, nor proper ledgers maintained. There was mix-up of Depot's own furniture and that allotted by Barrack Services. A Court of Inquiry was held in November 1950 but individual responsibility could not be fixed by the Court. One officer was warned as he had signed verification certificates without physical check.	63,799



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
15	Loss arising out of accident to a mechanical transport vehicle on the 29th June 1956 attributed to gross negligence of the driver. The driver was awarded 28 days' rigorous imprisonment and a Naik was severely reprimanded. In addition, fines totalling Rs. 110 were also imposed on the driver and the Naik.	13,484
16	Loss representing the value of ice not accounted for in the store accounts of a Supply Depot during the period June to November 1948. The loss was attributed to improper maintenance of accounts by inexperienced clerical staff. Due to lapse of time and frequent changes in staff the records were not traceable. No Court of Inquiry was convened to investigate the loss. Due to lapse of time no disciplinary action could be taken against any individual.	8,504
AIR HEADQUARTERS		
17	Four cases of flying accidents on different dates between March 1953 to July 1955 resulting in losses ranging from Rs. 6,000 to Rs. 1,50,407. The third which was a case of total loss, was attributed to an error on the part of the pilot, who was severely reprimanded. Disciplinary action was taken against the individuals responsible in the other three cases also. Remedial measures were instituted, wherever necessary.	1,88,407
18	Loss on account of deficiencies of components of mechanical transport Vehicles detected at the time of their receipt in an Army Vehicle Depot on transfer from an Air Force Station in 1952-53. The vehicles which were taken over by the Indian Air Force from the Royal Air Force had been stored in the open, due to paucity of suitable fenced accommodation and theft was suspected. A Court of Inquiry was held on 10th April 1953 but individual responsibility could not be fixed.	13,098
19	Loss on account of damage to an aircraft as a result of flying accident in July 1955. The pilot who was blamed for the accident was fined a sum of Rs. 400.	19,600

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
20	<p>Loss of an aero-engine and service kit of escorts which were burnt by fire in train when the aero-engine was being conveyed to a firm in October 1950. The cause of the fire was found to be the oil left in the engine which caught fire due to spark probably from a burning cigarette end or burning particles from the engine of the train. The escorts who were blamed for smoking in the wagon were reprimanded and fined an aggregate sum of Rs. 177. The claim preferred against Railway authorities was rejected by them on the plea that the fire was accidental and due to causes beyond the control of the Railways. Faulty packing was also considered as an indirect cause of fire, and suitable remedial action was taken in this regard.</p>	15,106
21	<p>Loss due to deficiencies in ration articles and packing materials in an Air Force formation during the year 1949-50. The loss was investigated by a Court of Inquiry which attributed it to lack of supervision, ignorance of regulations, paucity of staff, shortage of weighing scales and improper snap checks, etc. It was stated that the irregularities were due to unsettled conditions and heavy load due to military operations. No fraud or misappropriation could be proved in the case. The victualling agent held responsible for the loss submitted his resignation and was discharged from service.</p>	10,443
22	<p>Loss arising out of four cases of flying accidents on different dates in 1953, 1954 and 1956 resulting in damages to aircraft ranging in value from Rs. 10,000 to Rs. 1,00,000. Penal recoveries totalling Rs. 900 were effected from the pilots in three cases. The pilots were severely reprimanded in all the cases.</p>	2,19,100
23	<p>Loss on account of theft of valves and electric cables in an Air Force Equipment Depot discovered upon a check following the apprehension of the culprits by the civil police on 15th April 1954 while marketing the goods. One individual was awarded 10 days' detention for abetment; another was awarded 3 days' confinement to camp for collusion; the third was censured for with-holding prompt information; the main culprit was reduced to ranks and dismissed from service.</p>	7,039



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
24	Loss due to destruction of two aircraft as a result of collision in mid air on the 25th June 1955. According to the findings of the Court of Inquiry the accident occurred due to error of judgment on the part of the two pilots, who were killed along with other occupants of the aircraft.	10,12,423
FACTORIES		
25	Loss on account of deficiency in stock of Lead Ingots in an Ordnance Factory detected during stock-verification in February 1952. The Chargeman concerned was warned. No action could be taken against the godownkeeper concerned since he had retired.	27,061
26	Loss due to damage in transit by rail to Cast Iron and Semi Steel Tubes received in June 1952 and May 1953 by one Factory from another, attributed to improper loading in the wagons at consignor's end. The Store-keeper who was held responsible retired on 1st August 1954 and no disciplinary action could be taken against him.	5,699
27	Loss of inflammable stores due to fire on 24th August 1955 in an Ordnance Factory, attributed to neglect in taking adequate fire precautions which have since been taken. The exact cause of the fire could not be established. The possibility of the fire having <sup>been</sup> caused by a carelessly thrown live cigarette/bidi end was suspected but the responsibility therefor could not be pin-pointed.	5,367
28	Loss on account of 2,500 numbers of a certain store found deficient during stock verification on 19th May 1953 in an Ordnance Factory attributed to neglect. Out of seven individuals held responsible two were warned ; charges against three others were dropped ; action against the remaining individuals could not be taken as they were no longer alive.	5,190
29	Loss of 7,142 numbers of a store found deficient in an Ordnance Factory during verification on 31st March 1954. The stock was received prior to July 1945. The loss has been attributed to improper accounting during the period prior to March 1952. Though an element of neglect was involved the responsibility therefor could not be fixed.	86,930



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
ENGINEER-IN-CHIEF'S BRANCH		
30	Loss of copper wire and lightning conductors during Ju'y August 1950 due to theft in an Engineer Division. The alleged culprits who were tried by a court of law were acquitted giving them the benefit of doubt as ownership of the stolen property could not be proved, as it did not bear any distinctive mark of Military Engineer Services. Departmental action was taken against three officials who were blamed for negligent performance of their duties by stoppage of increment for one year. Two Chowkidars were fined Rs. 70 each.	16,029
31	Loss on account of electrical fittings found missing in a camp area in January 1948. Three persons held responsible for the theft were dismissed from service. The official who was found negligent in his duties was awarded reprimand.	5,340
32	Loss representing the value of furniture found deficient on physical check in August 1949 in a Vehicle Depot attributed to non-maintenance of proper ledgers and connected documents with the result that Depot furniture and Barrack Services furniture got mixed-up rendering reconciliation impossible. Responsibility for the loss could not be fixed.	16,967
33	Loss representing cost of 42,240 Rft. of 6" water pipe line. The pipes had been laid in 1945 and were declared surplus in 1946. In 1950 a check of the site revealed that the pipe line was not in existence. A Departmental Court of Inquiry was held in January 1951. As a result of the findings of the Court it was recommended that the case be handed over to Special Police Establishment. At the instance of the Area Headquarters, however, a Staff Court of Inquiry was held in June 1951 which observed that a case of misappropriation appeared to exist. The proceedings of the Court were, however, not finalized till February 1952 when it was mislaid. An unsigned copy of the proceedings was discovered in November 1953 when the Area Headquarters opined that it would be futile to hand over the case to the Special Police	2,71,920

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	Establishment. The case remained under consideration of the Service Headquarters etc., since middle of 1954, which in August 1956 observed that in the absence of sufficient evidence, individual responsibility could not be fixed. The loss was written off by Government in September 1956.	
34	Loss due to stores found damaged/deficient at the time of handing/taking over in December 1951 in an Engineer formation. The storekeeper was found negligent and a fine of Rs. 50 was imposed on him in addition to the recovery of Rs. 172 representing the cost of deficient stores and his increment withheld for six months with non-cumulative effect. Stores worth Rs. 2,613 found surplus were taken on charge.	11,281
35	Deficiencies in furniture discovered during first check in 1952 in a School of Military Engineering which had moved from another station in July 1947. The check could not be exercised earlier due to lack of suitable personnel and delay in finalisation of administrative set-up. The deficiencies were attributed to non-maintenance of proper accounts. The Quartermaster was fined Rs. 150 and the civilian store-keeper was discharged from service. Surpluses worth Rs. 7,229 were also revealed and have been taken on charge.	6,393
36	Loss representing damages to a generator and stores due to fire in a power house on the night of 27th/28th October 1949. A total sum of Rs. 105 had been recovered from four individuals who were held responsible for the loss.	6,256
37	Loss representing value of stores found deficient at the time of handing and taking over in an Engineer formation during October 1950. The deficiencies which were investigated by a Board of Officers in October 1949 and again in October 1950, were attributed to misappropriation of stores. Four individuals were tried by a court of law. One Superintendent was awarded rigorous imprisonment for one year and a fine of Rs. 4,000. Another Superintendent and a Fitter were each awarded rigorous imprisonment for one year and a fine of	6,289



Serial No.	Nature of losses written off with particulars	Amount
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Rs.

Rs. 1,000. They were, however, acquitted by the High Court on appeal. The punishment awarded to the other Superintendent was also reduced to one year's rigorous imprisonment and a fine of Rs. 1,000 by the High Court. A Court of Inquiry convened on 11th July 1952 to investigate the case arraigned two other individuals, *viz.*, the Garrison Engineer and a Sub Divisional Officer for neglect of duty. These officers were censured.

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|----|--|--------|
| 38 | Loss representing the value of stores found missing at the time of stock-taking carried out in 1951-52 in an Engineer formation. The loss was investigated by two Courts of Inquiry. The first Court of Inquiry held on 22nd April 1952 expressed the opinion that the Storekeeper was neglectful and was responsible for the loss. The second Court of Inquiry held on 19th August 1954 could not apportion blame to any individual but expressed the opinion that the chaotic nature of store accounts was due to inexperience of the Storekeeper and recommended the termination of his services. The General Officer Commanding-in-Chief examined the disciplinary aspect of the case and as a result warning letters were issued to 12 individuals. The increment of the Storekeeper was also stopped for two years with cumulative effect. | 58,444 |
| 39 | Loss representing the value of 308 ceiling fans and 231 table fans detected during physical verification in October 1951 in an Engineer formation. The loss was attributed to irregular maintenance of registers, laxity of supervision, inaccurate handling/taking over and incomplete physical check since 1946. The Court of Inquiry which investigated the loss in February 1953 recommended disciplinary action against six individuals who were held responsible for the loss. The increment of two individuals was stopped for 6 months without cumulative effect. The increment of a third individual was stopped for 3 months without cumulative effect. No action could be taken against two individuals as they had been released from service prior to February 1953. The sixth individual was censured under Government orders.     | 48,467 |



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
40	Value of certain stores found short at the time of actual weighing in March 1951 in an Engineer formation during handing/taking over between the Storekeepers. These stores were collected after the cessation of hostilities and were taken on charge without weighing. A Court of Inquiry which investigated the loss on 17th January 1955 opined that it was due to the negligence of the then Storekeeper. No action could be taken against him, as he had already been dismissed from service.	19,082
41	Cost of engineer stores found short in an Engineer formation during April to August 1951 at the time of stock verification. A Staff Court of Inquiry investigated the loss on 21st December 1951 and held the view that the shortage was due to neglect on the part of the Storekeeper, poor accounting and insufficient staff. The General Officer Commanding-in-Chief recommended disciplinary action against the Storekeeper, one Assistant Garrison Engineer and two Garrison Engineers. The Storekeeper was dismissed from service. The charges against one Garrison Engineer were dropped by the Chief Engineer. Another Garrison Engineer had already been dismissed from service as a result of another case. The Assistant Garrison Engineer was charge-sheeted and his increment stopped for 2 years without cumulative effect.	87,377
MEDICAL DIRECTORATE		
42	Loss on account of damage to a mechanical transport vehicle as a result of an accident on 24th February 1955 attributed to the negligence of the driver who was dismissed from service and awarded 4 months' rigorous imprisonment in a civil jail.	7,204
43	Loss resulting from accident to a mechanical transport vehicle and its trailer of a Field Ambulance Unit which occurred on 19th February 1956. The driver was awarded 28 days' rigorous imprisonment and a fine of Rs. 100.	5,606
GENERAL STAFF BRANCH		
44	Loss due to damages to three mechanical transport vehicles which met with accidents on 6th June 1953, 22nd April 1954 and 16th December 1954 respectively. In all cases the drivers were held	28,449

Serial No.	Nature of losses written off with particulars	Amount
	<p>responsible for the accidents. In one case the driver was awarded 2 months' rigorous imprisonment; in the second case in addition to 28 days' rigorous imprisonment the driver was fined Rs. 50 and in the third case the driver who was a Havildar was reduced to the rank of a Naik and another Non-Commissioned Officer who was also held responsible was awarded severe reprimand.</p>	Rs.
45	<p>Loss on account of damage caused to a mechanical transport vehicle due to an accident on 18th July 1955. The driver was blamed for the accident and was awarded 14 days' confinement to lines and fined Rs. 23. The Officer Commanding was conveyed the displeasure of the Brigade Commander for having allowed the driver to drive a type of vehicle with which he had no previous experience.</p>	5,888
46	<p>Loss resulting from damages to a Jeep which met with an accident in November 1953. The Court of Inquiry which investigated the loss expressed the view that the accident occurred due to a defect in the electrical system. Severe displeasure of Area Commander was conveyed to the officer responsible. He was also warned to be more careful in regard to the maintenance of the vehicles under his charge.</p>	5,789

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
<i>II. Losses due to other causes exceeding Rs. 15,000 in each case.</i>		
QUARTERMASTER GENERAL'S BRANCH		
1	Loss due to evaporation of 7,600 Gallons of mechanical transport gasoline in a Petroleum Depot and its Detachment during September 1955. The loss was ascribed to natural causes and no one was held responsible.	15,675
2	Loss due to dryage of 656 tons of fire-wood out of a total quantity of 7,220 tons purchased locally by a unit in a forward area during December 1948 to March 1949.	48,853
3	Loss on account of damage to a vehicle due to an accident in a forward area on 22nd May 1952. Personal luggage of the passengers was also lost. The Court of Inquiry held in May 1952 was of the opinion that no one was to be blamed for the accident.	15,702
4	Loss due to damages sustained by a vehicle which met with an accident in a forward area in August 1955 under circumstances beyond control.	17,488
5	Loss arising out of retention in the depots of empty and surplus petrol, oil and lubricants containers over a long period resulting in the deterioration of the same. The containers had to be stocked in the open during 1951-53 for want of covered accommodation. The non-disposal of the stocks has been attributed to the fact that prior to January 1955, the stock-holding depots were not authorised to dispose of such surplus containers.	87,259
6	Loss on account of damages to buildings and furniture, tentage and electrical equipment as a result of storms on 30th April and 6th May 1954 at a station.	74,568
7	Loss on account of destruction of 92,553 gallons of wartime stock of unserviceable combustible material during the period August to December 1955 in a Depot, there being no other possible alternative use of the material.	46,277
8	Loss due to damage to temporary buildings constructed during wartime on account of heavy storm on the night of 5th/6th May 1954 at a station.	15,783



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
9	Loss of 7,702 gallons of mechanical transport gasoline, while in store, due to evaporation in filling and abnormal leakage through the fittings of the storage tank during November 1951. The tank was later dismantled in December 1951.	18,774
10	Loss due to damage to temporary buildings on account of heavy storm on the night of 14th/15th June 1953 at a station.	23,400
11	Loss due to collapse of a hangar (Butler type) on account of a cyclonic storm on 2nd June 1953 at a Vehicle Depot.	16,074
12	Loss on account of over issue of milk at 1 lb. per diem per recruit during 1948-52 in addition to normal authorised issue of 9 ozs. per diem due to misinterpretation of the orders by the recommending medical authorities. The orders specified that the normal issue could be increased upto a maximum of 1 lb. per diem per recruit in all in the case of undernourished recruits.	53,037
13	Loss due to damage to a vehicle and stores loaded therein on account of an accident on 10th December 1954 in a forward area. The driver died on the spot. In the absence of direct or circumstantial evidence the responsibility could not be fixed.	16,778
14	Loss of 1,481 gallons of rum, purchased during the period September 1950 to January 1952 through leakage and evaporation, attributed to unsound wooden kegs, discovered in August 1953, in a Supply unit. The acceptance of rum in wooden kegs was discontinued in July 1952.	29,620
15	Loss in transit of several consignments of petrol, oil and lubricants despatched by rail to a Depot <i>ex</i> three consigning units during September and November 1947 attributed to the then prevailing communal disturbances. Claims were preferred on the Railways but with the exception of one claim for Rs. 21,973 the others were rejected by them.	2,04,562
16	Loss on account of improper maintenance of Store Accounts in a Supply Depot during June to November 1948, as a result of which credit entries in the ledgers for certain quantities of stores received from other units could not be verified. The irregularity was pointed in audit on the 16th April	79,127

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	1949 but no effective action to settle the objection seems to have been taken by the unit. The relevant issue vouchers and certified receipt vouchers not being traceable and due to lapse of time and changes in staff, the irregularity could not be investigated. The non-production of the documents was condoned and the loss written off by the Government in January 1957.	
ENGINEER-IN-CHIEF'S BRANCH		
17	Loss of a portable bridge washed away by floods in September 1953 in a forward area.	15,410
18	Loss on account of damages to certain buildings of a Training Centre caused by storm in June 1955.	37,106
19	Loss on account of damage sustained during training in the construction of a pontoon bridge across a river in December 1954. The loss was considered unavoidable and no one was blamed.	29,044
20	Loss of components of Pre-cut Huts and Bays of Nissen Huts while in transit from an Engineer Division to a unit at another station. As the stores were booked at owner's risk in open wagons, a claim against the Railways could not be preferred.	17,581
21	Loss of bridging equipment washed away by flood water on 8th/9th July 1953. The Court of Inquiry held that the rise in the water level of the nullah and the intensity of current was beyond anyone's control.	51,438
22	Loss of buildings, furniture and stores in an Engineer formation on 13th April 1951 due to fire caused by burning cigarette/bidi end thrown by a passerby. The fire could not be effectively controlled due to insufficient trailer fire pumps and water supply.	41,825
23	Loss on account of certain transportation stores back loaded by units to an Engineer Store Depot in October 1950, held on delay reports as reparable. The stores were again examined in May 1954 and declared beyond economical repair.	24,480
24	Deficiencies of certain items of stores, tools and plant and furniture found on stock taking during December 1951 attributed to lack of segregation and proper accounting under correct nomenclature of the items which have got mixed up with similar	17,477



Serial No.	Nature of losses written off with particulars	Amount
	other items received from the civil authorities. Surpluses in identical items amounting to Rs. 24,186 were also found and taken on charge.	Rs.
25	Deficiency in stores found on 100% stock taking in 1951-52 for the first time in an Engineer Division. Stores of different categories from defunct and merged formations had been dumped with the existing stock in hand for want of space. The deficiencies were attributed to wrong identification, lack of thorough check before despatch, variation in the standard designs of certain stores during the War, mix-up of stores due to inadequate storage space and the abnormal immediate post-war conditions. Surpluses amounting to Rs. 37,419 were also found. A Court of Inquiry was convened in May/June 1956 to investigate the discrepancies, but the proceedings of the court could not be finalised as several witnesses were not available.	30,651
26	Loss on account of stores found unserviceable by a Survey Board held on 15th January 1952 in an Engineer Division. The stores were war time purchases for works, including those back loaded by disbanded units, retrievals from demolitions, etc. Long storage in the open due to inadequate space and adverse climatic conditions resulted in the deterioration which could not be avoided. A Court of Inquiry was convened in May/June 1956 to investigate the loss, but the proceedings of the court could not be finalised as many of the witnesses were not available.	22,496
27	Loss on account of 233 used batteries which were back loaded to an Engineer Store Depot during the War years which on inspection during 1953-55 were found to have become unserviceable and beyond economical repairs. Due to limited resources available at the time it was not possible to test and ascertain the condition of individual batteries at the time of receipt.	43,960
28	Deficiencies of furniture in a Military Engineer Services Division discovered in stock verification conducted in 1955. The deficiencies were attributed to non-check/incomplete periodical checks, incorrect identification, bad accounting and unauthorised alterations of nomenclatures by the individuals incharge of the furniture in the past. Surpluses valued at Rs. 30,000 were also revealed and have been brought on charge.	18,037



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
29	Loss arising out of damage caused to certain buildings and furniture at a military station by cyclone on 15th June 1953. A Court of Inquiry held on 25th June 1953 to investigate the circumstances of the loss came to the conclusion that the building being temporary and of war time construction could not withstand such a heavy storm. No responsibility could be fixed on any individual. As a remedial measure accommodation of permanent specifications has since been sanctioned for that station and the work is already in progress.	1,34,847
30	Loss on account of breakage of crankshaft of a Diesel Engine Generating set of a power house on 25th July 1953. The breakage was attributed to defect in manufacture. In view of the cost of replacement and repair of the plant and difficulties in obtaining spares a Board of Officers recommended the set to be stripped of all useful parts.	47,250
31	Loss representing damage to temporary buildings, stores, furniture and vehicles caused by heavy cyclone on the 5th June 1955 at a station.	68,892
32	Loss due to damages caused to certain buildings at a military station by heavy storm on 11th June 1953. A Court of Inquiry was held on 25th June 1953 and the Court was of the opinion that the buildings which were constructed during the war in 1943-44 had outlived their lives and had collapsed due to impact of storm. As the damage was due to an act of nature, no one was held responsible.	20,991
33	Loss due to damages caused to certain buildings at a military station as a result of storm on 28th April 1953. A Court of Inquiry was held on 6th May 1953 which attributed the loss to an act of God and no one could be held responsible.	46,615
34	Loss on account of 163 batteries backloaded to an Engineer Stores Depot during 1952-54 by certain units found on test and 100% survey to have lost their bench life and become unserviceable. Matter could not be taken up with consignor units whose particulars and locations could not be ascertained due to lapse of time.	32,603
35	Loss on account of deficiencies of furniture discovered in an engineer stores godown on a 100% physical check during June 1949. Surpluses amounting to Rs. 35,365 most of which were identical were	26,008

Serial No.	Nature of losses written off with particulars	Amount
	also discovered. The deficiencies were attributed to wrong nomenclature and incorrect accounting during the last war and the early post-war period.	Rs.
36	Loss representing the cost of certain stores which became unserviceable, detected at the time of stock verification in 1950-51. The stores were stacked in the open for want of covered accommodation which resulted in their deterioration.	40,668
37	Loss of 158 tarpaulins in an Engineer formation. These tarpaulins were received from a Station Staff Officer during 1946-47 and were being used to cover the roofs of temporary Military Engineer Services buildings. A Board of Officers convened in 1952 held that the tarpaulins had served their normal life and that unserviceability was due to fair wear and tear though 133 tarpaulins were not available for examination by the Board.	81,600
38	Loss representing the cost of certain parts of bridging equipment which broke off from their moorings due to sudden and unexpected rise in the level of water in a river on 7th August 1954. The Court of Inquiry which investigated the loss on 23rd August 1954 opined that reasonable precautions were taken and that the loss could not be attributed to the negligence of any individual.	26,749
39	Loss representing the cost of stores found deficient during stock-taking in 1952-53 in an Engineer formation. The Court of Inquiry which investigated the loss on 14th September 1955 held the view that no theft, fraud or neglect was involved. Out of the total loss of Rs. 32,572 an amount of Rs. 28,714 represented deficiencies attributed to wrong identification in the past, inexperienced staff, etc. The balance of loss amounting to Rs. 3,858 was attributed to long storage and wastage through normal causes.	32,572
AIR HEADQUARTERS		
40	Loss representing value of tarpaulins and packing cases lost and damages caused to four aero-engines on 20th March 1952 during transit by rail due to an accidental fire caused by sparks from the railway	19,523



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<p>engine. The claim preferred against the Railways was repudiated by them on the ground that they had taken all possible care as required of them as carriers. The Court of Inquiry, which was convened to investigate into the cause of the accident was also of the opinion that no person(s) could be held responsible, as the fire was accidental and could not have been avoided. Remedial instructions already exist.</p>	
41	<p>Deficiencies of stores in an Air Force Equipment Depot detected during biennial stock taking (1951-53). A Court of Inquiry held on 8th November 1954 to investigate the deficiencies, attributed them to incorrect identification and lack of experienced staff. No one was held responsible.</p>	55,000
42	<p>Loss on account of damages to buildings, furniture fittings and stores of an Air Force unit due to heavy storm in April 1953.</p>	27,156
43	<p>Loss on account of deficiencies in components revealed at the time of mass classification of mechanical transport vehicles conducted by the Electrical and Mechanical Engineering personnel during September—December 1952. The vehicles were taken over by an Air Force unit from the Royal Air Force in 1947 without proper check of the parts and components.</p>	44,121
NAVAL HEADQUARTERS		
44	<p>Loss representing the value of permanent stores and mess traps, which deteriorated while in storage in a Naval establishment. The stores were sentenced as repairable/unserviceable as a result of a survey held in 1951 and 1952. The loss was described as a war time legacy and no one was held responsible.</p>	77,006
45	<p>Loss on account of stores found deficient during stock verification in 1952-53 in a Naval Stores Depot. The deficiencies were attributed to mix-up of stores as a result of heavy receipts from Naval ships and Naval establishments which were closing down rapidly soon after the war and poor documentation. This was the first stock verification of the stores after receipt in the depot. Surpluses worth Rs. 31,757 were also noticed and taken on charge.</p>	32,569



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
46	Loss on account of 687 Valves Electronic found unserviceable in a consignment received in 1953 by a Naval Stores Depot from an Ordnance Depot which, however, stated that the stores were issued in a serviceable condition and packed securely. The Naval authorities have attributed the loss to either faulty packing by the consignor or to rough handling in transit. To avoid recurrence of such cases, remedial instructions have been issued both by the consignor and the consignee.	15,503
47	Loss of a pinnacle 36' belonging to the Navy on 6th March 1954 which sank after collision against a Tug while being moved astern to be hoisted by crane on to the ship. The 5" grass line with which the pinnacle was secured to the ship snapped under pressure of strong tidal wave resulting in the collision, despite efforts of the officer in charge to steer clear of the Tug nearby. The Board of Inquiry recommended that 2½" Manila should be used and opined that no negligence could be attributed.	27,103
48	Loss of electric valves found deficient in a Naval Stores Depot on 100% stock taking in 1953-54, attributed to erroneous marking on the outside of the containers. Surpluses worth Rs. 22,221 were also discovered. The stores which were received in the depot in 1950-51 were checked only 5% at the time of receipt.	19,911
49	Loss representing the value of excess wastage in the conversion of 4 types of timber in a Naval Dockyard in 1951-52. The wastage was due to deterioration of the logs which were exposed to adverse weather in the open, storage facilities not being adequate. Their conversion, notwithstanding the excessive wastage, was considered a better alternative than to dispose of them for a low price and use costlier timber for requirements of the yard.	18,170
50	Loss on account of certain items of naval stores invoiced from the United Kingdom to a Naval Stores Depot during 1948-49, credit for which was not traceable in the store ledgers. The loss was pointed out in June 1951. The shipping records for the period involved and the disposal of the returnable copies of packing accounts were not traceable to facilitate verification of credit in certain cases. In	38,172

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	the absence of the requisite records, reference could not also be made to the authorities in the United Kingdom. The non-receipt or otherwise of the stores and lapse, if any, could not be established.	
51	Loss due to non-recovery of the cost of 8,676 lbs. of milk Ghee (less the cost of 3,528 lbs. frying oil saved as a result) issued to Naval Ratings under training in the United Kingdom over and above the rations supplied by the Admiralty during the year 1948-49.	23,211
GENERAL STAFF BRANCH		
52	Loss of public stores in transit after their arrival at a port abroad while they were being handled by an International body before ultimate receipt by an Indian Unit abroad.	17,055
53	Loss due to damage to a vehicle and stores loaded therein as a result of an accident on the 13th May 1953 in which all the occupants (more than twenty in number) returning from a forward area lost their lives. As there was no witness available, the cause of the accident could not be ascertained and responsibility could not be fixed.	16,824
54	Loss representing difference between the ledger and ground balances of stores in a former Indian State Force unit attributed to abnormal circumstances and ignorance of rules and procedure on the part of the staff. The unit had prior to its merger with the Indian Army in May 1951 when the deficiency was discovered by the Survey Board, been deployed on operational duties and a part of the loss was attributed to the operations.	25,306



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
MASTER GENERAL OF ORDNANCE BRANCH		
55	Loss on account of deficiencies and defects in Kinema equipment. The stores which were held by Central Kinema Sub Depot were transferred to an Ordnance Depot in 1947 and on physical check in 1948 deficiencies and defects were revealed. A Court of Inquiry to investigate the loss was not held. The circumstances in which deficiencies occurred are not known.	1,35,573
56	Loss representing value of discrepancies in stores consigned to an Ordnance Depot. The stores were held by another depot pending despatch to the ultimate consignee. The discrepancies, were revealed on receipt and check of the consignments prior to May 1953. The deficiencies were attributed to the original consignor unit which was disbanded in early 1947. No Court of Inquiry was held as some of the individuals responsible for the deficiencies were no longer in service, and remaining were scattered over various units at different stations. The Central <i>Ad Hoc</i> Committee which examined the case recommended regularization under Government orders.	2,66,488
57	Two cases of losses (Rs. 15,258 and Rs. 28,807) on account of deficiencies of Shoes Canvas and Pillows Feather Med Slip Light detected at the time of stock-taking in an Ordnance Depot in January and July 1951 respectively. The losses were investigated by Staff Courts of Inquiry held in May 1954. No one was, however, held responsible. The losses were attributed to incorrect stock-taking in the past.	44,065
58	Loss representing the value of components of vehicles returned from forward areas after the war found deficient on mass check of vehicles in 1950. Due to heavy flow of returned vehicles no proper check could be carried out at the time of receipt in depots. Courts of Inquiry were held and the deficiencies were attributed to cannibalisation of parts to meet urgent issues, poor accounting, laxity of	55,98,607



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	security arrangements and short receipt. Possibility of loss due to theft was also not ruled out. Remedial measures are stated to have been instituted.	
59	Loss on account of 26,524 pairs of boots canvas found deficient in an Ordnance Depot during stock-taking in July 1950. The loss has been attributed to incorrect stock-taking in the past.	74,599
60	Loss on account of deficiencies of certain stores revealed during stock verification in an Ordnance Depot in October 1950. The loss has been attributed to incorrect stock-taking in the past.	15,120
61	Loss due to damage/shortage of stores found upon arrival in an Ordnance Depot on 30th October 1947 out of a consignment of 235 packages despatched by another depot. Out of the eleven missing packages, responsibility for one package was accepted by the Railways. Responsibility for the balance of the shortages and also for the damaged stores could not be pin-pointed despite protracted negotiation with the Railways.	15,488
62	Loss due to 5,895 Cft. of timber purchased during the war found deteriorated due to long storage in the open under inadequate cover at an Ordnance Depot prior to March 1951.	16,258
63	Three cases of losses (Rs. 42,220, Rs. 30,924 and Rs. 19,335) representing the value of stores found deficient/deteriorated but in repairable condition during stock-taking held during 1953 in two Ordnance Depots after 'reorganisation'.	92,479
64	Loss representing the value of stores received short/ in changed nomenclature by an Ordnance Depot during May to July 1953. The discrepancy was discovered while linking certified receipt vouchers with consignor's issue vouchers. The discrepancy was, however, rejected by the consignor who accepted only the change in nomenclature. No Court of Inquiry to investigate the loss was held.	29,950

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
65	Loss representing the value of stores received short/ in changed condition by an Ordnance Depot during 1951-52. The discrepancies were attributed to incorrect identification and deterioration of the stores during transit by rail. No Court of Inquiry to investigate the loss was held.	39,044
66	Loss representing the value of 1,172 Dry Batteries found unserviceable on arrival in an Ordnance Depot on 19th July 1949. The deterioration was attributed to unusual delay in transit by the Railways during which the life of the stores expired. The Railways, however, accepted liability for Rs. 2,329 only on the ground that part of the stores' life had expired even before despatch by the consignor.	18,237
67	Loss on account of deterioration of tentage stores from repairable to unserviceable condition attributed to long storage under inadequate cover at an Ordnance Depot. The change in condition of the stores was discovered during 100% check on 1st September 1954.	27,398
68	Loss representing the value of 8,986 Nos. of a clothing store found deficient at stock-taking held on 5th December 1951 in a Depot. The loss was investigated by a Court of Inquiry held on 7th February 1956. The Court attributed the loss to shortage in packages received prior to partition.	45,050
69	Loss on account of stores found deficient by a Depot when taking delivery from Railway authorities on 6th March 1948. Claim lodged with the Railways in April 1948 was ultimately repudiated by them after a long time on the ground of non-availability of the records of 1947-48 which had been destroyed.	15,050
70	Loss representing the value of stores, viz., tentage items and Kettles Camp detected in June 1953 while checking the consignments in an Ordnance Depot. The loss was attributed to short receipt and change in condition of the stores. The consignor depot repudiated responsibility when the discrepancy was referred to them in March 1954 on the ground that the stores were checked before issue as regards both quantity and quality. No one could be held responsible for the loss.	22,826



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
FACTORIES		
71	Deficiency of 932.69 Cwts. of a metallic item of store which could not be produced during stock verification in a factory on 30th March 1953, attributed to the store having been mislaid. A similar quantity of the same store was, however, found on ground subsequently and brought to account.	1,89,366
72	Loss representing the difference in value between the serviceable and unserviceable condition of 32,981 numbers of a certain store held by an Ordnance Factory since February 1946. The change in condition which was noticed on 23rd April 1955, was investigated and was attributed to inherent stresses when being reformed.	1,15,780
73	Loss representing the difference between the book value and scrap value of a certain store. The store received during 1945-46 by a factory being not required at that time was stored to meet possible future requirements. A quantity of 1,446 numbers of the store when taken up for use in 1949 was found rusty and rejected and subsequently reduced to scrap. No Court of Inquiry was held as no theft, fraud or neglect was involved.	67,287
74	Loss on account of expenditure incurred by an ordnance factory in derusting of 17,297 numbers of shells despatched by another factory during the period January 1952 to March 1953, after inspection by the technical authorities. The incidence of rust formation was accepted as unavoidable with the existing facilities in ordnance factories, and the practice of phosphating all shells before varnishing/painting is under consideration to avoid such losses in future. No Court of Inquiry was convened as no theft, fraud or neglect was suspected.	32,288
75	Loss representing the cost of shot blasting and varnishing of empty shells at an ordnance factory during 1953-54. These shells were sentenced as below standard for filling due to formation of rust. No Court of Inquiry was convened as no theft, fraud or neglect could be suspected.	15,265



Serial No.	Nature of losses written off with particulars
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*III. Losses monetary value of which could not be assessed.*

MASTER GENERAL OF ORDNANCE BRANCH

- 1 Deficiencies in components of 22 special type of vehicles held in a depot. The exact deficiencies could not be tabulated in the absence of literature on this type of vehicles.

GENERAL STAFF BRANCH

- 2 Loss on account of arms/ammunition issued to British Officers of the late Supreme Commander's Headquarters for personal protection during partition period, not having been returned or otherwise accounted for, detected by internal check authorities in January 1948. In spite of enquiries made through the High Commissioner for India in the United Kingdom, a large majority of the officers could not be traced. In the absence of proper documentary evidence, a claim on the United Kingdom Government in respect of the others could not be enforced.
- 3 Deficiencies in museum stores, comprising of captured enemy equipment, discovered during stock-taking in 1954, attributed to difficulties in identification. Surpluses were also found and taken on charge.

QUARTERMASTER GENERAL'S BRANCH

- 4 Loss arising out of pure milk being smuggled out of a Military Farm and sold to outside parties during the period prior to 14th June 1951. The illicit sale of milk was detected by the Security staff on 14th June 1951. Investigation by Court of Inquiry on the above date revealed that about 1,000 lbs. of best quality milk was being smuggled out daily for a very long time and sold for cash amounting to Rs. 10,000 per month. Two Assistant Supervisors, 6 Deliverymen, 2 Dairymen and 1 Butterman were dismissed; one Sub-Assistant Supervisor was reduced to a lower stage of scale of pay; one increment with cumulative effect was stopped in the case of one clerk; one Assistant Supervisor and a clerk were censured; no action could be taken against 8 other employees as the charges against them could not be substantiated.

## APPENDIX C

*Statement of infructuous expenditure exceeding Rs. 20,000 in each case pertaining to the post-partition period, finally dealt with during the year 1956-57.*

Serial No.	Particulars	Amount
		Rs.
LANDS, HIRINGS AND DISPOSALS DIRECTORATE		
1	<p>Infructuous expenditure incurred by way of rent of land and watch and ward charges in respect of surplus assets located at an airfield. The surplus assets were sold to a firm in June 1951 on condition that the purchaser would demolish the assets and clear the site within four months' time which period expired on 30th October 1951. The firm requested for extension of time but this was not granted in the first instance. On the failure of the firm to clear the site, the assets remaining on the site were taken over by Government. However, as a result of further representations and examination of the case at the Ministry's level these assets were transferred to the firm on 9th March 1953 for demolition and clearance of site within 4 months. During the period 1st November 1951 to 8th March 1953 extra expenditure to the extent of Rs. 31,932 on rentals and Chowkidaring was incurred by Government. The Security deposit of the purchaser, viz., Rs. 5,500 was set off against this amount and the balance written off as infructuous expenditure.</p>	26,432
QUARTERMASTER GENERAL'S BRANCH		
2	<p>Infructuous expenditure incurred in the purchase and conveyance of petrol and kerosene during June 1952 to July 1954 by a Petroleum Platoon at a point farther from its location instead of from the supplier's local depot. The supplies were, however, drawn from the local depot from August 1954. Had this arrangement been made earlier from June 1952 the expenditure involved could have been avoided.</p>	39,013
ENGINEER-IN-CHIEF'S BRANCH		
3	<p>The work on a contract was ordered to be commenced on 28th February 1950 and in accordance with the terms of the contract was to be completed by 27th</p>	43,901



Serial No.	Particulars	Amount
	<p>June 1950. Owing to various reasons, including the non-supply of certain stores in time by the Government, the date of completion was extended from time to time upto 31st December 1950. When these extensions were granted, the contractor expressly agreed that these would be without any financial effect. The contractor, however, could not complete the work by the last agreed date, <i>viz.</i>, 31st December 1950 and requested for further extension upto 15th February 1951. It was considered that extension upto 15th January 1951 would be adequate and orders were issued accordingly. This was, however, not accepted by the contractor and the work was completed on 24th February 1951. Thus the contractor rendered himself liable to pay damages for the delay. He, however, submitted counter-claims amounting to Rs. 95,792 which included a sum of Rs. 72,177 as compensation for extra cost incurred by the contractor on account of extensions of the period of the contract. The dispute was referred to an arbitrator who awarded a sum of Rs. 54,004 to the contractor. Although the break-up of the award has not been given, the award to the extent of Rs. 43,901 was assessed as due to extra cost incurred by contractor on account of extension of the period of contract. As the extensions without any financial effect were accepted by the contractor, the award was considered legally untenable and resisted in a court of law on legal advice. In the opinion of the Court, however, the award was neither illegal nor in-executable. The amount of Rs. 43,901 out of the lump sum award of Rs. 54,004 was treated as infructuous expenditure and regularised by Government in June 1956.</p>	Rs.
4	<p>At a military station, approximately 700 tons of timber were collected, pending sanction for the opening of a furniture repair shop in the covered accommodation made available on the closure of an Engineer Park, at that station. Later, however, due to reduction in the works programme, the proposal for opening of the repair shop was dropped. An expenditure of Rs. 1,19,122 which was incurred on staff, care and custody of the stock during the period from August 1949 to August 1951 and its dispersal to other formations was adjudged as infructuous and regularized as such by Government:</p>	1,19,122



Serial No.	Particulars	Amount
		Rs.
5	<p>A contract for re-roofing of certain buildings at a military station, with Allahabad tiles using steel purlins and trusses was concluded on the 11th March 1947. Both tiles and purlins were to be supplied to the contractor by Government. After conclusion of the contract it was found that tiles of required size were not available with the department, and it was decided to do the work with asbestos cement sheets, for which a demand was placed on an Engineer Stores Depot. The work was started by the contractor on the 29th April 1947. On the 15th January 1948 it was ascertained that the required number of asbestos cement sheets and steel of the required size were not available. The contract was, therefore, terminated and the contractor paid a sum of Rs. 68,551 for the work actually completed. After a period of three months, a fresh contract was concluded with another contractor to complete the balance of the work using wooden purlins. This contract was concluded at 94.5 % above the Military Engineer Services Schedule of Prices, as against the original contract percentage of 43 above the aforementioned schedule. The infructuous expenditure in this case could have been avoided if only a proper appreciation of and forecast of the requirements of stores for the work had been made or alternatively, if the balance of the work using wooden purlins had been got done by ordering a deviation on the original contract, which was permissible under the conditions of the contract.</p>	57,598

## APPENDIX D

*Statement of ex-gratia payments exceeding Rs. 20,000 in each case made during the year 1956-57.*

Serial No.	Particulars	Amount
		Rs.
	ENGINEER-IN-CHIEF'S BRANCH	
1	<i>Ex-gratia</i> payment of compensation made to an Electric Supply Corporation, Limited for non-registration of electric energy consumed by an Engineer Store Depot during the period March 1951 to March 1953 on account of defective meter.	23,702

APPENDIX E

Balances outstanding under the Head "Suspense" on 31st March 1957 and their clearance in the accounts for the subsequent year.

(In rupees)

Upto 1950-51		1951-52		1952-53		1953-54		1954-55		1955-56		1956-57		Total to end of 1956-57		Cleared in 1957-58		Balance outstanding	
Cr. 1	Dr. 2	Cr. 3	Dr. 4	Cr. 5	Dr. 6	Cr. 7	Dr. 8	Cr. 9	Dr. 10	Cr. 11	Dr. 12	Cr. 13	Dr. 14	Cr. 15	Dr. 16	Cr. 17	Dr. 18	Cr. 19	Dr. 20
71	..	..	..	20,08,95,000	..	..	..	22,30,731	39,97,744	5,68,895	62,635	1,90,09,226	4,22,592	22,27,03,923	44,82,971	1,87,21,333	1,48,160	20,39,82,590	43,34,811

Analysis by years of the amounts outstanding in columns 19 and 20 and the explanations of the items outstanding are as follows :-

Credits (Column 19)				Debits (Column 20)			
Year	Item No.	Amount Rs.	Details	Year	Item No.	Amount Rs.	Details
1950-51	1		71 Represents arrears of tax recovered from certain personnel of the Defence Accounts Department. The matter is under reference to Ministry of Finance.	1954-55	1	39,97,569	Represents balance of the amount outstanding in the Exchange Accounts with the late Deputy Accountants General (Industry and Supply) and (Food and Rehabilitation) at the end of 1954-55 which was withdrawn in accordance with the instructions contained in para 22 of the Annexure to the Comptroller and Auditor General's letter No. 76-SAA/2-54/pt. V, dated 28th March 1955.
1952-53	2	20,08,95,000	Represents the balance of amount kept out of the sale proceeds of surplus and obsolete stores to meet storage and custodial charges.	1955-56	2	15	Represents payments on account of cost of centrally purchased M.E.S. Stores.



1954-55	3	22,17,000	Same as item 2 above.	1956-57	3	3,35,060	Miscellaneous -- representing mainly payments made to Pay and Accounts Officer, Ministry of Works, Housing and Supply during March 1957.
"	4	32	Represents amount withheld from contractors' bills pending regularisation of certain irregularities in hired transport contract.	"	4	2,127	Represents adjustment of Inter-departmental schedules.
"	5	576	Represents balance of the amount outstanding in the Exchange Account with the late Deputy Accountant General (Industry and Supply) at the end of 1954-55 which was withdrawn in accordance with the instructions contained in para 22 of the Annexure to Comptroller and Auditor General's letter No. 76-SAA/2-54/Pt. V, dated 28th March 1955.	"	5	40	Represents payments made to certain foreign Navy personnel.
1955-56	6	5,64,000	Same as item 2 above.				
"	7	4,163	Same as item 4 above.				
1956-57	8	(-) 5,077	Miscellaneous.				
"	9	3,07,000	Same as item 2 above.				
"	10	(-) 175	Represents the difference between Daily Payment Sheets and Schedule III.				

20,39,82,590

43,34,811

1	2	3	4	5	6	
		Rs.	Rs.	Rs.	Rs.	
4	Improvement to water supply at a military station.	3,91,000	1,51,392	2,39,608	Due to :— (1) Non-receipt of stores . . . . . (2) Stoppage of work owing to failure of the contractor . . . . . (3) Non-receipt of debit for stores . . . . .	1,57,507 46,00 36,108 <u>2,39,608</u>
5	Provision of furniture for Junior Commissioned Officers and Other Ranks' quarters at a military station.	2,77,700	1,85,989	90,711	Due to failure of the contractor to supply the furniture in time.	
6	Improvement to electric supply at a military station.	2,50,000	29,541	2,20,459	Due to :— (1) Late conclusion of contract . . . . . (2) Non-receipt of stores . . . . . (3) Non-receipt of debits for stores . . . . .	50,000 1,61,776 8,683 <u>2,20,459</u>
7	Construction of buildings for a Military Farm at a station.	1,50,000	35,992	1,14,008	Due to :— (1) Non-conclusion of contract . . . . . (2) Non-receipt of stores . . . . . (3) Non-receipt of debit for stores . . . . .	67,200 38,200 8,608 <u>1,14,008</u>
8	Provision of doors for 3 hangars at an Air Force station.	1,05,800	16,298	89,502	Due to :— (1) Changes in specifications . . . . . (2) Recovery of fine from the contractor due to late completion of work . . . . . (3) Return of stores issued to the contractor wrongly in the first instance . . . . . (4) Non-payment of final bill . . . . .	24,000 28,500 7,000 30,002 <u>89,502</u>

9	Provision of married quarters for Ministry of Defence Security Corps personnel at an Air Force station.	1,64,900	1,04,995	59,905	Due to non-receipt of cement and steel and consequent suspension of work.	
10	Provision of an Air Force bombing range.	1,25,000	52,055	72,945	Due to :- (1) Late conclusion of contract on account of non-availability of site (2) Suspension of work on account of firing practice at the site	45,000 27,945
						<u>72,945</u>
11	Provision of living accommodation for Other Ranks of a Supply Platoon.	1,70,000	61,856	1,08,144	Due to :- (1) Non-conclusion of contract owing to late receipt of revised administrative approval (2) Non-receipt of debits for cost of stores and freight charges	1,00,000 8,144
						<u>1,08,144</u>
12	Improvement to water supply at a military station	3,00,000	1,39,379	1,60,621	Due to :- (1) Late conclusion of contract and consequent delay in the completion of building work (2) Late commencement of work by the contractor (3) Non-conclusion of contract for repair work on account of high tendering (4) Non-receipt of stores and equipment (5) Non-receipt of debit for cost of stores/freight charges (6) Excess provision of funds for external electrification and arboricultural work	57,600 50,000 12,000 32,400 6,621 2,000
						<u>1,60,621</u>



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
13	Construction of 15 married officers' quarters at a military station.	4,50,000	2,70,008	1,79,992	Due to slow progress of work by the contractor.
14	Provision of air-conditioning for technical equipment and stores at a Signals School.	1,02,200	52,153	50,047	Due to :— (1) Change in specification . . . . . 10,000 (2) Non-realisation of payment for air conditioners . . . . . 40,000 (3) Non-receipt of debits . . . . . 47 <u>50,047</u>
15	Provision of covered accommodation for vehicles at a Signals School.	2,00,000	17,436	1,82,564	Due to :— (1) Late conclusion of contract . . . . . 1,75,000 (2) Non-receipt of debits for cost of stores and freight charges. . . . . 7,564 <u>1,82,564</u>
16	Provision of hutted accommodation for Junior Commissioned Officers and Other Ranks at a military station.	1,00,000	44,894	55,106	Due to :— (1) Late conclusion of contract owing to late receipt of revised administrative approval . . . . . 54,000 (2) Non-receipt of debit for freight charges . . . . . 1,106 <u>55,106</u>

17	Provision of garages for vehicles of an Infantry School.	1,50,000	47,132	1,02,868	Due to :— (1) Late conclusion of contract . . . . . 90,000 (2) Non-receipt of debits for cost of stores and freight charges . . . . . 12,868 <u>1,02,868</u>
18	Provision of accommodation for a Sector Operation Centre at an Air Force Station.	1,36,000	71,835	64,165	Due to :— (1) Non-payment of contractor's final bill . . . . . 37,000 (2) Non-receipt of stores . . . . . 23,400 (3) Non-receipt of debits for steel . . . . . 3,500 (4) Non-adjustment of certain liabilities . . . . . 265 <u>64,165</u>
19	Improvement to electric supply at an Air Force Station.	2,00,000	87,947	1,12,053	Due to :— (1) Non-receipt of stores . . . . . 60,000 (2) Non-payment of cost of stores received late . . . . . 52,053 <u>1,12,053</u>
20	Making good deficiencies of furniture for Army units at their interim location.	1,36,000	(—)3,146	1,39,146	Due to :— (1) Reduction in the scope of work . . . . . 1,36,000 (2) Un-anticipated credits . . . . . 3,146 <u>1,39,146</u>
21	Construction of a bulk-cum-pack petroleum installation at a military siding.	5,00,000	2,97,433	2,98,567	Due to :— (1) Non-availability of storage tanks . . . . . 2,85,000 (2) Non-receipt of debits for cost of stores . . . . . 13,567 <u>2,98,567</u>

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
22	Improvement to water supply for Army units at their interim location.	1,27,420	62,300	65,120	Due to :— (1) Revision of original estimate on account of change in design and size of the reservoir . . . . . 63,620 (2) Un-anticipated credits . . . . . 1,500 <u>65,120</u>
23	Provision of garages for vehicles of a Command Headquarters and its Signal Regiment.	1,00,000	70,000	30,000	Due to :— (1) Defective planning, i.e., non-finalisation of the site in time . . . . . 22,000 (2) Change in specification . . . . . 8,000 <u>30,000</u>
24	Conversion of Ground Control Interception into Sector Operation Centre at an Air Force Station.	1,50,000	50,835	99,165	Due to :— (1) Late conclusion of contract for air conditioning . . . . . 50,000 (2) Late issue of technical sanction and consequential delay in the conclusion of contract . . . . . 1,700 (3) Non-receipt of stores due to transport and other difficulties . . . . . 29,900 (4) Non-payment of contractor's final bill for building work . . . . . 6,400 (5) Failure to execute the work of internal electrification by the contractor . . . . . 4,800 (6) Non-utilisation of the provision for establishment charges . . . . . 700



					(7) Non-adjustment of debits for cost of stores and freight charges . . . . .	3,907
					(8) Over-estimation of the cost of certain stores . . . . .	1,758
						99,165
25	Construction of a new parallel runway at an airfield.	2,50,000	21,097	2,28,903	Due to:—	
					(1) Non-conclusion of contract during the year . . . . .	1,86,500
					(2) Late receipt of stores . . . . .	42,403
						2,28,903
26	Construction of a Naval Stores Depot.	30,00,000	18,39,871	11,60,129	Due to:—	
					(1) Non-receipt of debits for steel . . . . .	1,60,129
					(2) Non-availability of requisite steel . . . . .	10,00,000
						11,60,129
27	Construction of a Spare Parts Distribution Centre for Navy.	9,00,000	5,74,999	3,25,001	Due to late conclusion of contract on account of non-availability of requisite site.	
28	Construction of 48 'E I' type quarters for married officers at a Naval station, Phase II.	15,00,000	7,78,922	7,21,078	Due to:—	
					(1) Slow progress on certain works on account of early and prolonged monsoon . . . . .	6,40,000
					(2) Non-receipt of debit for cement . . . . .	81,078
						7,21,078
29	Construction of permanent Mechanical Training Establishment for an Indian Naval Establishment, Phase I.	8,00,000	7,36,044	63,956	Due to non-receipt of debits for cement.	

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
30 Construction of a permanent block at an Indian Naval Establishment.		5,00,000	4,74,375	25,625	Due to non-receipt of debits for stores received during the last month of the year.
31 Naval Dockyard Expansion Scheme		1,00,00,000	47,72,342	52,27,658	Due to :— (1) Excess provision of funds . . . . . 49,00,000 (2) Non-receipt of debit for steel sheets supplied during the last month of the year . . . . . 1,57,658 (3) Non-payment of recoverable expenses to the consultants for want of Government sanction . . . . . 1,20,000 (4) Slow progress of work . . . . . 50,000 <u>52,27,658</u>
32 Provision of furniture to make up deficiencies in authorized scales for single Officers, Junior Commissioned Officers and Other Ranks at a military station.		2,99,706	59,467	2,40,239	Due to :— (1) Inability of the contractor to collect timber required for the work . . . . . 2,09,706 (2) Non-commencement of work by the contractor . . . . . 30,000 (3) Excess provision of funds . . . . . 533 <u>2,40,239</u>
33 Provision of married accommodation for Junior Commissioned Officers and Other Ranks and garages for vehicles at a military station.		4,00,000	3,76,688	23,312	Due to non-receipt of debits for freight charges.
34 Renewal of a road at a military station		1,00,000	20,066	79,934	Due to inability of the contractor to procure stores and transport for bitumen.

35	Provision of accommodation for Proof and Experimental Establishment.	2,50,000	59,330	1,90,670	Due to defective planning necessitating change of site and revision of administrative approval.	
36	Provision of covered accommodation for valuable machinery and stores in an Engineer Stores Depot.	1,65,000	..	1,65,000	Due to defective planning resulting in postponement of work.	
37	Provision of additional accommodation for office and laboratory of a Technical Development Establishment.	3,00,000	1,12,629	1,87,371	Due to late issue of revised administrative approval necessitated as a result of enhancement in the rates.	
38	Construction of a Modern Farm Phase I and certain repairs to Farm buildings at a military station.	1,83,000	3,002	1,79,998	Due to :— (1) Curtailment of programme of works during the year (2) Non-execution of road work on account of non-availability of road tar	1,65,500 <u>14,498</u> <u>1,79,998</u>
39	Construction of 3 blocks of multi-storeyed 'H' type quarters at a factory.	1,30,000	79,672	50,328	Due to reduction in the scope of work relating to sewage water supply and electricity owing to change of policy.	
40	Construction of 'J' type quarters at a factory Phase I.	2,50,000	1,87,137	62,863	Due to slow progress of work owing to rains.	
41	Construction of 'J' type quarters at a factory Phase II.	2,50,000	1,85,199	64,801	Due to slow progress of work owing to rains.	
42	Construction of buildings for a 12 ton Arc furnace at a factory.	2,75,000	19,902	2,55,098	Due to necessity for revision of administrative approval on account of high tendered rates.	
43	Construction of a canteen-cum-rest room at a factory.	1,50,000	39,058	1,10,942	Due to change in the design of the foundation and slow progress of work owing to heavy rains.	
44	Construction of 64 'H' type quarters at a factory.	1,50,000	1,09,145	40,855	Due to revision of administrative approval necessitated by change of site and scope of work.	



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
45 Provision of a Very High Frequency Direction Finder Station.		3,00,000	1,72,500	1,27,500	Due to :— (1) Failure of contractor which necessitated re-tendering . . . . . 52,000 (2) Excessive provision of funds in respect of payments for land and final bill . . . . . 20,000 (3) Slow progress of work . . . . . 25,000 (4) Non-receipt of debits . . . . . 15,500 (5) Land not made available by civil authorities . . . . . 15,000 <u>1,27,500</u>
46 Construction of permanent domestic and technical accommodation for the Air Force at a station.		4,20,000	1,90,641	2,29,359	Due to :— (1) Non-finalisation of certain payments . . . . . 1,79,400 (2) Non-completion of certain portions of the work . . . . . 49,959 <u>2,29,359</u>
47 Provision of permanent domestic and technical accommodation for a Wing Headquarters and a Twin Engined Transport Squadron at an Air Force station.		50,00,000	26,06,992	23,93,008	Due to :— (1) Non-receipt of debits expected during the year . . . . . 2,55,527 (2) Delay in finalisation of drawings . . . . . 4,82,000 (3) Slow progress of works due to various reasons including failure of contractors . . . . . 4,42,000 (4) Non-availability of cement, steel and other stores . . . . . 1,87,481 (5) Non-execution of water supply scheme on account of the possibility of supply of water by the

48 Provision of an Aircraft Finishing Section at an Air Force Base Repair Depot. 1,80,000 98,800

81,120 Due to :-

local municipality	1,30,000
(6) Non-execution of a portion of work during the year on account of revision of scheme for night aid to flying	5,00,000
(7) Re-invitation of tenders for the work relating to sewage disposal as the rates in original tenders were not favourable	1,00,000
(8) Non-installation of switch gear due to non-completion of building work expected to be completed during the year	65,000
(9) Credits from disposal of surplus stores	83,000
(10) Inability to conclude certain contracts for certain items of work during the year	70,000
(11) Non-payment of contractor's bills due to various reasons	78,000
	<u>23,93,008</u>

(1) Late commencement of work on account of change of site	30,000
(2) Slow progress of work by the contractor due to his inability to procure bricks and iron which had been controlled	15,000
(3) Non-execution of works on services due to non-completion of building works	15,980
(4) Non-availability of electrical stores	16,020
(5) Non-receipt of debits for stores	2,345
(6) Non-receipt of debits for freight charges	1,775
	<u>81,120</u>

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
49	Construction of 54 'F' type quarters at a factory.	1,31,000	52,292	78,708	Due to slow progress of work by the contractor.
50	Construction of a building for Planning and Production Office including all services at a factory.	1,40,000	64,016	75,984	Due to delay in the conclusion of contract owing to late receipt of the revised administrative approval.
51	Dismantling and re-erection of two Butler Hangars at a factory.	1,20,000	63,085	56,915	Due to :— (1) Excessive allotment of funds . . . . . 30,000 (2) Non-acceptance of contractor's claim for which provision was made . . . . . 10,915  (3) Non-finalization of the final bill during the year . . . . . 16,000 <hr/> 56,915
52	Dismantling and re-erection of one Butler Hangar at a factory.	1,12,000	65,533	46,467	Due to late conclusion of contract.
53	Construction of new roads and improvement to existing roads including provision of drains along roadside, culverts etc., at a factory.	1,00,000	51,745	48,255	Due to inadequate initial planning resulting in late conclusion of contract.
54	Construction of 32 'H' and 64 'J' type quarters at a factory.	2,00,000	98,633	1,01,367	Due to late conclusion of contract and non-commencement of work because of non-vacation of buildings which were to be demolished.



55	Extensions to a building with extension of crane gantry and extension to main fitting shop at a factory.	2,30,000	84,781	1,45,219	Due to :— (1) Non-availability of steel . . . . (2) Non-adjustment of freight charges	1,44,105 1,114	<u>1,45,219</u>
56	Construction of 6 'F-I' type quarters including services at a factory.	1,00,000	31,098	68,902	Due to :— (1) Late conclusion of contract owing to necessity for revision of administrative approval . . . . (2) Non-receipt of debits for freight charges . . . . (3) Non-receipt of debit for stores . . . . (4) Non-receipt of stores . . . .	59,654 4,897 3,896 455	<u>68,902</u>
57	Renewal of roofs of new industrial buildings and residential quarters including renewal of internal wiring to the buildings at a factory.	1,00,000	18,210	81,790	Due to :— (1) Non-conclusion of contract on account of the inability of the users to hand over all the buildings at a time . . . . (2) Non-receipt of stores expected to be received during the year . . . .	69,500 12,290	<u>81,790</u>
58	Provision of two storeyed air conditioned building with ancillary plant at a factory.	6,50,000	3,14,284	3,35,716	Due to :— (1) Low tendered rates for air conditioning work . . . . (2) Hold-up of building work . . . . (3) Hold-up of air conditioning work due to (2) above . . . . (4) Non-finalization of certain payments during the year . . . .	2,38,000 43,000 41,000 13,716	<u>3,35,716</u>

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
59 Provision of 32 'H' type and 32 'J' type quarters at a factory.		2,00,000	1,77,660	22,340	Due to :— (1) Slow progress of work due to non-availability of bricks at the station . . . . . 4,000 (2) Non-receipt of debits for cement . . . . . 18,340 <u>22,340</u>
60 Provision of Naval Hydrographic Office at a station.		3,57,000	2,54,843	1,02,157	Due to :— (1) Non-finalization of a final bill . . . . . 33,000 (2) Necessity for the revision of administrative approval for a portion of work relating to water supply . . . . . 24,000 (3) Defective planning . . . . . 34,000 (4) Non-payment of a final bill due to its finalization late in the year . . . . . 11,157 <u>1,02,157</u>
61 Improvement to water supply at a military station.		1,35,000	1,11,035	23,965	Due to :— (1) Slow progress of work by the contractor. . . . . 15,666 (2) Non-payment of a final bill owing to delay in its submission by the contractor. . . . . 1,992 (3) Non-receipt of debits for cement . . . . . 6,307 <u>23,965</u>

62	Provision of permanent accommodation for an Area Headquarters and its ancillary units at a military station, Phase II.	3,00,000	1,37,870	1,62,130	Due to :—	
					(1) Compensation levied on the contractor for non-completion of work in time.	16,000
					(2) Non-payment of bills	24,000
					(3) Non-conclusion of a contract on account of non-receipt of administrative approval to a supplementary estimate	10,000
					(4) Non-receipt of stores by the contractor from abroad	70,000
					(5) Non-finalisation of contract for external electrification owing to poor response	39,400
					(6) Non-receipt of stores	2,730
						<u>1,62,130</u>
63	Improvement to water supply at a military station.	4,00,000	89,819	3,10,181	Due to :—	
					(1) Non-finalization of design for the dam	2,50,000
					(2) Defective planning resulting in erroneous demand of funds	20,000
					(3) Non-receipt of stores	40,181
						<u>3,10,181</u>
64	Provision of temporary covered accommodation for an Armoured Brigade.	1,96,000	1,66,221	29,779	Due to :—	
					(1) Non-utilization of the provision for contingencies	9,150
					(2) Non-utilization of the provision for establishment	3,660
					(3) Reduction in the scope of work for area drainage owing to defective planning	2,500
					(4) Over-estimation	2,550
					(5) Non-payment of the final bill on account of its late finalization	9,862
					(6) Recovery of compensation from the contractor	2,057
						<u>29,779</u>



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
65 Provision of covered accommodation at an Ordnance Depot.	4,00,000	3,28,463	71,537	Due to :—	
				(1) Non-receipt of stores by the contractor from abroad	50,000
				(2) Non-payment of a final bill	3,770
				(3) Reduction in the scope of work due to change in design	14,000
				(4) Less payment to the contractor on account of non-completion of air-conditioning work	3,767
					<u>71,537</u>
66 Installation of five 40,000 gallons underground bulk petrol tanks at a Petroleum Depot.	1,00,000	71,447	28,553	Due to :—	
				(1) Late conclusion of contract on account of late receipt of design	26,500
				(2) Non-receipt of debit for freight charges	2,053
					<u>28,553</u>
67 Provision of permanent accommodation for a Command Headquarters, Phase II.	25,00,000	20,79,740	4,20,260	Due to :—	
				(1) Defective planning necessitating a change in the site of work	2,00,000
				(2) Non-receipt of stores	1,78,528
				(3) Slow progress of work by the contractor	28,718
				(4) Non-payment of a bill due to delay in finalization of a special rate	13,014
					<u>4,20,260</u>

68	Provision of furniture for making good deficiencies at a military station.	1,40,000	7,156	1,32,844	Due to :— (1) Termination of the original contract on account of failure on the part of the contractor to supply furniture (2) Non-payment to the second contractor for supply of furniture below specification	1,28,138 4,706
						<u>1,32,844</u>
69	Provision of cook houses for 150 men and dining halls for 704 men at military station.	1,00,000	35,740	64,260	Due to :— (1) Non-conclusion of contract on account of high tendered rates (2) Non-receipt of debits for stores	47,000 17,260
						<u>64,260</u>
70	Improvement to water supply at a military station.	2,00,000	27,092	1,72,908	Due to :— (1) Delay in acquisition of land and execution of connected items (2) Difficulty in procurement of stores (3) Delay in finalization of the design for the storage tank (4) Non-receipt of debits for stores	75,000 42,000 25,000 30,908
						<u>1,72,908</u>
71	Improvement to water supply at a military station.	1,50,000	17	1,49,983	Due to :— Defective planning necessitating the recasting of the whole scheme.	
72	Provision of permanent accommodation for a Command Headquarters, Phase I-A.	1,80,000	1,11,541	68,459	Due to :— (1) Over-estimation of cost of work (2) Non-payment of final bill on account of :— (i) Delay in technical check. (ii) Non-submission of bill to the accounts authorities for payment.	28,000 27,576 12,883
						<u>68,459</u>
73	Installation of bulk petrol, oil and lubricants tank at a military station.	1,00,000	79,832	20,168	Due to non-receipt of stores.	

1	2	3	4	5	6	
		Rs.	Rs.	Rs.	Rs.	
74	Provision of accommodation for Army Ordnance Corps Centre.	4,22,100	2,41,858	1,80,242	Due to :— (1) Change of policy . . . . . (2) Non-commencement of work owing to non-vacation of buildings by the users . . . . . (3) Other minor reasons . . . . .	1,09,950 70,000 292 <hr/> 1,80,242
75	Provision of cook houses and dining halls for Electrical and Mechanical Centre.	1,31,000	63,218	67,782	Due to :— (1) Reduction in scope of work . . . . . (2) Late receipt of debit for freight charges . . . . .	67,500 282 <hr/> 67,782
76	Provision of fire fighting arrangements for and augmentation of water supply at a Command Ammunition Depot.	2,00,000	1,15,012	84,988	Due to :— (1) Reduction in scope of work . . . . . (2) Non-payment of cost of land to Municipality owing to dispute . . . . . (3) Credit on account of transfer of stores to other works . . . . . (4) Slow progress of work by the contractor . . . . . (5) Non-payment to the contractor due to dispute between the Engineers and the Controller of Defence Accounts . . . . .	30,000 14,300 9,058 28,630 3,000 <hr/> 84,988

110



77	Provision of cement concrete floors in 183 road served store sheds at a Command Ammunition Depot.	1,50,270	50,864	99,406	Due to necessity for the revision of the administrative approval.	
78	Provision of additional accommodation for an Electrical and Mechanical Workshop, Phase I.	3,80,165	3,04,658	75,507	Due to non-availability of certain imported stores.	
79	Provision of permanent accommodation for officers' mess at Army Service Corps Centre.	2,00,000	1,42,241	57,759	Due to :— (1) Late conclusion of contract on account of delay in finalization of detailed drawings . . . . . (2) Slow progress of work . . . . . (3) Non-receipt of debits for stores . . . . .	50,000 6,580 1,179 <hr/> 57,759
80	Construction of a building for Pilot Plant Laboratory at a factory.	1,09,300	49,730	59,570	Due to late conclusion of contract as fresh tenders had to be called for four times on account of high quotations.	
81	Provision of furniture for army units at a military station.	2,50,000	1,00,008	1,49,992	Due to delay in acceptance of tenders on account of high tendered rates.	
82	Provision of permanent accommodation for the Armed Forces Medical College, Phases II-A and II-B.	17,50,000	10,18,480	7,31,520	Due to :— (1) Non-commencement of work due to defective planning . . . . . (2) Slow progress of work . . . . . (3) Non-completion of work relating to water supply by the local authorities in time . . . . .	3,03,870 3,90,000  37,650 <hr/> 7,31,520
83	Reconstruction of an Army Workshop, Phase II.	10,00,000	9,14,389	85,611	Due to defective engineering planning.	

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
84 Provision of accommodation for a post-trouble wireless receiving station for a Command Headquarters.	3,00,000	2,05,095	94,905	Due to :— (1) Non-receipt of an imported automatic generating set from abroad . (2) Delay in receipt of steel . (3) Defective planning .	70,000 10,000 14,905 <hr/> 94,905
85 Construction of a new gymnasium for the Army School of Physical Training.	1,60,000	32,552	1,27,443	Due to :— (1) Delay in procurement of spare parts for the filtration plant which had to be imported . (2) Non-receipt of physical training equipment .	44,000 83,448 <hr/> 1,27,448
86 Provision of permanent accommodation for an Artificial Limb Centre, Phase I-A.	2,00,000	1,25,987	74,013	Due to :— (1) Late conclusion of contract . (2) Non-receipt of debit for cement . (3) Non-receipt of debit for freight charges .	65,000 6,926 2,087 <hr/> 74,013
87 Extension to laboratory and office accommodation and replacement of existing roof in a building at a Technical Development Establishment.	1,30,000	85,643	44,357	Due to :— (1) Change in specification/design . (2) Non-commencement of work owing to late receipt of the sanction for the adoption of the new specification .	18,000 12,500

					(3) Slow progress of work by the contractor . . . . .	12,000
					(4) Non-adjustment of certain liabilities . . . . .	1,857
						<u>44,357</u>
88	Provision of accommodation for a Battery Radar Set at a military station.	1,00,000	46,067	53,933	Due to late commencement of works on account of change in priority and non-availability of land in time.	
89	Construction of a Transportation Wing at a College of Military Engineering.	1,89,000	46,698	1,42,302	Due to non-receipt of debit for sleepers.	
90	Augmentation of water supply etc. at a military station.	1,12,500	2,083	1,10,417	Due to :— (1) Non-commencement of work on account of water logged condition of the site because of abnormal monsoon . . . . .	1,08,740
					(2) Non-receipt of certain debits . . . . .	1,677
						<u>1,10,417</u>
91	Provision of permanent accommodation for Defence Services Staff College, Phase II	1,00,000	8,475	91,525	Due to :— (1) Non-materialisation of payments for cement . . . . .	79,341
					(2) Non-receipt of debits for freight charges . . . . .	12,184
						<u>91,525</u>
92	Construction of Naval Training Schools, Phase II.	8,00,000	6,19,693	1,80,307	Due to :— (1) Necessity for revision of administrative approval on account of high tendered rates . . . . .	1,22,307
					(2) Slow progress of work on external electrification due to revision of scheme . . . . .	58,000
						<u>1,80,307</u>



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
100 Provision of works services for Armament Training Wing, Phase I.		8,00,000	7,50,732	49,268	Due to defective engineering planning in respect of provision of drains and extension to power house.
101 Provision of works services for Armament Training Wing, Phase II.		5,00,000	4,06,622	93,378	Due to :— (1) Non-commencement of work relating to external electrification owing to non-receipt of certain imported stores . . . . . 20,000 (2) Non-conclusion of contract for external water supply due to poor response and high quotation . . . . . 35,000 (3) Non-payment of a contractor's bill due to non-completion of work by him in time . . . . . 11,000 (4) Non-payment of bills for cement received in the last month of the year . . . . . 11,378 (5) Credit from transfer of surplus stores . . . . . 16,000 <u>93,378</u>
102 Provision for bulk petrol installations at essential airfields.		1,04,000	43,999	60,001	Due to non-availability of technical equipment.
103 Provision of works services for an Air Force Academy.		3,87,000	10,070	3,76,930	Due to :— (1) Excessive provision of funds . . . . . 2,94,600 (2) Delay in finalisation of site for location of Septic Tank . . . . . 55,000 (3) Credit on account of transfer of a generating set to another work . . . . . 24,650

					(4) Non-receipt of debit for freight charges	1,580
					(5) Savings on certain items of works	1,100
						<u>3,76,930</u>
104	Provision of 13 permanent married quarters for officers at an Air Force Station.	4,00,000	1,41,651	2,58,349	Due to non-execution of work on account of revision of scales.	
105	Provision of works services in connection with the permanent location of an Air Force Unit.	15,00,000	8,05,724	6,94,276	Due to :—	
					(1) Non-execution of work on account of non-finalisation of site and revision of scales	2,50,000
					(2) Excessive demand of funds	50,000
					(3) Defective planning, <i>i.e.</i> , firm requirements not correctly worked out in the first instance necessitating revision of administrative approval	3,94,276
						<u>6,94,276</u>
106	Provision of permanent accommodation for an Air Force Equipment Depot.	40,00,000	35,92,601	4,07,399	Due to :—	
					(1) Late acceptance of contracts	3,07,399
					(2) Non-receipt of debit for cost of land	1,00,000
						<u>4,07,399</u>
107	Provision of permanent domestic and technical accommodation for an Air Force formation.	18,00,000	14,98,171	3,01,829	Due to :—	
					(1) Slow progress of work on the site which involved rock-cutting	65,829
					(2) Delay in acceptance of contract due to change in users' requirements	2,00,000
					(3) Delay in acquisition of land	36,000
						<u>3,01,829</u>

1	2	3	4	5	6
		Rs.	Rs.]	Rs.	Rs.
20	Provision of 48 officers' quarters at a Naval station.	9,00,000	7,65,008	1,34,992	Due to :— (1) Non-undertaking of sewage work by the local municipality during the year . . . . . 1,25,000 (2) Variation in prices of stores etc. . . . . 9,992 <hr/> 1,34,992
121	Provision of married quarters at a Naval station for 28 Chief Petty Officers and 72 Petty Officers, Phase II.	2,27,000	1,62,297	64,703	Due to :— (1) Deductions from the contractor's bill . . . . . 4,000 (2) Non-execution of certain works . . . . . 60,703 <hr/> 64,703
122	Provision of furniture for making good deficiencies at a military station.	1,00,000	4,925	95,075	Due to set back in the progress of work on account of failure of the original contractor and late conclusion of a fresh contract.
123	Installation of Petrol, Oil and Lubricants Depot at a military station.	1,88,000	1,08,049	79,951	Due to :— (1) Variation in cost of : (i) tanks . . . . . 36,000 (ii) pump set . . . . . 5,000 (2) Non-receipt of stores . . . . . 3,500 (3) Excess provision of funds . . . . . 28,000 (4) Savings on certain works . . . . . 7,451 <hr/> 79,951



INSTANCES OF OVER-SPENDING THE ALLOTMENTS

124	Provision of covered accommodation for stores in an Ordnance Depot.	[2,00,000	2,69,324	69,324	Due to accelerated progress of work.	
125	Remodelling of runways at an airfield.	9,00,000	11,32,345	2,32,345	Due to :—	
					(1) Accelerated progress of work . . . . .	40,413
					(2) Under provisioning of funds in the first instance . . . . .	1,00,000
					(3) Increase in the cost of cement . . . . .	91,932
						2,32,345
126	Provision of runways, taxi tracks and hard standing at an air-field.	19,74,000	21,49,583	1,75,583	Due to :—	
					(1) Receipt of stores not expected during the year . . . . .	1,69,100
					(2) Adjustment of freight charges less charged originally . . . . .	6,483
						1,75,583
127	Provision of 101 single officers' quarters and mess for 175 officers of an Army School.	10,00,000	10,95,177	95,177	Due to accelerated progress of work.	
128	Provision of permanent quarters for 198 single officers of an Infantry School.	6,00,000	6,95,277	95,277	Due to accelerated progress of work.	
129	Construction of 50 'E' type quarters at a military station.	5,00,000	11,94,977	6,94,977	Due to :—	
					(1) Under-provisioning of funds . . . . .	2,00,000
					(2) Accelerated progress of work . . . . .	3,84,500
					(3) Execution of external services not anticipated during the year . . . . .	76,477
					(4) Rise in the rate of cement . . . . .	34,000
						6,94,977

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
130	Conversion from direct current to alternate current of electric supply at a military station.	3,25,000	3,65,447	40,447	Due to under provisioning of funds in the first instance.
131	Expansion of military hospital at a station.	50,000	1,13,848	63,848	Due to :— (1) Payment of compensation to bungalow owners not provided for in the year's programme . . . . . 40,069 (2) Accelerated progress of work . . . . . 23,779
					<u>63,848</u>
132	Provision of additional works service at an Air Force station.	3,00,000	3,86,880	86,880	Due to accelerated progress of work.
133	Provision of 38 blast pens complete with hard standing and approach tracks and 9 pens on existing hard-standing with connected ancillary services.	2,00,000	3,76,619	1,76,619	Due to :— (1) Accelerated progress of work . . . . . 1,02,542 (2) Receipt of debits not expected during the year . . . . . 74,077
					<u>1,76,619</u>
134	Construction of 50 'E-1' type quarters at a military station.	7,00,000	11,40,490	4,40,490	Due to accelerated progress of work.
135	Provision of permanent domestic accommodation for the Air Force at a station.	11,25,000	14,60,559	3,35,559	Due to receipt of imported steel not expected during the year.
136	Provision of accommodation for Junior Commissioned Officers, Other Ranks and Non-combatants (Enrolled) of an Infantry Battalion.	2,50,000	7,08,355	4,58,355	Due to receipt of cement and steel not expected during the year.

137	Provision of married accommodation for 101 Other Ranks of an Infantry Battalion.	6,00,000	8,88,743	2,88,743	Due to accelerated progress of work.	
138	Construction of married/single living accommodation for two Ministry of Defence Security Corps Platoons.	1,30,000	1,70,506	40,506	Due to :—	
					(1) Accelerated progress of work . . . . .	14,000
					(2) Under provisioning of funds . . . . .	20,358
					(3) Necessity for the execution of emergency works . . . . .	4,536
					(4) Re-adjustment of certain debits during the year wrongly booked to another work . . . . .	1,612
						<u>40,506</u>
139	Construction of 80 'J' type quarters in a factory, Phase III.	1,25,000	1,80,000	55,000	Due to meeting of fresh liabilities arising out of revision of administrative approval.	
140	Construction of a permanent Naval Office.	3,00,000	3,28,461	28,461	Due to under-provisioning of funds for payment of cost of cement.	
141	Provision of a Sector Operation Centre and a Radar at an Air Force station.	2,20,000	2,89,408	69,408	Due to under-provisioning of funds in the first instance.	
142	Provision of 64 'H' type quarters in a factory.	1,50,000	1,77,637	27,637	Due to accelerated progress of work.	
143	Electrification at a military station.	1,00,000	1,48,896	48,896	Due to under-provisioning of funds.	
144	Provision of accommodation for the College of Military Engineering.	5,28,040	5,65,220	37,180	Due to under provisioning of funds to meet the cost of land.	
145	Provision of permanent accommodation for an Engineering Group.	4,00,000	9,20,104	5,20,104	Due to :—	
					(1) Accelerated progress of work . . . . .	4,50,000
					(2) Purchase of steel not provided in the year's estimate. . . . .	70,104
						<u>5,20,104</u>



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
146	Provision of covered accommodation for vehicles and married accommodation for Junior Commissioned Officers and Other Ranks at a military station.	10,00,000	10,96,691	96,691	Due to accelerated progress of work.
147	Provision of permanent accommodation for an Artillery Centre and Records at a military station, Phase I.	27,55,000	33,69,756	6,14,756	Due to :— (1) Accelerated progress of work . . . . . 4,89,756 (2) Receipt of imported steel not anticipated to materialize during the year . . . . . 1,25,000 <hr/> 6,14,756
148	Provision of an assembly hall, library and museum for the National Defence Academy.	6,00,000	6,92,706	92,706	Due to accelerated progress of work.
149	Provision of a Petrol, Oil and Lubricants Depot at a military station.	1,00,000	1,50,181	50,181	Due to less demand for funds.
150	Provision of accommodation for 24 single Officers' Mess, club, guest house, stadium and swimming pool at the National Defence Academy.	3,17,000	3,51,000	34,000	Due to :— (1) Less demand for funds . . . . . 13,000 (2) Accelerated progress of work . . . . . 21,000 <hr/> 34,000
151	Provision of 16 sheds for unfit vehicles and workshop machinery at a Central Ordnance Depot.	57,125	1,10,000	52,875	Due to under provisioning of funds.
152	Provision of permanent accommodation for the Armed Forces Medical College, Phase I.	1,00,000	1,38,342	38,342	Due to re-adjustment of the cost of stores wrongly debited to Phase II of project.

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153	Provision of permanent accommodation for a Defence Accounts Office.	1,00,000	2,23,821	1,23,821	Due to :—	
					(1) Accelerated progress of work . . .	87,900
					(2) Under provisioning of funds . . .	35,921
						1,23,821
154	Provision of permanent accommodation for the Defence Services Staff College, Phase I.	5,33,874	6,92,162	1,58,288	Due to :—	
					(1) Under provisioning of funds . . .	43,200
					(2) Execution of extra works on account of engineering and administrative reasons. . . . .	46,500
					(3) Receipt of debits for stores not anticipated during the year . . .	68,588
						1,58,288
155	Provision of a Naval Training School, Phase III-A.	6,00,000	9,34,765	3,34,765	Due to :—	
					(1) Accelerated progress of work . . .	1,31,000
					(2) Procurement of steel not provided in the year's estimate . . . . .	2,03,765
						3,34,765
156	Provision of a Naval Training School, Phase III-B.	30,00,000	33,16,375	3,16,375	Due to receipt of stores not expected during the year.	
157	Construction of a permanent Electrical School at a Naval Station, Phase I.	12,000	1,29,864	1,17,864	Due to non-provisioning of funds in respect of work carried over from the previous year.	
158	Provision of a Naval Air Station, Phase II.	12,00,000	16,97,649	4,97,649	Due to :—	
					(1) Accelerated progress of work . . .	2,00,000
					(2) Execution of works not included in the year's programme . . . . .	2,97,649
						4,97,649

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
159	Provision of permanent domestic and technical accommodation for a Wing Headquarters and two Single Engine Fighter Squadrons.	20,50,000	27,22,624	6,72,624	Due to :— (1) Accelerated progress of work . . . . . 3,00,000 (2) Payments for land acquired for the project not expected to be made during the year. . . . . 3,72,624 <u>6,72,624</u>
160	Provision of a wing in a factory hospital.	40,000	1,46,636	1,06,636	Due to :— (1) Commencement of work earlier than originally planned . . . . . 30,000 (2) Accelerated progress of work . . . . . 76,636 <u>1,06,636</u>
161	Construction of 288 'J' type quarters including services at a factory.	3,50,000	3,94,962	44,962	Due to accelerated progress of work.
162	Construction of a building for extrusion press at a factory.	5,00,000	5,91,706	91,706	Due to accelerated progress of work.
163	Construction of 144 'J' type quarters at a factory.	2,00,000	3,00,486	1,00,486	Due to accelerated progress of work.
164	Provision of permanent domestic and technical accommodation for a Wing Headquarters and Signal Engine Fighter Squadron, Phases I and II.	60,00,000	88,51,492	28,51,492	Due to :— (1) Accelerated progress of work. . . . . 28,01,492 (2) Adjustment of certain debits raised through Inter-Departmental Schedules . . . . . 50,000 <u>28,51,492</u>



165	Restoration of a storm damaged military road—Phase II.	..	1,04,744	1,04,744	The work being of operational necessity was executed without administrative approval and allotment of funds.
166	Construction of 32 'H' & 36 'J' type quarters at a factory.	3,00,000	3,36,736	36,736	Due to payment of the final bills not anticipated during the year.
167	Provision of test track for 'A' vehicles in a Command Workshop.	..	48,972	48,972	The work being of operational necessity was ordered without administrative approval.

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APPENDIX H

Statement showing variations between the original estimates and actual final costs in respect of works completed during the year 1956-57.

Serial No.	Description of work	Amount of original estimate	Final cost	Variation	Remarks
1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
EXAMPLES OF SAVINGS					
1	Improvement to drainage system at an Ordnance Depot.	16,94,000	8,02,290	8,91,710	Due to :— (1) Reduction in the scope of work and change in specification. . . . . 2,41,624 (2) Low tendered rates . . . . . 4,80,549 (3) Over-estimation . . . . . 1,18,986 (4) Non-utilization of provision for contingencies and establishment charges . . . . . 50,551 <hr/> 8,91,710
2	Making good deficiencies of furniture for army units at a military station.	4,79,542	3,90,040	89,502	Due to :— (1) Low tendered rates . . . . . 17,387 (2) Non-utilization of provision for fluctuations in market rates included in the estimate . . . . . 40,743 (3) Non-utilization of provision for contingencies and establishment charges . . . . . 31,372 <hr/> 89,502

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3	Renovation of 2 class VIII and 16 class IX temporary quarters at an Ordnance Factory.	1,59,000	1,27,941	31,059	Due to low tendered percentage, <i>i.e.</i> , 63% against 160% provided in the estimate.	
4	Provision of a canteen building at an Ordnance Factory.	2,12,600	1,33,133	79,467	Due to :—	
					(1) Reduction in the scope of work	6,502
					(2) Low tendered percentage, <i>i.e.</i> , 109% against 165% provided in the estimate	37,512
					(3) Over-estimation	21,546
					(4) Non-utilization of the provision for contingencies	9,934
					(5) Non-utilization of the provision for establishment charges	3,973
						<hr/> 79,467
5	Construction of 8 'F' type quarters in 4 blocks of two quarters each including servants quarters and external and internal services at an Ordnance Factory.	3,22,100	2,71,933	50,167	Due to low tendered percentage, <i>i.e.</i> , 143% against 150% provided in the estimate.	
6	Provision of air-conditioning for accommodation in an Ammunition Factory.	2,81,110	2,27,018	54,092	Due to :—	
					(1) Low tendered rates	36,890
					(2) Non-utilization of the provision for contingencies	13,135
					(3) Non-utilization of the provision for establishment charges.	4,067
						<hr/> 54,092
7	Improvement to married accommodation at a military station.	2,98,300	2,41,290	57,010	Due to :—	
					(1) Low tendered rates, <i>i.e.</i> , 123% against 166% provided in the estimate.	31,439
					(2) Non-utilization of the provision for contingencies	14,240
					(3) Engineer reasons	11,331
						<hr/> 57,010



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
8	Provision of a rest room for 450 workmen in a factory.	1,05,000	88,163	16,837	Due to :— (1) Low tendered rates, <i>i.e.</i> , 179% against 200% provided in the estimate . . . . . 9,966 (2) Non-utilization of the provision for contingencies and establishment charges . . . . . 6,871 <hr/> 16,837
9	Construction of storage shed for central steel stores including 30' wide apron on short side road, drainage and external and internal electrification in a factory.	1,47,000	1,14,487	32,513	Due to low tendered rates, <i>i.e.</i> , 120% against 150% provided in the estimate.
10	Provision of cases palliasses and coir fibre for mattresses at five military stations.	1,46,070	1,27,810	18,260	Due to reduction in ordnance rates.

## APPENDIX I

*Statement showing cases of non-maintenance or irregular maintenance of accounts condoned by Government of India during 1956-57.*

Serial No.	Nature of irregularity
QUARTERMASTER GENERAL'S BRANCH	
1	Non-production of Dead Stock Ledger maintained by a Supply formation which was lost due to floods in October 1955. A new ledger based on the ground balances which were agreed with the receipt vouchers by a Board of Officers was opened in the same month.
2	Improper maintenance of ration account by a Supply unit during December 1951 to June 1952.
3	Non-maintenance/improper maintenance of accounts for rations drawn during August to December 1950 and July, September and December 1951 by a Supply Platoon.
4	Non-maintenance of Vehicle Daily Running Account for a motor cycle held on charge of a Supply Platoon during October 1953 to March 1954.
5	Non-production of certain auditable documents pertaining to the period May-June 1948 by a Petroleum Depot.
6	Non-maintenance of proper accounts, such as Certified Receipt Vouchers, Stamped Receipts, Muster Rolls for wages paid, etc., in support of the expenditure of Rs.9,836 incurred by a unit in an Advance Area and under adverse climatic conditions during 1948-49.
7	Irregular issues of stores in October 1947 and improper maintenance of ration accounts during November 1948 and May-June 1949 by a Supply Depot.
8	Non-production of Supply Orders and accounts of ration drawn/consumed during May and June 1948 by a Supply Platoon.
9	Non-production of auditable documents such as Day-Books, Cash Book and Stock ledgers etc. relating to the period April to October 1951, stated to have been lost in transit by rail between one Military Farm and another Farm in November 1951.
10	Non-maintenance of prescribed statistics in respect of rations drawn by a Transit Camp from 1st May 1952 to 31st December 1954.
11	Non-production for audit verification of 3 Issue Vouchers, Receipted copy of an Issue Voucher for Clothing items and 2 indents for rations by a Supply Depot during November 1949 to March 1950.
12	Improper maintenance of accounts in respect of runs performed by vehicles and petrol consumed by an Ambulance Platoon during 3rd February 1951 to 31st October 1955.



Serial No.	Nature of irregularity
13	Non-maintenance/improper maintenance of accounts of packing materials during August 1952 to April 1954 by four units.
14	Non-maintenance of proper accounts of rations issued by a Transit Camp from October 1951 to November 1954 and a Staging Camp from 1st December 1951 to 31st October 1954.
15	Non-maintenance of accounts in respect of petrol, oil and lubricants issued to a vehicle during 3rd April 1950 to 31st December 1951 by a Staging Camp.
16	Improper maintenance of ration accounts by a Transport Platoon during May to December 1951.
17	Non-production of transport indents and Indent Register for the period August 1950 to February 1953 by a Station Transport Officer.
18	Non-maintenance of Stock Verification Register for all stores during November 1950 to July 1952 and for packing material during December 1952 to June 1953 by a Supply Platoon.
19	Non-production of documents in support of rations drawn for the 29th and 30th November 1950 for both men and animals on their charge by an Animal Transport Regiment, since disbanded.
20	Non-maintenance of store accounts and Register of Horses by a former State Force Band during its temporary attachment from July 1951 to July 1952 to an Indian Army formation prior to its regular merger with the Indian Army in August 1952.
21	Non-accounting of tools in respect of 3 vehicles from 1st August 1950 to 23rd August 1952 by a Supply Platoon.
22	Non-maintenance of proper accounts in respect of 19,600 rations drawn during August to November 1951 by a Supply Company.
23	Non-maintenance of proper accounts of fodder and grains valued at Rs. 2,88,406 supplied to certain units in an operational area by a State during 1st September 1949 to 15th May 1950.
24	Non-production of Transport Register for the period August 1949 to May 1950 (and consequent non-linking of vouchers by audit) by a Supply Platoon.
25	Loss of Clothing and Ammunition Ledgers in April 1956 in a Supply Platoon. No loss of stores was involved. The negligent Non-Commissioned Officer was severely reprimanded.
26	Non-maintenance of Stock Verification Register by a Field Petroleum Depot during 1st April 1948 to 31st May 1954.
27	Non-production of Telephone Trunk Call Register for the period February to August 1954 by a Supply Platoon.



Serial No.	Nature of irregularity
28	Non-holding of a proper Survey Board by an Army Service Corps Company during January 1951 on the return of the unit from an operational area.
29	Non-submission of certificates in support of demands for oil by consuming units in an operational area to the Officer Commanding of a Field Petroleum Depot during September 1954.
30	Non-observance of prescribed accounting procedure in respect of aviation spirit issued to a private company on replacement basis, in accordance with an arrangement in force, prior to 1948. Quantities due from the company (28,060 and 9,920 Gallons) prior to September 1947 were adjusted on the basis of the company's certificate instead of on the basis of the initial accounts of the Defence authorities.
31	Non-production of Nominal Rolls in support of issues of clothing during March 1953 to April 1954 by a Supply Platoon.
32	Non-production of Loan Ledger pertaining to the period April 1950 to December 1954 by a Supply Platoon.

#### GENERAL STAFF BRANCH

- |    |  |
|----|--|
| 33 | Non-maintenance of accounts of tools/kits of vehicles by an Infantry School from 1st August 1950 to 10th October 1952.   |
| 34 | Non-maintenance of proper accounts of rations by the Headquarters of an Infantry Brigade during December 1951 to October 1952. Four Officers who were held responsible were warned to be more careful in future. |
| 35 | Non-accounting of stores worth Rs.73,717 issued by the Posts and Telegraphs Department to a Signal Unit during 1947.   |
| 36 | Non-maintenance of accounts of packing material by 3 units during August 1952 to August 1954.  |
| 37 | Improper maintenance of accounts in respect of mechanical transport tools by an Anti-Aircraft Regiment during 1950 to October 1954.  |
| 38 | Non-accounting of packing material by an Anti Tank Regiment prior to August 1953.  |
| 39 | Non-production of 36 duty slips during 1950-51 by an Anti Aircraft Regiment.   |
| 40 | Non-maintenance of Map Ledger by an Armoured Division prior to July 1954.  |
| 41 | Non-maintenance of accounts of packing material during the period July to December 1953 by a formation.  |
| 42 | Improper maintenance of ration accounts by a unit during June 1950.  |

Serial No.	Nature of irregularity
43	Non-production of Ammunition Ledger for audit by a Signal Unit. The ledger was stated to have been lost on 4th May 1955. A Havildar who was held responsible for the loss was awarded severe reprimand.
44	Non-maintenance of accounts of stores left at Rear Dump in November 1947 by a unit proceeding to an operational area.
45	Non-submission of documents by an Anti-Tank Regiment in support of the payment of Rs.7,468 as compensation to individuals during the quarter ending March 1952.
46	Non-maintenance of proper store accounts during the period 1st August 1947 to 31st December 1954 by a Directorate of Army Headquarters.
47	Non-production of Mechanical Transport Ledgers and Mechanical Transport Tools Ledgers for the period July and August 1954 for audit by a unit.
48	Destruction by white ants and rats of Training Grant Stores Ledger left behind by an Infantry Brigade in July 1951 when the unit moved to the concentration area. No body was held responsible and a new ledger was opened in July 1952 with the then existing balances.
49	Non-maintenance of transport indents for the period 1st June 1951 to 13th May 1952 by a unit which was detected in December 1954. Responsibility could not be fixed due to release/transfer of personnel.
50	Non-accounting of ammunition issued to a unit in June 1951 by a late State Force unit, non-production of documents for the period May 1950 to April 1951 by a Headquarters Squadron and non-maintenance of packing material accounts by a unit for the period 12th August to 15th December 1952.
51	Non-production of a Map Ledger by an Armoured Brigade for the period from 1951-52 to 1954-55 and non-maintenance of packing material accounts by the following units and formations:— (i) One Cavalry Unit during January 1946 to September 1952. (ii) Another Cavalry Unit during the period prior to December 1953. (iii) One Armoured Division during the period prior to December 1952. (iv) One Armoured Brigade during the period prior to April 1953.
52	Non-maintenance/non-production of supply orders/certified receipt vouchers by a unit for hay/grass collected by civilian Coolies under its own arrangements during 1st May 1950 to 28th February 1951.



Serial No.	Nature of irregularity
53	Non-production of kit inventories in support of clothing issued to personnel on replacement basis during January to December 1954 by a unit.
54	Non-production of a Stores Ledger to audit in June 1954 by a Station Headquarters.
55	Non-production of receipted vouchers for stores issued by a Battalion in November and December 1952 to two formations one of which was since disbanded and the other left for an operational area.
56	Non-maintenance of ration strength in the proper form in two Headquarters formations during December 1951 to November 1952 and December 1951 to May 1952 respectively. The individual found responsible in one case was warned and was not recommended for substantive promotion for six months.
57	Non-production of mechanical transport accounts from April to June 1952, Car Diaries for June 1950 to March 1951, vouchers for rations, petrol, oil and lubricants issued to it during October 1950 to January 1951 by a unit which has since been disbanded.
58	Non-maintenance of mechanical transport accounts by a unit during 1951-52.
59	Non-maintenance and non-production of accounts of sports goods for audit prior to October 1954 by an Anti-Tank Regiment.
60	Non-maintenance of Mechanical Transport Tool ledger from 1st August 1950 to April 1953 by a Field Regiment and its ancillary formations.
61	Non-maintenance of accounts of clothing and equipment during the year 1952 by 3 formations.
62	Non-maintenance of Transport Register for the period August 1951 to 31st December 1953 by Headquarters Squadron of an Armoured Division.
63	Non-maintenance/improper maintenance of Duty Slips and Car Diaries during the period January to June 1952 by Headquarters of an Infantry Brigade.

## ENGINEER-IN-CHIEF'S BRANCH

- 64 Non-maintenance of proper records by an Engineer formation of machinery held at a Power House and an Ice Factory during the period prior to April 1954.



Serial No.	Nature of irregularity
65	Non-production of documents in support of purchases costing Rs 1,391 made during the period April to October 1948 by an Engineer formation.
66	Non-maintenance of proper records during the period prior to April 1951 in respect of the machinery held by an Engineer formation.
67	Non-maintenance of accounts of packing material by a unit during May 1950 to April 1953.
68	Non-maintenance/incorrect maintenance of records and also loss of original tickets/final bill relating to a hired transport Contract entered into by an Engineer formation during 12th September to 31st December 1952.
69	Loss of Stores-in-Hand Ledger pertaining to an Engineer Division during November 1949 and non-production of a Plant Record Book pertaining to the year 1947 by another Engineer Division.
70	Improper maintenance of Fan Register during the period prior to November 1949 by an Engineer Division.
71	Non-accounting of fitment items and tools of 11 vehicles by an Engineer Field Company during 1946 to 1951. The irregularity was detected in audit during October 1955.
72	Non-maintenance of register for works/ repairs and non-accounting of petrol, oil and lubricants consumed on job cards during 1950-1951 by an Engineer Plant Company.
73	Non-maintenance of accounts of kits and tools of 4 Tanks by a Field Company from 4th January 1952 to 28th May 1956.
74	Non-maintenance of accounts of petrol issued to certain machinery and duty slips relating thereto during December 1951 to November 1952 by an Engineer Plant Company.
75	Non-production of Vehicle Daily Running Account, Log Books and Duty Slips in respect of certain vehicles and Plants during January to November 1954 by a Construction Company.
76	Non-maintenance of accounts of tools and spare parts of vehicles by an Engineer Division and a Headquarters formation during 1950 to 1954 and August 1950 to January 1956 respectively.
77	Non-production of a Log Book pertaining to an airfield which was stated to have been lost by the chowkidar of the Air-field while in transit by rail on 29th August 1952. The Chowkidar was censured.
78	Non-maintenance of accounts of packing materials received under two vouchers of January and March 1954 respectively by a Well Boring Platoon.
79	Non-production of ledgers in respect of hurricane lamps with glasses by a Field Park Company for the period March to May 1953

Serial No.	Nature of irregularity
80	Loss of Log Book and Car Diary of a vehicle in February 1948 in an Engineer Division due to the negligence of the driver, who was warned.
81	Loss of Log Book of a pumping set in March 1954 during the move of a unit. The Non-Commissioned Officer in charge was reprimanded for not having checked his documents on rejoining duty.
82	Loss of a Measurement Book in a Division detected on 22nd July 1953, responsibility for which could not be pin pointed.
83	Non-production of Tools and Plants Ledger for audit during 1950 by an Engineer Division.
84	Loss of eight pages of a Stores-in-Hand Ledger in a Sub-Division stated to have been missing even when it was brought into use in February 1949.
85	Non-production of two Barrack Damage Requisitions dated 17th July 1948 and 22nd September 1948 respectively by a Division.
86	Non-maintenance of separate construction accounts in respect of electrification work done during September 1950 jointly by both contractor and directly employed labour due to misapprehension of orders.
87	Non-production of Baby Indents for March 1949 by a Division.
88	Loss of a Fan and Meter Register pertaining to the period prior to May 1950 in a Division.
89	Loss of four Civil Credit Note forms pertaining to the period November 1951 to January 1952 in a Division, stated to have been cancelled.
90	Non--maintenance of records of working of a Sawing Machine installed in an Engineer Park during 1949-50.
91	Non-production of counterfoils of a Civil Credit Note Book for April to December 1954 by an Engineer Division.
92	Loss of Log Book in respect of a concrete mixer on 12th March 1954 in an Engineer Division. A Board of Officers was convened on 30th March 1954 to investigate the loss. As a result an officer was awarded recorded warning and another was censured.
93	Non-production of accounts of petrol, oil and lubricants by a Garrison Engineer for the period July to September 1954, stated to have been lost on 24th August 1954. The individuals concerned were warned to be more careful in future.



Serial No.	Nature of irregularity
94	Non-production of Surplus Engineer Stores Ledger in respect of an abandoned Airfield due to its loss in transit on 20th July 1953, and loss of 50 counterfoils of a Receipt Book in an Engineer Division during 1948-50. The individual responsible for the loss in the first case was warned to be more careful in future.
95	Non-completion of counterfoils of two Credit Notes by an Engineer formation during the period July 1950 to January 1951.
96	Non-production of Labour Report along with Muster Roll by an Engineer formation during September 1952 as the same was mislaid while shifting the papers at the time of heavy rains/ storms. Responsibility could not be fixed on any body, as all the staff working at that time had since been transferred.
97	Loss of Vehicles Register in an Engineer Division during 1951.
98	Non-maintenance of Consumers' Ledger for electricity and water during the period prior to 1st January 1954 by an Engineer Division.
99	Non-maintenance of stock account and connected documents in respect of Sub-Divisional stocks in an Engineer Division prior to April 1952.
100	Non-recording of measurements in Measurement Books for pipe laying work done by directly employed labour in an Engineer Division in 1953-54 during the course of the work. The Measurement Book was subsequently written up and checked on the omission being pointed out by audit.
101	Non-maintenance of Consumers' Ledger for water and electricity in respect of two stations during 1946-50 by an Engineer Division.
102	Non/improper maintenance of packing material accounts by an Engineer Stores Depot during the period 1st September 1949 to 3rd April 1954.
103	Non-maintenance of packing material accounts by an Engineer formation during the period prior to 1st March 1953.
104	Non-maintenance of Mechanical Transport Tools Ledger by an Engineer formation during August 1950 to November 1952.
105	Non-production for audit purposes of accepted copies of Issue Vouchers relating to issues made by an Engineer formation during 1947-49.
106	Non-maintenance of kit accounts in respect of vehicles during the period 1st April 1950 to 1st January 1954 by an Engineer Stores Depot.
107	Non-maintenance of Hired Transport Register by two Engineer formations for the periods prior to May 1950 and December 1947 to March 1949 respectively. In one case the increment of one individual, who was held responsible was stopped for 12 months.



Serial No.	Nature of irregularity
108	Non-production of sale accounts for certain unserviceable stores sold by public auction on 18th December 1947 by an Engineer formation.
109	Non-production of 337 Paid Cash Vouchers for the period 26th May to 26th June 1949 by an Engineer formation. No erroneous payment was involved.
110	Non-maintenance of a central record of Muster Rolls by an Engineer formation during 1949-51.
MASTER GENERAL OF ORDNANCE BRANCH	
111	Non-maintenance of proper accounts of rations drawn during December 1950 to March 1951 by a Workshop Company.
112	Non-maintenance of proper accounts of timber by an Engineer Formation during 1951.
113	Non-maintenance of Medical Stores Ledger upto 31st May 1954 by the Headquarters of an Armoured Division.
114	Non/improper maintenance of accounts by the Progress and Planning Section of a workshop prior to 1st April 1950 and non-production of documents showing disposal of 809 out of 1,226 repairable engines received by the same Workshop from a Central Ordnance Depot for repair during March to November 1945.
115	Improper maintenance of accounts in respect of 200 tons of stores including cotton waste and woollen rags and their destruction on 24th March 1950 contrary to the prescribed salvage procedure by a salvage unit.
116	Non-linking of Consignors' Issue Vouchers for stores worth Rs. 966 and Rs.7,124 taken on charge on Certified Receipt Vouchers by an Ordnance Depot in February 1952 and December 1953 respectively.
117	Non-maintenance of store accounts during April 1948 to 8th November 1951 by a Workshop while located in an operational area.
118	Improper maintenance of accounts in respect of clothing items issued to the personnel during December 1953 to June 1954 by an Engineer Company.
119	Non-maintenance of store accounts during December 1950 to July 1951 by a Workshop.
120	Non-maintenance and improper maintenance of mechanical transport tools kit accounts from August 1950 to April 1951 and from May 1951 to 15th August 1952 respectively by a Workshop.
121	Non-maintenance of store accounts by a Security Platoon attached to an Ammunition Depot prior to May 1953.

Serial No.	Nature of irregularity
122	Non-production of Consignors' Issue Vouchers pertaining to two vehicles on charge of the Salvage Section of an Ordnance Depot in October 1952.
123	Non-maintenance of Register of Expendible Stores from November 1954 to March 1955 by the workshop of an Ordnance Depot.
124	Loss of Log Book of a motor cycle on 27th May 1954 in an Engineering workshop stated to have been lost in transit. The driver was awarded 14 days' rigorous imprisonment and the staff concerned were warned to be more careful.
125	Non-accounting of fitment items on vehicles by an Ordnance Depot prior to 1954.
126	Irregular utilisation of certain stores without proper documentation as fencing material for guarding security stores during an emergency by an Ordnance Depot detected at the time of stock-taking on 30th March 1954.
127	Non-exhibition of weight by the consignor units on their issue vouchers in addition to quantities as per normal accounting units while returning unserviceable stores to a Salvage Sub Depot for the period 1st January 1954 to 31st March 1955.
128	Non-production of adjustment vouchers by an Ordnance Depot which were stated to have been lost during the years 1951 and 1952.
129	Non-linking of 104 Certified Receipt Vouchers with the Consignor's Regular Issue vouchers by 9 Ordnance Depots for various periods during 1st April 1950 to January 1954.
130	Irregular maintenance of Stock Register by an Ordnance Depot during 1953 to July 1954.
131	<p>Non-production of the following documents pertaining to the period prior to June 1952 by a Workshop :—</p> <ul style="list-style-type: none"> <li>(i) Vehicle Tools Ledger ;</li> <li>(ii) Miscellaneous Stores Ledger ;</li> <li>(iii) Petrol, Oil and Lubricants Requisition, Duty Slips, Log Books and Car Diaries ;</li> <li>(iv) Register of Books and Forms ;</li> <li>(v) Railway Warrants and Credit Notes ;</li> <li>(vi) Arms and Ammunition Ledger ;</li> <li>(vii) Petrol, Oil and Lubricants Stock Ledger ;</li> <li>(viii) Ledger of Suspense.</li> </ul>
132	Non-maintenance of Ration Strength in a proper manner by an Ordnance Railhead Group during the period April 1949 to September 1949.



Serial No.	Nature of irregularity
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ADJUTANT GENERAL'S BRANCH

- 133 Non-production of accounting documents of a formation which were stated to have been destroyed in a fire which broke out on 29th/30th September 1953. New ledgers etc. were opened with reference to actual stocks held by the formation.

MEDICAL DIRECTORATE

- 134 Non-production of two ledger cards by a Medical Stores Depot in November 1955.
- 135 Non-maintenance of accounts of packing material by a Medical formation during July 1949 to April 1950.
- 136 Non-maintenance of accounts of packing material by three Medical units during August 1952 to September 1954.
- 137 Non-production of a Log Book pertaining to a motor cycle on 2nd June 1954. The loss of the Log Book was attributed to negligence of the driver of a Medical unit. The driver was censured.
- 138 Loss of Log Book of an ambulance car of a hospital on 1st May, 1956. A Court of Inquiry held attributed the loss to the negligence of the driver and the Non-Commissioned Officer, in-charge of the military transport. The driver was awarded 7 days' rigorous imprisonment and the Non-Commissioned Officer was fined 7 days' pay.

LANDS, HIRINGS AND DISPOSALS DIRECTORATE

- 139 Non-submission/non-preparation of sale accounts by a formation during September 1947 to September 1948.
- 140 Non-maintenance of Petrol, Oil and Lubricants Ledger and loss of Vehicle Daily Running Account relating to a vehicle during June 1949 to June 1950 by an Office of the Lands, Hirings and Disposals Organisation.
- 141 Non-production of sale accounts and improper maintenance of Sale Accounts Register by a formation during April to September 1948.

NATIONAL CADET CORPS DIRECTORATE

- 142 Removal of audited pages from an old Equipment Ledger of a National Cadet Corps Battalion. The balances in the new ledger as on 1st November 1952 were accepted as "firm balances".

AIR HEADQUARTERS

- 143 Non-maintenance of Car Diary in respect of a vehicle in use by the Chief Technical Officer of an Air Force Depot prior to 1st January 1950.



Serial No.	Nature of irregularity
144	Non-production of counterfoils of 91 used railway warrants by an Air Force Unit during July to September 1953. The counterfoils were stated to have been destroyed inadvertently along with other dead records.
145	Non-maintenance of accounts of stores purchased from Amenities, Comforts, Entertainment and Sports Fund for the periods 1950-51 and 1951-52 by an Air Force Wing.
146	Non-maintenance of accounts showing the receipt back and disposal of counterfoils of a book of 100 Military Credit Notes issued in 1949 by an Air Force Wing.
147	Non-accounting of 679 gallons of fuel uplifted by aircraft from trade sources in a Training Institution during 14th February 1949 to 21st March 1950 stated to have been consumed in authorised flights.
148	Non-completion of the counterfoil of a Military Credit Note issued for payment of demurrage charges by an Air Force formation during October 1951.

#### NAVAL HEADQUARTERS

149	Non-maintenance of accounts of consumable stores by a Base Repair Organisation from 15th June 1952 to 31st July 1954.
150	Improper maintenance of accounts of naval stores during March 1951 to December 1952 by the Chief Instructor (Navy) attached to the Defence Services Staff College.
151	Non-maintenance during 1st April 1947 to 31st March 1948 and improper maintenance during 1st April 1948 to 31st March 1950 of dead stock account for small tools and equipment by a Naval Dockyard.
152	Non-production of a ledger page containing the accounts of a consumable store for the period 1st April to 30th September 1955 stated to have been misplaced on board a ship.
153	Non-publication/delay in publication of Rate lists for certain articles of public clothing issuable to Naval Ratings, during 1954-55.
154	Non-maintenance of accounts in accordance with the prescribed procedure in respect of certain stores received in a depot during 1951-52.
155	Non-production of issue vouchers for the period 1st October 1954 to 21st February 1955 and Bicycle Register destroyed by an accidental fire on 20th February 1955 by a Naval Establishment.

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**COMMERCIAL APPENDIX**

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## REVIEW OF THE ACCOUNTS OF MANUFACTURING CONCERNS OF THE DEFENCE SERVICES FOR THE YEAR 1956-57.

This review deals with the accounts of Army Bakeries, Naval Bakeries, Military Farms and Canteen Stores Department (India).

### ARMY BAKERIES

2. The Army Service Corps Bakeries produced during the year under review 11,75,010 lbs. of bread at an average cost of Rs. 27.73 per 100 lbs. as against 12,45,023 lbs. produced during the previous year at an average cost of Rs. 26.98 per 100 lbs. Thus there has been a fall in the output of bread to the extent of 5.62% in comparison with the previous year.

3. The increase in the average cost of production during the period under review was due to the following reasons :—

- (a) a slight increase in the average free issue rate of *atta* ;
- (b) higher prices paid for fuel (firewood and charcoal) and potatoes in one Command ;
- (c) higher consumption of firewood per 100 lbs. of bread in a bakery located in the same Command; and
- (d) reduction in the total quantity of bread produced and consequent increase in overheads.

4. The market rates of bread at the various stations at which Army Service Corps Bakeries functioned during the year ranged from Rs. 25.00 to Rs. 52.00 per 100 lbs. The Payment Issue Rates at the various stations during the year ranged from Rs. 33.00 to Rs. 42.00 per 100 lbs. The minimum and maximum production costs of bread in the Army Service Corps Bakeries during the year were Rs. 25.19 and Rs. 49.24 per 100 lbs., respectively.

### NAVAL BAKERIES

5. During the year 1956-57, the Naval Bakeries produced 7,49,242 lbs. of bread at an average cost of Rs. 26.03 per 100 lbs. as against 7,05,992 lbs. at an average cost of Rs. 26.31 per 100 lbs. during the year 1955-56.

6. In all 5 Bakeries worked during the year 1956-57, *i.e.*, the same as in the preceding year. There was an increase in the output of bread to the extent of 6.1% over the production of the previous year. With the increase in the output, there was a reduction in the cost of production to the extent of 1% as compared with the preceding year.

The market rate of bread at the various stations at which the Naval Bakeries functioned varied from Rs. 25 to Rs. 60 per 100 lbs.

The payment issue rate during the year ranged from Rs. 32.31 to Rs. 43.06 per 100 lbs. The minimum and maximum production cost of bread in the Naval Bakeries were Rs. 24.68 and Rs. 42.77 per 100 lbs, respectively.



## MILITARY FARMS

7. The functions of the Military Farms are (a) to provide wherever it can economically be undertaken a reliable and hygienic supply of dairy produce to the Defence Services in India, as at present, there are no stations in India in which the existing civil sources are both adequate and suitable, and (b) to provide fodder to the animals of the Army (except animals belonging to the Army Remount Depots).

8. The quantities of the principal items of dairy produce issued as a part of ration to the Defence Services and sold to other customers during the period under review compared with those for the year 1955-56 as under :—

(In lakhs of lbs.)			
Year	Milk	Butter	Cream
<i>Free Issues</i>			
1955-56	554.74	0.85	..
1956-57	565.42	1.00	..
<i>Issues on Payment</i>			
1955-56	9.62	1.06	0.43
1956-57	10.53	1.20	0.44

9. The trade during the year resulted in a net profit of Rs. 35.48 lakhs as against Rs. 45.34 lakhs during the year 1955-56. The break-up of the net profit by Commands is as follows :—

(In lakhs of rupees)		
Command	1955-56	1956-57
Southern	16.51	16.51
Eastern	12.87	6.80
Western	15.96	12.17
TOTAL	45.34	35.48

10. The decrease in profit to the extent of 21.75% is mainly due to the overall increase in expenditure as well as a slight reduction in sale of agricultural produce.

11. The payment issues of milk during the year constituted 1.8% of the total quantity of this item issued by the Farms.

12. The depreciation on the value of buildings, machinery and live-stock during the year is as follows :—

(In lakhs of rupees).

Buildings . . . . .	2.48
Machinery . . . . .	3.91
Live-stock . . . . .	5.40

13. The average issue rates per lb. for the items issued during the year are as follows :—

Milk	Butter	Cream
Rs.	Rs.	Rs.
0.36	2.85	2.87

14. It is not possible to make a useful comparison of these rates with those charged by private firms as the bulk of the issues from the dairy farms consist of pasteurized blended milk deliverable to the consumers in proper containers.

#### CANTEEN STORES DEPARTMENT (INDIA)

15. The turnover of the Department during the year was Rs. 3,49,47,380 which showed an increase of Rs. 30,91,409 over the previous year's turnover of Rs. 3,18,55,971.

16. The value of stock in trade and in transit at the various Depots and warehouses on the 31st March 1957 stood at Rs. 81,19,638 as compared to the corresponding figure of Rs. 59,14,078 for the preceding year.

17. During the year under review a Combined Bulk and Retail Issue Depot was opened at Manipur Road (Assam) thereby increasing the number of retail canteens under the control of CSD(I) to ten. The total turnover of these retail establishments during the year was Rs. 25,21,719 and the net surplus of receipts over expenditure amounted to Rs. 63,615.

18. In conformity with the policy formulated by the Board of Control to take over the operation of the Garrison cinemas, the Department took over two more cinemas bringing the total number of cinemas under its control to three. The working of these three cinemas has resulted in a deficit of Rs. 21,336. With the taking over of more cinemas it is expected that the working of this branch of the Department will show an improvement in future.

19. The net surplus of receipts over expenditure for the year, after providing for all losses and contingencies, amounted to Rs. 16,72,433 which represents 4.5% on the combined turnover of wholesale and retail business as against a surplus of Rs. 14,58,442 for the previous year which worked to 4.3% on such turnover. With the addition of Rs. 1,882 brought forward from the preceding year, the total surplus of receipt over expenditure available comes to Rs. 16,74,315.

20. The Government of India have accorded sanction to the allocation of the net surplus available as under :—

- (a) Rs. 1,00,000 to be transferred to the Canteen Stores Department (India)'s Reserve Fund.
- (b) Rs. 14,96,000 to be allocated to the three Services for welfare and general amenity purposes and various other Defence institutions.
- (c) Rs. 50,000 to be allotted to the Canteen Stores Department (India)'s Employees' Benevolent Fund. This amount includes Rs. 10,000 allotted to the Canteen Stores Department (India)'s T. B. Fund.
- (d) Rs. 28,315 to be carried forward to the next year's accounts.





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**TRADING ACCOUNTS, ETC.  
OF THE DEFENCE SERVICES MANUFACTURING  
CONCERNS**

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*Consolidated Production Account of Army Service Corps Bakeries for the year ended 31st March, 1957.*

<i>Dr.</i>										<i>Cr.</i>
1955-56		Particulars	1956-57		1955-56		Particulars	1956-57		
Amount	Amount		Amount	Amount	Out-turn	Cost		Out-turn	Cost	
1	2	3	4	5	6	7	8	9	10	
Rs.	Rs.		Rs.	Rs.	Lbs.	Rs.		Lbs.	Rs.	
		<i>Stores consumed</i>								
	2,64,594	To value of stores consumed .		2,54,622	12,45,023	3,36,015	By net cost of pro- duction.	11,75,010	3,25,802	
		<i>Salaries, labour and other charges</i>								
3,668		To proportion of pay of Station Supply Officer.	3,668							
7,844		To pay and other charges of supervisory staff.	8,808							
38,359		To pay and other charges of establishment (permanent and temporary).	35,879							
2,747		To leave allowances. . . .	3,110							
3,494		To superannuation allowances.	3,912							
134		To transportation charges .	134							



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7,717	To rent of buildings . . .	8,760
2,346	To water and electricity . .	1,866
2,970	To conservancy . . . . .	2,329
2,156	To contingent and miscellaneous stores.	2,723
71,435		71,189

Average cost per 100 lbs. of bread	
1955-56	1956-57
Rs.	Rs.
26.98	27.73

14	14	Less Miscellaneous receipts.	9	9
3,36,015	TOTAL . . .		3,25,802	3,36,015
	TOTAL . . .		3,25,802	3,25,802

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NEW DELHI ;  
 Dated the 13th December, 1957.  
 NEW DELHI ;  
 Dated the 21st December, 1957.

B. SINGH,  
 Controller General of Defence Accounts.  
 K. O. LAW, Brigadier,  
 Officiating Director of Supplies and Transport.

I have examined the foregoing account of Army Service Corps Bakeries. I have obtained all the information and explanations that I have required and I certify, as a result of test audit, that in my opinion this account is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bakeries, according to the best of my information and explanations given to me.

NEW DELHI;  
 Dated the 8th January, 1958.

S. NATARAJAN,  
 Director of Audit, Defence Services.

## NOTES

1. The total quantity of bread produced in Army Service Corps bakeries during the year 1956-57 was 11,75,010 lbs. as against 12,45,023 lbs. produced during 1955-56. There was thus a reduction of 70,013 lbs. (or 5.62%) in the quantity of bread produced as compared with the previous year. The total number of bakeries worked during the year remained the same as in the previous year, *viz.*, 7.

2. The All India production cost per 100 lbs. of bread for the year 1956-57 was Rs 27.73, showing an increase of annas 12 (75 nP.) over the previous year's cost of Rs. 26.98. This Production cost may be analysed thus :

<i>Cost of 100 lbs. of bread produced</i>	1955-56 Rs.	1956-57 Rs.
(a) Cost of stores consumed . . . . .	21.24	21.67
(b) Other Charges . . . . .	5.74	6.06
TOTAL . . . . .	26.98	27.73

The reasons for the increase in the cost of stores consumed were

- (i) A slight increase in the average Stock Book rates for Atta.
- (ii) Higher prices paid for fuel (firewood and charcoal) and potatoes in one Command, and
- (iii) Higher consumption of firewood per 100 lbs. of bread in a Bakery located in the same Command.

The total expenses on account of establishment, rent and other charges having remained about the same as in the preceding year, the reduction in the total quantity of bread produced has resulted in an increase in the cost per 100 lbs. of bread produced.

3. *Variations in individual items of expenses.*

- (i) *Pay and other charges of supervisory staff.*—There was an increase of Rs. 964 (12.29%) over the previous year due to (a) increased rates of pay and (b) the wholetime employment of a Junior Commissioned Officer in one bakery in a Command.
- (ii) *Pay and other charges of Establishment.*—The decrease of Rs. 2,480 (6.47%) under this head was due to the employment of less number of bakers due to reduced production and the smaller incidence of indirect charges like clothing and rent.
- (iii) *Leave and Superannuation charges.*—The increase of Rs. 363 (13.21%) on account of leave allowances and Rs. 418 (11.96%) in superannuation allowances correspond to the increase under item (i) above.

- (iv) *Rent of Buildings*.—The increase of Rs. 1,043 (13·52%) was due to (a) change of accommodation of a bakery in a Command and (b) the change in the assessed rent of another bakery in another Command.
- (v) *Water and electricity charges*.—The reduction of Rs. 480 (20·46%) under this head was due to (a) less consumption in relation to the reduced output and (b) charges for water not being levied at a bakery in field area.
- (vi) *Conservancy*.—The reduction of Rs. 641 (21·58%) was due to part time employment of sweepers in bakeries located in field area.
- (vii) *Contingent and Miscellaneous Stores*.—The increase of Rs. 567 (26·30%) was due to inclusion of cost of rations and clothing to sweepers and washermen, employed in bakeries located in field areas, not previously included.

4. Overheads on account of Defence Accounts Department charges and proportionate cost of administration at Army Headquarters have as usual, not been included as the amounts involved are trifling and cannot easily be assessed. The payment issue rates of bread at each station are, however, being 'loaded' to the extent of 4 pies per lb. of bread to cover these and other charges.



Consolidated Production Account of Naval Bakeries for the year ended 31st March, 1957.

Cr.

Dr.

1955-56		Particulars	1956-57		1955-56		Particulars	1956-57	
Amount	Amount		Amount	Amount	Out-turn	Cost		Out-turn	Cost
1	2	3	4	5	6	7	8	9	10
Rs.	Rs.		Rs.	Rs.	Lbs.	Rs.		Lbs.	Rs.
		<i>Stores consumed</i>							
	1,53,028	To value of stores consumed .		1,62,254	7,05,992	1,85,593	By net cost of produc-	7,49,242	1,94,90
		<i>Salaries, labour and other charges</i>					tion.		
2,612		To proportion of pay of Base Victualling Officer.	2,247						
4,047		To pay and other charges of supervisory staff.	5,564						
16,063		To pay and other charges of Establishment (permanent and temporary).	15,360						
2,384		To leave allowances . . .	2,429						
1,585		To superannuation allowances .	1,351						
140		To transportation charges . .	201						
3,631		To rent of Buildings . . .	3,678						

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1,896	To water and electricity . . . . .	1,537
122	To conservancy . . . . .	167
89	To contingent and miscellaneous expenses.	208
<hr/>		<hr/>
32,569		32,742
<hr/>		<hr/>
1,85,597		1,94,996
4 Less miscellaneous receipts . . . . .		
		6
<hr/>		<hr/>
1,85,593	TOTAL . . . . .	1,94,990

NEW DELHI ;  
Dated the 25th November, 1957.

NEW DELHI ;  
Dated the 29th November, 1957.

I have examined the foregoing account of Naval Bakeries. I have obtained all the information and explanations that I have required. I certify, as a result of test audit, that in my opinion this account is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bakeries, according to the best of my information and explanations given to me.

NEW DELHI ;  
Dated the 20th December, 1957.

Average cost per 100 lbs. of bread (Free issue rate)	
1955-56	1956-57
<hr/>	<hr/>
Rs.	Rs.
26'31	26'03
<hr/>	<hr/>
TOTAL . . . . .	1,94,990

B. SINGH,  
Controller General of Defence Accounts.  
MOHINDER SINGH, Commander,  
Director of Victualling.

S. NATARAJAN,  
Director of Audit, Defence Services.

## NOTES

1. The total quantity of bread produced by Naval Bakeries during the year 1956-57 was 7,49,242 lbs. an increase of 6.1% over the production of the previous year which was 7,05,992 lbs. The number of bakeries worked during the year was 5, the same as in the preceding year. There was a small reduction in the unit cost of production of bread as compared with the preceding year, due, mainly, to the fact that salaries and other charges have not increased in direct proportion to the increase in the quantity of bread produced.

<i>Cost per 100 lbs. of bread produced</i>	1955-56 Rs.	1956-57 Rs.
(a) Stores consumed . . . . .	21.68	21.66
(b) Salaries, labour and other charges . . . . .	4.63	4.37
TOTAL . . . . .	26.31	26.03

2. As against the overall increase in production in the Naval Bakeries as a whole, production at one bakery has fallen from lbs. 39,669-8 ozs. in 1955-56 to 20,543 lbs. in 1956-57—a decrease of 48.21% with the result that cost of production per 100 lbs. of bread produced at this bakery has increased from Rs. 36.19 in 1955-56 to Rs. 42.77 in 1956-57. The production of this bakery however accounted for only 2.74% of the total production of all bakeries.

3. As regards variations in actual expenditure, the increase in the value of stores consumed is directly attributable to increased production while those on account of salaries, pay and other charges are small and mainly due to change in actual establishment and in the incumbency of the appointments.

4. Overheads on account of Defence Accounts Department charges for internal check and proportionate cost of administration at Naval Headquarters have not been included as the amounts involved are trifling and cannot easily be assessed. The payment issue rates of bread at each station are, however, being 'loaded' to the extent of 4 pies per lb. to cover such charges.





## Balance Sheet of

1955-56		Liabilities	1956-57.	
1	2		3	5
Rs.	Rs.		Rs.	Rs.
	14,28,196	Sundry Creditors . . . . .		12,34,172
		Capital—		
2,17,75,918		Government Account 'A' (interest bearing).	2,24,97,937	
1,43,92,354		Government Account 'B' (I) (Free of Interest).	1,51,54,414	
18,59,692		Government Account 'B' (II) (Departmental).	17,46,400	
	3,80,27,964			3,93,98,751
<i>Reserve Fund Account</i>				
		Opening Balance . . . . .	1,59,69,194	
		Add Profit made during the year . . . . .	35,48,347	
	1,59,69,194	Balance . . . . .	1,95,17,541	1,95,17,541
	5,54,25,354	TOTAL . . . . .		6,01,50,464

Certified that the balance sheet is in accordance with the books and accounts maintained by the Directorate of Remounts, Veterinary and Farms.

NEW DELHI ;  
Dated the 4th February 1958.

H. L. BHANDARI, Brigadier,  
Director of Remounts, Veterinary and Farms.

NEW DELHI ;  
Dated the 14th February, 1958.

B. SINGH,  
Controller General of Defence Accounts

Government Account 'A' shows money lent by the Government to Farms for Capital expenditure.  
Government Account 'B' (I) shows additions from stock to Capital.  
Government Account 'B' (II) represents Capital charges met from other Farms and Departments.

## Military Farms as on the 31st March, 1957.

1955-56		1956-57				
Assets		Land	Buildings	Machinery	Live-stock	Total
6	7	8	9	10	11	12
Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
1,60,31,645	Capital (fixed assets). Balance on 1st April 1956.	10,47,980	64,72,042	47,81,406	48,42,563	1,71,43,991
34,26,452	Additions . . . . .	57,768	11,98,199	9,10,673	10,09,909(a)	31,76,549
1,94,58,097	TOTAL . . . . .	11,05,748	76,70,241	56,92,079	58,52,472	2,03,20,540
23,14,106	Deduct depreciation, casualties, condemnations and transfer to other departments, etc.	..	2,71,061	6,40,157	11,63,415(b)	20,74,633
1,71,43,991	Net value of capital on 31st March 1957.	11,05,748	73,99,180	50,51,922	46,89,057	1,82,45,907
2,08,83,973	Renewal Reserve Fund Account.					2,11,52,844
41,11,401	Value of Stocks . . . . .					47,21,741
..	Value of temporary buildings not written off.					..
9,80,712	Value of plant and machinery, spare parts, etc.					10,06,126
74,731	Cash in hand . . . . .					91,843
8,25,194	Sundry debtors . . . . .					7,10,065
	Government Account 'C'	3,53,74,782				
..	Deduct balance of Renewal Reserve Fund Account	2,11,52,844				
1,14,05,352	Balance . . . . .	1,42,21,938				1,42,21,938
5,54,25,354	TOTAL . . . . .					6,01,50,464

Government Account 'C' denotes the total indebtedness of the Military Farms Department to Government and *vice versa*. In this year's Account the balance in Government Account 'C' (including Renewal Reserve Fund) represents the total indebtedness of the Government to Farms which is an asset in the Farm's Balance Sheet.

Renewal Reserve Fund is meant for replacement on account of condemnations of buildings, plant and machinery and casualties of live-stock.

Reserve Fund shows accumulated profit or loss of the Military Farms to the end of the the Financial year

	Rs.
(a) Amount of fresh purchases of live-stock during the year 1956-57	2,37,136
Transfer from stock (appreciation in value of young live-stock and adjustments)	7,72,773
	<u>10,09,909</u>
(b) Depreciation of live-stock	5,39,725
Casualties of live-stock	2,13,045
Condemnation of live-stock	3,98,079
Transfer to other Departments and adjustments	12,463
Losses	103
	<u>11,63,415</u>

I have examined the foregoing Accounts and Balance Sheet of Military Farms. I have obtained all the information and explanations that I have required, and *subject to the observations in the Audit Report, Defence Services, 1958*, I certify, as a result of test audit, that in my opinion these Accounts and Balance Sheet are properly drawn up so as to exhibit a true and fair view of the state of affairs of the concern according to the best of my information and explanations given to me and as shown by the books of the concern.



*Consolidated Trading Account of Military Farms for the year ended 31st March, 1957.*

Dr.			Cr.		
1955-56	Particulars	1956-57	1955-56	Particulars	1956-57
1	2	3	4	5	6
Rs.		Rs.	Rs.		Rs.
	<i>To Stock in the beginning of the year :—</i>				
5,22,416	Dairy produce . . . . .	2,40,730	2,14,03,339	By sale of dairy produce* . . . . .	2,17,63,177
			27,51,610	By cost of dairy produce transferred between Military Farms.	19,32,310
62,561	Ice, salt, acid, etc. . . . .	58,023	22,09,861	By sale of agricultural produce . . . . .	20,69,639
22,53,872	Fodder . . . . .	28,02,670	...	By sale of produce ex-Development Farms	..
12,47,589	Other miscellaneous stores . . . . .	10,09,978			
	<i>To purchases :—</i>				
1,39,886	Ice, salt, acid, etc. . . . .	1,48,226		<i>By value of stock at the end of the year :—</i>	
936	Customs duty . . . . .	734	2,40,730	Dairy produce . . . . .	6,90,859
38,36,460	Daily produce . . . . .	50,94,465	58,023	Ice, salt, acid, etc. . . . .	48,279
27,51,610	To cost of dairy produce transferred between Military Farms.	19,32,310	28,02,670	Fodder . . . . .	30,16,407
15,02,199	To cultivation charges . . . . .	15,42,607	10,09,978	Other miscellaneous stores. . . . .	9,66,156.
50,292	To rent of land . . . . .	45,629			
42,58,479	To feed of animals including rent of grazing land and grazing charges.	50,49,093			

9,61,945	To rail and other transportation charges	.	8,57,889
1,18,87,966	To gross profit carried forward	.	1,17,04,513

Average issue rates of dairy produce per lb.	
1955-56	1956-57
Rs. a. p.	Rs. a. p.
0 5 9	0 5 9
2 14 4	2 13 8
2 14 8	2 14 0
All India average rate of fodder per 100 lbs.	
Average production rate	2 14 0
Average purchase rate	4 1 9

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3,04,76,211	TOTAL	.	3,04,86,867	3,04,76,211	TOTAL	.	3,04,86,867
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45.09 Percentage of Gross Profit on turn over . . . . . 45.43

\*Quantities issued free to troops and hospitals are given in paragraph 8 on page 151. For pricing the free issues the Farms/Depots are divided in 6 groups. Each group's price is fixed, taking into consideration the following factors :—

- (i) Local market rates of milk of comparable standard.
- (ii) Cost of production which includes charges for hygienic production, pasteurising, bottling and delivery to units in Farm transport.

The efficiency of the farms is judged by the profit and loss accounts of individual farms on the basis of price fixed for milk and dairy produce. Specification of dairy produce issued by farms is as follows —

	Specific Gravity	Butter Fat %
Milk (blended)	1.030	3.7
Milk (pure, cows)	1.029	3.7 to 5.5
Milk (Standard)	1.031	3.7
Butter	Not to contain less than 80% Butter Fat and more than 16% moisture.	
Cream	52—54% Butter Fat in winter. 54—56% Butter Fat in summer.	

*Consolidated Profit and Loss Account of Military Farms for the year ended 31st March, 1957.*

Dr.				Cr.			
1955-56		Particulars	1956-57		1955-56		1956-57
1	2	3	4	5	6	7	8
Rs.	Rs.		Rs.	Rs.	Rs.		Rs.
	4,06,623	To administrative staff, etc.		4,29,604	1,18,87,966	By gross profit brought forward	1,17,04,513
	50,78,564	To pay and allowances of staff and officers.		54,26,664			
	1,01,495	To Defence Accounts Department charges for internal check.		1,07,179	24,81,553	By miscellaneous receipts .	18,87,862
	85,728	To leave and superannuation allowances.		91,959	10,95,782	By interest on Government Account 'C'	12,05,585
	1,57,549	To travelling allowances, etc.		1,53,249			
		To accommodation:—			2,09,326	By receipts from casualties and condemnations.	2,06,815
5,43,523	5,43,523	Expenditure during the year .	5,83,370	5,83,370			
	4,81,018	To water and electricity . . .		4,77,421	8,33,369	By transfer of stores from Revenue to Capital (increase in the value of young live-stock on maturity etc.)	7,74,523
	46,360	To conservancy charges . . .		40,623			
	12,618	To telephone charges . . .		13,390			
	14,963	To part cost of Veterinary Laboratory.		15,037			
	85	To cost of free medical treatment.		50			
		To plant and machinery, repairs etc.:—					
9,84,292		(i) Value of stock-spare parts at the beginning of the period.	9,80,712				



11,43,474		(ii) Expenditure during the year	14,55,655	
21,27,766		(iii) Total of (i) and (ii) .	24,36,367	
9,80,712		(iv) Less value of stock-spare parts at the end of the period.	10,06,126	
11,47,054	11,47,054	(v) Net expenditure (iii)-(iv) .	14,30,241	14,30,241
	11,28,171	To miscellaneous stores (stationery etc.)		8,38,996
		To depreciation :—		
	2,24,820	(i) Buildings . . . . .		2,47,828
	5,85,391	(ii) Live stock . . . . .		5,39,725
	3,96,699	(iii) Plant and machinery . . . . .		3,90,975
	2,15,644	To casualties of cattle, etc. . . . .		2,13,045
	6,47,993	To condemnation of cattle etc. . . . .		4,94,285
	6,98,879	To interest on capital . . . . .		7,22,949
	184	To loss of cash . . . . .		...
	194	To bad debts . . . . .		14,361
	45,34,441	To net profit during the year . . . . .		35,48,347
1,65,07,996		Total . . . . .	1,57,79,298	1,65,07,996
			Total . . . . .	1,57,79,298

17.20 Percentage of net profit on turn over . . . . . 13.77

Certified that the account is in accordance with the books maintained by the Directorate of Remounts, Veterinary and Farms.

NEW DELHI ;  
Dated the 4th February, 1958.

H. L. BHANDARI, Brigadier,  
Director of Remounts, Veterinary and Farms.

NEW DELHI ;  
Dated the 14th February, 1958.

B. SINGH,  
Controller General of Defence Accounts.

## NOTES

1. The following losses were written off during the year:—

	Rs.
(i) Loss of stores in transit . . . . .	6,675
(ii) Loss of stores in charge . . . . .	18,590

2. Value of stores in transit on 31st March 1957 . . . . . 722

3. The sale of dairy and agricultural produce has decreased by 2.27% as compared with the sale of the previous year. The variations under the receipt and expenditure heads shown below do not bear a reasonable relationship to the percentage variation in sales and the reasons for those variations are shown against each:—

(i) *Purchase of dairy produce.*—There has been an increase of 32.79% in the expenditure against this item. This is mainly due to increased purchases on account of increased sales in both Southern Command and Eastern Command, increase in purchase rate in Southern Command despite reduction in trade in Western Command.

(ii) *Ice, salt and acid.*—An increase of 5.96% is reflected under this head. This is largely due to increased purchase of ice owing to failure of Cooling Plants in Southern and Eastern Commands.

(iii) *Customs Duty.*—Whereas in 1955-56 the expenditure was Rs. 936 during 1956-57 it is Rs. 734 which works out to a reduction by 21.58%.

(iv) *Cultivation charges.*—The increase of 2.69% under this item is traceable to more area cultivated and more production in Southern Command.

(v) *Rent of land.*—There has been a reduction of 9.27% owing to reduced harvest and reduced area under lease in Eastern Command despite increased expenditure in Southern Command where the rent charged was based on the quantum of production which was greater by about 55%.

(vi) *Feed of animals.*—The increase of 18.56% registered is due to higher prices of grain and fodder purchased in general and greater consumption in Western Command.

(vii) *Rail and transportation charges.*—There has been a reduction of 10.82% in expenditure under this item due to reduction in fodder transported in Western Command.

(viii) *Leave and superannuation charges.*—The increase of 7.27% is due to the increase in length of service of the staff.

(ix) *Accommodation charges.*—The increase of 7.33% is traceable to the payment during the year of arbitration awards in two stations in two commands.

(x) *Conservancy charges.*—The decrease of 12.37% is due to the payment of arrears in the previous year and certain errors in classification in that year.

(xi) *Plant and machinery repairs—net expenditure.*—This shows an increase of 24.69% which is attributable to erroneous classification of expenditure in the past in Southern Command and greater repairs and purchase of spare parts in Southern and Western Commands.

(xii) *Miscellaneous stores.*—The reduction in expenditure of 25.63% so far as is known is due to the errors in classification of expenditure of items of plant and Machinery in the past in Southern Command.

(xiii) *Depreciation charges —*

(a) *Buildings.*—An increase of 10.23% is observed due to construction of additional buildings in Southern Command and Eastern Command.

(b) *Live-stock.*—The reduction of 7.8% under this item is due to fewer purchases of animals in Southern Command.

(xiv) *Condemnation of Cattle.*—An overall reduction of 23.72% is noticed owing to fewer condemnations as compared to previous years.

(xv) *Interest on Capital.*—The increase of 3.44% is attributable to the higher rate of 3.25% adopted during the year.

(xvi) *Miscellaneous Receipts*.—The reduction of 23·92% under this head is partly due to exemption from payment of rent by Class IV Staff in general and operation of minimum and maximum charges in Western Command.

(xvii) *Transfers from Revenue to Capital*.—The overall reduction of 7·07% is traceable to fewer draftings in Eastern Command coupled with increased adjustments on account of receipt of machinery in that command in the previous year.

4. The results of the financial working of Military Farms during 1956-57 show a net profit of Rs. 35,48,347 as against Rs. 45,34,441 during the year 1955-56. The reasons for the decrease in profit to the extent of 21·75% is attributable to the overall increase in expenditure to almost the same extent as well as a slight reduction in sales of agricultural produce (2·27%) despite the improved position in Government Account 'C'. Though the production of fodder registered an increase, the total quantity of fodder produced and purchased has been almost the same. The higher cost of purchase has nullified the effect of greater production at a slightly reduced cost.

5. (a) Value of temporary buildings written off. . . . Nil.
- (b) Value of temporary buildings transferred to Military Engineer Services, other departments, etc. . . . Nil.
- (c) Value of temporary buildings otherwise disposed of . . . Nil.



## CANTEEN STORES

Balance Sheet as

1955-56		Funds and Liabilities	1956-57	
Rs.			Rs.	Rs.
<b>Capital :—</b>				
48,00,000	Amount allotted out of the terminal Profits of Wartime Canteen Services (India)			48,00,000
<b>Funds and Specific Reserves:—</b>				
73,05,432	General Reserve Fund . . . . .		73,05,432	
9,13,735	Contingent Reserve . . . . .		10,06,454	
70,938	Capital Profit on Sales of Fixed Assets . . . . .		77,286	
3,125	Profit on redemption of Securities . . . . .		3,125	
7,22,748	Insurance Funds . . . . .		7,87,974	
75,000	Price Fluctuation Reserve . . . . .		75,000	
<u>90,90,978</u>				92,55,271
14,40,000	<b>Depreciation on Stock Equalisation Account.</b>			8,45,000
<b>Liabilities:—</b>				
..	Due to Bank for Book over Draft . . . . .		22,100	
15,68,850	Due to Sundries for Goods Supplied . . . . .		36,68,359	
3,51,803	Due to Sundries for Expenses due . . . . .		3,70,688	
7,65,936	Due to Sundries for other Finance . . . . .		17,25,617	
2,15,787	For Freight Suspense . . . . .		2,98,573	
2,29,000	For Contractors Security Deposits . . . . .		1,81,500	
2,000	For Staff Security Deposits as per contra . . . . .		2,000	
1,00,340	CSD (I) Employees' Benevolent Fund Account . . . . .		1,12,327	
<u>32,33,716</u>				63,81,164
<b>Profit and loss Account :—</b>				
20,43,440	Profit as per last year's Balance Sheet . . . . .		15,01,882	
	Less Amount appropriated during the year (as per Board of Control's Resolution)			
2,00,000	1. Transfer to General Reserve Fund . . . . .			
14,40,000	2. Towards Welfare and Amenities Funds of various Armed Services . . . . .		11,40,000	
3,60,000	3. Distribution to the Unit-run Canteens . . . . .		3,60,000	
<u>20,00,000</u>			<u>15,00,000</u>	
43,440			1,882	
14,58,442	Add Profit as per annexed Profit and Loss Account . . . . .		16,72,433	
<u>15,01,882</u>			<u>16,74,315</u>	
<u>2,00,66,576</u>	Carried over . . . . .			<u>2,29,55,750</u>

## DEPARTMENT (INDIA)

at 31st March, 1957.

1955-56		Properties and Assets	1956-57	
Rs.			Rs.	Rs.
<b>Capital Expenditure:—</b>				
	Land Properties and Dead Stock . . . . .		30,63,491	
	Less Statutory Depreciation . . . . .	6,40,199		
14,80,495	Additional Depreciation . . . . .	11,90,994	18,31,193	12,32,298
<b>Stock in Trade (as per inventory Certified by Management):—</b>				
47,35,463	Stock in Warehouses (at cost less 25% Depreciation) . . . . .		64,74,366	
8,19,136	Stock in Transit from Suppliers (at purchase price) . . . . .		12,44,861	
3,47,447	Stock in Transit from Warehouse to Warehouse (at cost less 25% Depreciation) . . . . .		3,91,776	
12,032	Stock of Packing Materials (at cost less 25% Depreciation) . . . . .		8,635	81,19,638
	<u>59,14,078</u>			
51,698	Stock of Stationery in hand and in transit (at cost less 10% Depreciation) . . . . .			58,741
2,832	Stock of Building Materials & Stores . . . . .			4,396
<b>Book Debts (Considered Good)</b>				
16,00,984	Due by Contractors and Units . . . . .		16,61,915	
10,832	Accrued rebate and overriding Discount . . . . .		20,317	
76,268	Due by Sundries . . . . .		1,44,169	
1,66,160	Advances for Capital Expenditure, Excise Fees and Prepaid Expenses . . . . .		2,95,255	
	<u>18,54,244</u>			21,21,656
2,72,515	<b>Loans to Units/Formations</b> . . . . .			2,21,068
4,248	<b>Interest accrued on Loans to Units and Formations</b> . . . . .			..
8,38,657	<b>Canteen Services Retail Establishments</b> . . . . .			10,91,839
74,694	<b>Defence Services Cinemas Organisation</b> . . . . .			2,21,917
1,955	<b>Advances from CSD(I) Employees' Benevolent Fund</b> . . . . .			..
<b>Investments</b>				
	Government Securities of the face value of Rs. 75,15,200/- (Less Reserve for Depreciation)			
60,70,128	(Market value as on 31-3-57 being Rs. 70,99,309)		70,55,128	
2,000	3% Victory Loan (Staff Security Deposit as per contra) . . . . .		2,000	
	<u>60,72,128</u>			70,57,128
1,65,67,544	Carried over . . . . .			2,01,28,681

## CANTEEN STORES

*Balance Sheet as at*

1955-56	Funds and Liabilities	1956-57
Rs.		Rs.
2,00,66,576		Brought Over . 2,29,55,750
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>There is a contingent liability of Rs. 5,65,125/- being the increased demand in U.P. Excise Duty for the period 1-1-1948 to 31-3-1950 which the Department totally repudiates.</p> </div>		
2,00,66,576	Total	2,29,55,750

We have audited (a) the foregoing Balance Sheet of the Canteen Stores Department (India) as at 31st March 1957 and the attached (b) Trading and Profit & Loss Accounts for the year ending on that date, (c) consolidated Balance Sheet of Canteen Services Retail Establishments at New Delhi, Bombay, Jullundur, Ambala, Lucknow, Meerut, Allahabad, Jabalpur, Ferozepore and Manipur as at 31st March 1957, and (d) consolidated Trading and Profit & Loss Accounts of the Canteen Services Retail Establishments at New Delhi, Bombay, Jullundur, Ambala, Lucknow, Meerut, Allahabad, Jabalpur, Ferozepore and Manipur for the year ended 31-3-1957, from which annas and pies have been eliminated and we beg to report as under :—

We have obtained all the information and explanations we have required. The Balance Sheet exhibits a true and correct view of the state of the Department's affairs according to the best of our information and explanations given to us and as shown by the Books of the Department.

BOMBAY,

October 1, 1957.

SORAB S. ENGINEER &amp; CO.

*Chartered Accountants.*



## DEPARTMENT (INDIA)

31st March, 1957—contd.

1955-56	Properties and Assets	1956-57
Rs.		Rs.
1,65,67,544	Brought Over	2,01,28,681
97,649	<b>Interest accrued on Investments and Call Deposits upto 31-3-1957.</b>	1,14,253
34,01,383	<b>Cash and other Balances . . . . .</b>	27,12,816
2,00,66,576	<b>Total . . . . .</b>	2,29,55,750

Sardar SURJIT SINGH MAJITHIA,  
*Deputy Defence Minister.*

O. PULLA REDDI, Esq.  
*Secretary,  
Ministry of Defence.*

S. JAYASANKAR, Esq.  
*Financial Adviser,  
Ministry of Finance (Defence).*

Maj. Gen. DAULET SINGH,  
*Quartermaster General.*

Commander S. S. BUTALIA,  
*Deputy Director, Personnel Services,  
Naval Headquarters.*

Gp. Capt. SHIVDEV SINGH,  
*Director of Organisation,  
Air Headquarters.*

} Board of  
Control,  
Canteen  
Services.

## CANTEEN STORES

Dr.

Trading Account for the year

1955-56		1956-57	
Rs.		Rs.	Rs.
	<b>To Opening Stock on 1-4-56</b>		
59,65,351	Stock in Warehouses . . . . .	47,35,463	
4,99,073	Stock in Transit from Suppliers . . . . .	8,19,136	
2,86,791	Stock in Transit from Warehouse to Warehouse	3,47,447	
12,752	Stock of Packing Materials . . . . .	12,032	
<u>67,63,967</u>			59,14,078
	<b>To Purchases</b> (Inclusive of Stock in transit from Suppliers Rs. 12,44,861/- and amount appropriated to Marine Insurance Fund Rs. 28,465/- and less claim Rs. 85,462/-)		2,72,49,407
2,32,79,479			
	<b>To Direct Charges:—</b>		
25,12,333	Customs Duty . . . . .	45,64,863	
1,31,846	Port Trust Charges . . . . .	3,08,201	
16,75,225	Freight, Clearing Charges, Transport Charges, Excise Fees, Terminal Tax, Sales Tax, Assessment Fees, etc. . . . .	20,28,990	
<u>43,19,404</u>			69,02,054
	<b>To Transfer to Depreciation on Stock Equalisation Account . . . . .</b>		..
3,90,000			
	<b>To Insurance Charges :—</b>		
64,836	Provided for Inland & Pilferage Insurance Fund		80,363
	<b>To Gross Profit Transferred to Profit and Loss Account . . . . .</b>		35,16,116
29,52,363			
<u>3,77,70,049</u>			
	<b>Total . . . . .</b>		4,36,62,018





## CANTEEN STORES

Dr.

Profit and Loss Account for

1955-56		1956-57	
Rs.		Rs.	
14,77,432	To Salaries and Wages . . . . .	16,55,243	
3,064	To Conveyance Charges . . . . .	2,697	
1,43,080	To Rent, Repairs and Lighting . . . . .	1,57,900	
24,552	To Postage and Telegrams . . . . .	30,494	
57,379	To Printing Stationery and Advertisement Charges . . . . .	42,382	
29,924	To Travelling Expenses . . . . .	22,719	
6,479	To Bank Charges . . . . .	7,297	
56	To Interest on Bank accomodation . . . . .	..	
6,617	To Telephone and Trunk Call Charges . . . . .	8,593	
25,000	To Audit Fees (estimated) . . . . .	23,000	
29,725	To Sundry Expenses . . . . .	37,697	
81,876	To CSD (I)'s Contribution to Employees' Provident Fund & Welfare Fund . . . . .	1,01,532	
31,267	To Half the cost of Canteen Section . . . . .	32,090	
867	To Cost of ration to Srinagar Staff . . . . .	2,242	
4,258	To Head Office Motor Car Expenses . . . . .	3,891	
1,577	To Establishment charges reimbursed to Combined Retail and Bulk Issue Depots, Jabalpur & Manipur . . . . .	18,868	
27,436	To Depreciation on Properties and Dead Stock at Statutory Rates . . . . .	43,045	
80,049	To Extra Write off against Properties and Dead Stock . . . . .	83,760	
..	To Extra write off against "Adelphi Building" . . . . .	2,00,000	
14,54,184	To Net Profit carried down . . . . .	16,30,154	
<u>34,84,822</u>		<u>41,03,604</u>	
21,041	To Net Loss of Defence Services Cinemas . . . . .	21,336	
14,58,442	To Profit Transferred to Balance Sheet . . . . .	16,72,433	
14,79,483	Total . . . . .	16,93,769	

## DEPARTMENT (INDIA)

the year ended 31st March, 1957.

Cr.

1955-56		1956-57		
Rs.		Rs.	Rs.	Rs.
29,52,363	<b>By Gross Profit brought forward</b>			35,16,116
73,840	<b>By Rebate from Direct Suppliers</b>			91,514
3,05,692	<b>By Interest</b>			3,26,439
	<b>By Rent</b>			
	Ghatkopar Property	82,201		
	Less expenses	<u>21,504</u>	60,697	
	Adelphi Building	1,77,154		
1,52,927	Less expenses (excluding depreciation)	<u>68,316</u>	<u>1,08,838</u>	1,69,535
<u>34,84,822</u>				<u>41,03,604</u>
14,54,184	<b>By Net Profit brought down.</b>			16,30,154
25,299	<b>By Net Profit of Canteen Services Retail Establishments</b>			63,615
14,79,483	<b>Total</b>			<u>16,93,769</u>

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