

CENTRAL GOVERNMENT



APPROPRIATION ACCOUNTS
OF
THE DEFENCE SERVICES
FOR THE YEAR 1959-60
AND
COMMERCIAL APPENDIX
THERE TO

PRINTED IN INDIA BY THE GENERAL MANAGER,
GOVT. OF INDIA PRESS, NEW DELHI: 1961

THE UNIVERSITY OF CHICAGO

LIBRARY

1007 PEARSON DRIVE

CHICAGO

1952 FEB 11 10 27 AM '52

RECEIVED

OR

UNIVERSITY OF CHICAGO

UNIVERSITY OF CHICAGO

CENTRAL GOVERNMENT



APPROPRIATION ACCOUNTS
OF
THE DEFENCE SERVICES
FOR THE YEAR 1959-60
AND
COMMERCIAL APPENDIX
THERE TO

CONTENTS

APPROPRIATION ACCOUNTS

	PAGES
SECTION I.—General Review	1—4
SECTION II.—Changes in form and classification	5
SECTION III.—Miscellaneous observations	6
SECTION IV.—Appropriation Accounts	7—43
SECTION V.—Review of Military Engineer Services expenditure	44—49
APPENDICES (other than Commercial Appendix)	50—130

COMMERCIAL APPENDIX

Review of the Financial Adviser	133—137
---	---------

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

Bakeries—

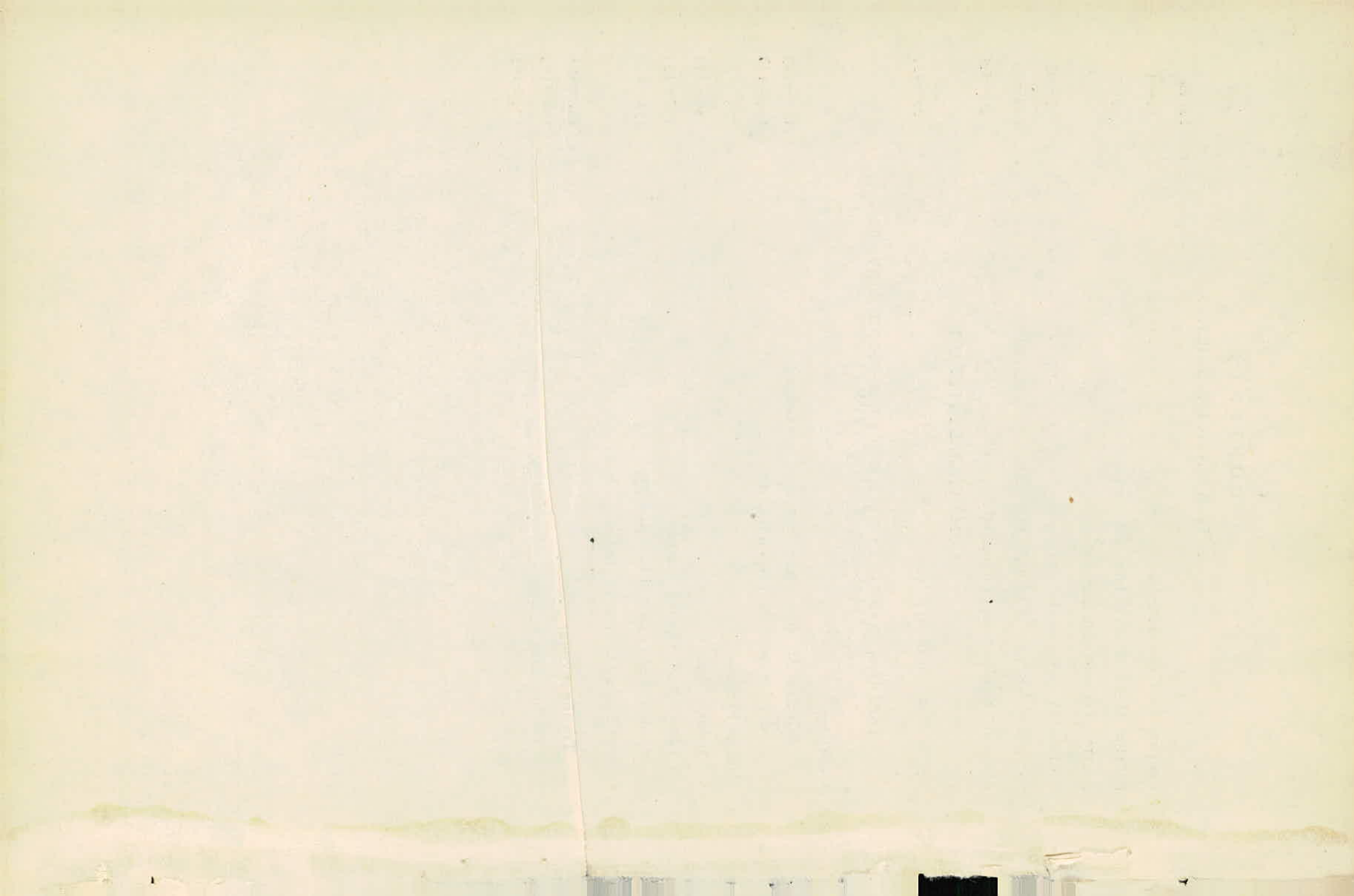
Production Account of Army Service Corps Bakeries	140—143
Production Account of Naval Bakeries	144—147

Military Farms—

Balance Sheet.	148—149
Consolidated Trading Account.	150—151
Consolidated Profit and Loss Account	152—156

Canteen Stores Department (India)—

Balance Sheet	157—161
Profit and Loss Account	162—163
	164—165



APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES, 1959-60.

(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 1959-60 stood at Rs. 275·23 crores (Original Voted Grant Rs. 268·26 crores *plus* Original *Charged* Appropriation Rs. 0·95 crore *plus* Supplementary Voted Grant Rs. 6·02 crores) as against the actual expenditure of Rs. 258·37 crores (Voted expenditure Rs. 257·49 crores and *Charged* expenditure Rs. 0·88 crore). The Sanctioned Grant as well as the Appropriation under Defence Capital Outlay were Rs. 36·94 crores (Original Voted Grant Rs. 36·90 crores *plus* Original *Charged* Appropriation Rs. 0·04 crore) against the actual expenditure of Rs. 36·21 crores (Voted expenditure Rs. 36·17 crores *plus* *Charged* expenditure Rs. 0·04 crore).

2. *Supplementary Grants.*—Two Supplementary Grants, one amounting to Rs. 1·92 lakhs under Demand No. 9—Army and the other to Rs. 599·78 lakhs under Demand No. 11—Air Force, were obtained during December 1959 and March 1960, respectively.

The Supplementary Grant of Rs. 1·92 lakhs for the Army was obtained in connection with the setting up of the National Defence College, which involved expenditure on a “New Service”.

In the case of the Air Force, the Supplementary Grant was obtained mainly for the following reasons :—

- (a) to meet the expenditure caused by the carry forward of payments for aircraft and stores which were expected to be made in 1958-59 but which did not materialise during that year ;
- (b) to meet heavier expenditure on stores consequent on newly sanctioned schemes and increased requirements ;
- (c) to meet larger expenditure on minor works and general charges, etc. ;
- (d) to meet increased expenditure consequent on the increase in the strength of personnel and enhancement in the rates of flying bounty of Air Force personnel ;
- (e) to meet heavier expenditure on movements. Out of the Supplementary Grant of Rs. 6 crores obtained under Grant No 11—Air Force, a sum of Rs. 4·88 crores was eventually found to be unnecessary. The bulk of this shortfall in expenditure was mainly due to expenditure on the purchase of stores abroad having fallen short of earlier expectations.

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

4. *Delay in the adjustment of debits.*—With the separation of accounts from audit with effect from 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 by 15th July 1960 and 15th August 1960 in the March Final and Supplementary Accounts, remained unadjusted in the accounts for the year 1959-60. A sum of Rs. 55.28 lakhs (mainly on account of cost of wheat and rice supplied to the Defence Services) representing reimbursements made during 1960-61 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 1959-60 was adjusted in the accounts for the year 1959-60 as a special case with the concurrence of the Comptroller and Auditor General. Similar readjustments were made in the previous year's accounts also.

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

(In crores of rupees)

No. and Name of Grant		Sanctioned Grant or Appropriation (including Supplementary)	Revised Estimate	Final Estimate	Actual Expenditure
<i>Expenditure met from Revenue</i>					
9—Defence Services, Effective—ARMY					
Voted.	{ O	174.76	174.77	171.27	167.21
	{ S	0.02			
Charged.	O	0.10	0.10	0.05	0.04
10—Defence Services, Effective—NAVY					
Voted.	O	18.40	16.10	15.38	15.11
11—Defence Services, Effective—AIR FORCE					
Voted.	{ O	59.79	65.79	59.29	60.91
	{ S	6.00			
Charged.	O	0.01	0.01	..	..
12—Defence Services, Non-Effective					
Voted.	O	15.31	14.25	14.45	14.26
Charged.	O	0.84	0.84	0.84	0.84
TOTAL ON REVENUE ACCOUNT					
Voted.	{ O	268.26	270.91	260.39	257.49
	{ S	6.02			
Charged.	O	0.95	0.95	0.89	0.88

(In crores of rupees)

No. and Name of Grant		Sanctioned Grant or Appropriation (including Supplementary)	Revised Estimate	Final Estimate	Actual Expenditure
<i>Capital Expenditure</i>					
108—Defence Capital Outlay.					
Voted.	O	36·90	36·90	36·90	36·17
Charged.	O	0·04	0·04	0·04	0·04
GRAND TOTAL ON REVENUE AND CAPITAL ACCOUNT					
Voted.		311·18	307·81	297·29	293·66
Charged.		0·99	0·99	0·93	0·92
TOTAL :		312·17	308·80	298·22	294·58

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

6. It will be seen from the above that taking the Revenue and Capital expenditure together, there was a saving of Rs. 17·59 crores compared with the Sanctioned Grant. This works out to about 5·6 per cent as against the saving of 6·9 per cent in the year 1958-59. Compared with the Revised Estimates, the saving is Rs. 14·22 crores which works out to 4·6 per cent as against 4 per cent in the previous year. As compared to the Final Estimates the saving is Rs. 3·64 crores which works out in terms of percentage to 1·2 as against 1 per cent in the previous year.

7. The framing of close estimates on the Defence side, particularly in regard to store expenditure is beset with certain inherent difficulties. The Budget Estimates are framed on the basis of developments known at that time. During the course of the year either due to change in policy or due to rapid changes in the supply position of stores which occur for a variety of reasons the original expectations are considerably altered.

All possible efforts are, however, being made to arrest the trend of large scale surrenders.

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

9. Comments on the store accounts and the results of stock-verification have been dealt with in the Controller General of Defence Accounts' Certificate separately published in this book.

10. 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 10 MAR 1961

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

NEW DELHI ;
Dated the 10 MAR 1961

O. PULLA REDDI,
Secretary to the Government of India,
Ministry of Defence.

SECTION II.—CHANGES IN FORM AND CLASSIFICATION

II. No important change was made during the year 1959-60 in the form and classification of accounts of the Defence Services.

CONTROLLER GENERAL OF DEFENCE ACCOUNTS' CERTIFICATE,
1959-60.

16. I certify, to the best of my knowledge and belief, that no part of the expenditure contained in the Appropriation Accounts for 1959-60 has been incurred without the sanction of the Government of India, where such is required by regulations and 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 Annexure I to this certificate (pages 11 to 24).

I also certify that the test check of the Defence Services store accounts for the year 1959-60 has been carried out under my instructions. The store accounts of units and formations in the Jammu and Kashmir area continued to be subjected to a reduced scope of check as in the previous years.

Cases of incomplete maintenance/non-maintenance/non-production of store accounts/connected documents continued to be reported.

Cases of unauthorised use of Government transport were also noticed.

Unauthorised and excess issues of rations and clothing stores were also reported in some cases.

Stock-verification was not carried out in four Army (including Military Engineer Services) formations and was partially done in thirteen cases. Surpluses worth about Rs. 3.98 lakhs and deficiencies worth about Rs. 2.42 lakhs came to light in eight Ordnance Depots.

Stock-verification was not carried out in two cases and was partially carried out in four cases in the Navy.

Stock-verification was not carried out in three cases and was partially carried out in one case in the Air Force.

Cases continued to occur in which Army Depots and Units, Naval Establishments and Equipment Depots of the Air Force could not link the vouchers on which the stores were actually brought on charge with the consignors' issue vouchers/Inspection notes/Packing Accounts. There were about 3,000 vouchers of this category in the Army, 13,464 vouchers in the Air Force and 460 vouchers in the Navy.

Cases also occurred in which credit could not be verified in the ledger of the consignees. While there were about 1,200 vouchers in the Army, there were 3,800 vouchers of this category in the Air Force. About 1,500 vouchers have also not been produced to audit by the Army Depots and units. About 4,300 vouchers belonged to this category in the Air Force.

Outstanding dues on account of stores supplied and services rendered by the Defence Services (other than Ordnance Factories) up to 31st March 1960 to outside parties, including Central Civil Departments and State Governments, amount to Rs. 91.12 lakhs approximately as on 30th June 1960. In respect of work done or stores supplied by the Ordnance Factories upto 31st March 1960 to Civil Departments, Railways and private bodies, etc. the amount due for recovery is approximately Rs. 2.24 crores on 30th June 1960.

Outstandings on account of rent as on 31st March 1960 from State Governments, Central Ministries, private bodies, messes and clubs and officers etc. amount approximately to Rs. 2.64 crores. As a result of review of rent assessments in one Ministry, there has been a reduction of nearly Rs. 18.9 lakhs in the rent outstandings on 31st March 1960. This review is still in progress. The position of outstandings, however, requires improvement.

The number of audit objections raised up to 31st March 1960 but outstanding on 30th June 1960 is 28,752 in the Army (including the Military Engineer Services), 2,062 in the Navy, 7,921 in the Air Force and 22,662 in the Ordnance Factories. The total number of objections is 61,397 as against 57,231 in the previous year. Full impact of the delegation of powers to lower authorities to settle certain types of audit objections is likely to be felt only in the next year as many cases are in progress.

A complete check of Pension Payments made during the year could not be conducted due to non-receipt of some Pension Payment Accounts and charge statements from the Pension Disbursing Officers.

Some of the specific cases involving financial and procedural irregularities are detailed separately in Annexure II to this certificate (pages 25 to 27).

I also certify that the expenditure met from the special grants-in-aid to Cantonment Boards from the Defence Services Estimates has been checked under my direction and the conditions on which such grants were made have been fulfilled.

NOTE :—This certificate does not cover :—

- (a) the internal check of store accounts of Quartermaster General's installations under the Ministry of Food and Agriculture as the local audit of these accounts is conducted by the Director of Audit, Food, Rehabilitation, Supply, Commerce, Steel and Mines on behalf of the Comptroller and Auditor General of India, and
- (b) the expenditure incurred by the High Commissioner for India in the United Kingdom and booked in the accounts of the Defence Services for the year 1959-60 which is audited by the Director of Audit, Indian Accounts in the United Kingdom on behalf of the Comptroller and Auditor General of India.

PHUL CHAND,

Controller General of Defence Accounts.

NEW DELHI ;
Dated, the 10th January, 1961.

Countersigned.

S. JAYASANKAR,

*Financial Adviser,
Ministry of Finance (Defence).*

NEW DELHI ;
Dated, the 13th January, 1961.

AUDIT CERTIFICATE

17. The account at page 7 has been examined under my direction in accordance with the provisions of the Government of India (Audit and Accounts) Order, 1936, as adapted under the India (Provisional Constitution) Order, 1947 read with Article 149 of the Constitution of India. I am assured that my officers have obtained all the information and explanations that they have required and according to the best of my information as a result of the test audit of the accounts, I certify that the account above is correct subject to the observations in the Audit Report.

NEW DELHI ;

Dated the

21 MAR 1961

A. K. ROY,

Comptroller and Auditor General of India.

ANNEXURE I TO PARA 16

Statement showing items of expenditure of Rs. 2,000 and over in each case in respect of which sanction of 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
1	2	3	4	5	6
		Rs.			Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities/Service Headquarters.
1	Expenditure incurred by a Garrison Engineer on the bulk purchase of electricity without concluding agreement as under:-				
		Rs.	<i>Major Head 58</i>		
	Upto March 1958	3,05,471	Main Head 7	The agreement is in the process of execution.	July 1956
	1958-59 . . .	2,71,025			October 1960
	1959-60 . . .	3,11,039			

1

2

3

4

5

6

Rs

Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities / Service Headquarters.

2	Irregular drawal, by a Transit Camp located outside an operational area, of half rations in respect of leave details for the day from which leave commences and for the day of their return to their units during 1959-60 for which ration allowance is admissible.	73,231	<i>Major Head 58</i> Main Head 6	Irregular drawal of half rations upto 31st December 1954 was regularised by Government in March 1959. The irregularity still continues.	June 1953.	July 1959. Also reported in the Appropriation Accounts, 1956-57, 1957-58 and 1958-59.
3	Expenditure incurred by a Garrison Engineer on account of bulk supply of water without conclusion of contract agreements.	77,771	Main Head 7	Agreements have been forwarded to higher authorities for approval.	October 1958	April 1960

	Rs.
1950-51 . . .	1,473
1951-52 . . .	6,860
1952-53 . . .	7,444
1953-54 . . .	7,769
1954-55 . . .	6,639
1955-56 . . .	7,884
1956-57 . . .	8,085
1957-58 . . .	8,370
1958-59 . . .	10,602
1959-60 . . .	12,645

4	Expenditure incurred on special repairs for a road project during August 1959.	40,000	<i>Major Head 58</i> Main Head 7	Works were undertaken under the provisions of para. 12, Army Works Procedure without simultaneously reporting to the competent financial authorities.	August 1959.	April 1960.
5	Expenditure incurred on payment of rent for hired buildings without proper sanction/lease agreements as under :—					
	(i) 15th March 1948 to March 1960.	6,742	Do.	Provisional payment was allowed pending receipt of Government sanction.	May 1959.	December 1959.
	(ii) Upto March 1960.	15,878	Do.	Provisional payment was made pending execution of lease agreement.	January 1951.	December 1958.

1	2	3	4	5	6	
		Rs.			Month and year in which the objection was first raised.	Month and year in which the case was first reported to higher authorities/ Service Headquarters.
			<i>Major Head 58</i>			
			Main Head 7			
(iii) 1957-58 to 1959-60 in two cases and 1957-58 to 1958-59 in a third case.	1,19,318			Provisional payment was made to avoid eviction.	September 1957	January 1960
					..	October 1960
					April 1955	January 1960
6 Expenditure incurred on the acquisition of a bungalow and for upgrading it after purchase even though the bungalow had been hired for an officer of similar status and had been in his occupation for over two years prior to purchase. This was done after the Government sanction for the purchase had been given for Rs. 39,000 by incurring an extra expenditure of Rs. 23,282 by sanctioning minor works and repairs.	62,282		Do.	Expenditure requires regularisation under Government orders.	February 1960	April 1960
7 Payment of house rent allowance to Military Engineer Services personnel without proper sanction during 1951-52 to 1959-60.	6,470		Main Head I	Expenditure was incurred under a misapprehension on the part of administrative authorities.	May October 1958.	October 1959.

8 Expenditure incurred without administrative approval :—

63,415 Main Head 7

The cases have been reported by the Accountant General, Punjab who acted as Sub-Audit Officer for these works.

March 1960.

March 1960.

Rs.

(i) Provision of a photographic room for an Engineer's Branch during 1959-60. 5,996

(ii) Excess water charges in Military buildings during 1959-60 . 8,414

(iii) Excess water charges at a station during 1956-57 . 6,418

(iv) Payment of electric charges at a station during 1956-57. 17,469

(v) Single room quarters during 1950-51 . 5,760

(vi) Minor repairs at a Rifle Range . 6,135

1	2	3	4	5	6
		Rs.			Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities/ Service Head-quarters
	(vii) Minor repairs at a Sub-Division during 1953-54 .	Rs. 5,605			
	(viii) Renewal of flooring of a building by inclusion of the expenditure in the main project during 1957-58 .	7,618	<i>Major Head 59</i> Sub-Head F	..	December 1957. October 1960
9	Unauthorised issue of free rations to civilian personnel attending courses of instructions as under :—	1,11,880	<i>Major Head 58</i> Main Head 6	Sanction for the provision of free rations to civilians attending courses was accorded as a joint measure in January 1944. The sanction ceased to be operative with effect from 1st April 1947.	April 1954. February 1960. Also reported in the Appropriation Accounts, 1956-57, 1957-58 and 1958-59.
	Upto 31st March 1957 . 1957-58 . 1958-59 . 19 59-60 .	Rs. 94,926 9,494 7,317 143			

10 Irregular expenditure incurred on the continued retention of non-residential buildings and plots beyond the date of original sanction as under :—

(i)	6th July 1952 to 31st March 1960	1,81,443	Main Head 7	Expenditure was obligatory.	April 1959.	July 1959.
(ii)	1st September 1957 to 31st March 1960	10,540	Do.	Do.	August 1958.	July 1959.
(iii)	1st December 1950 to 31st March 1960.	4,44,345	<i>Major Head 59</i> Sub Head F	Do.	August 1958.	February 1960.
11	Expenditure on operation of grass forest without requisite sanction out of revenue realised.	60,997	Major Head 58	Only balance of revenue after meeting the payments to establishment is being remitted into treasury.	July 1960.	March 1960.
12	Expenditure incurred in 23 cases on payments of rents for lands retained beyond a period of ten years without proper sanction.	Not assessable.	<i>Major Head 58</i> Main Head 7 <i>Major Head 59</i> Sub-Head F <i>Major Head 60</i> Sub-Head F	The expenditure was obligatory.	October 1956	August to December 1959.
13	Expenditure incurred on hiring of private transport for conveyance of Army Officers while on temporary duty.	3,100	<i>Major Head 58</i> Main Head 4	Payment was made in anticipation of Government sanction.	May, June 1959 and March 1960.	June 1960.

1	2	3	4	5	6
		Rs.			Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities/Service Headquarters.
14	Expenditure due to consumption of stores in excess of the monetary allotment or without any allotment by 28 Naval Formations during 1959-60.	5,07,220	Major Head 59 Sub-Head E	Such excesses are usual and have been attributed to a variety of reasons, viz., abnormal rise in rates fixed for pricing the stores, increase in prices, increased commitments in maintenance of additional equipments, non-fixation of the allotment, age of the ships etc. taking part in exercises, damages caused due to collision and expensive repairs etc. The expenditure was incurred in anticipation of Government sanction.	Between December 1959 and July 1960. Between December 1959 and August 1960.
15	Expenditure incurred on account of issues of vic-	7,463	Do.	The expedition was treated as duty. Expendi-	February 1960. May 1960

tualling, clothing stores, etc. and services rendered by a Naval Repair Organisation for repair/maintenance of articles for an expedition.

ture on this account was incurred in anticipation of Government sanction.

16	Expenditure incurred in the ballasting of a Naval Ship.	9,435	Sub-head D	The expenditure was incurred since the ballasting was necessary.	November 1959 and January 1960.	August 1959 and July 1960.
17	Expenditure incurred on account of air passage in respect of a Commissioned Officer and three Sailors to a foreign country and back.	13,192	Do.	Expenditure was incurred in anticipation of Government sanction.	October 1959.	November 1959.
18	Expenditure incurred on account of air passages to 51 Officers and families and 314 Sailors to a foreign country.	4,20,186	Do.	Do.	February 1960.	February 1960.
19	Expenditure incurred in two cases on account of see passage to officers and their families.	13,712	Do.	Do.	Do.	February 1960.

1	2	3	4	5	6
		Rs.			
					<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Month and year in which the objection was first raised.</div> <div style="width: 45%;">Month and year in which the case was first reported to higher authorities/Service Headquarters.</div> </div>
			<i>Major Head 60</i>		
20	Expenditure incurred on the issue of Service ammunition during the shooting of a documentary film.	9,543	Sub-Head E	Requirement of Service ammunition was not anticipated. <i>Ex post facto</i> sanction of Government is awaited.	October 1959. December 1959.
21	Issue of equipment to different sections formed at certain Air Force Units/ Stations, not specifically authorised in the sanctioned establishment.	Not assessable.	Do.	In the absence of indication of various Sections in the organisational set up, issue of equipment to these sections requires regularisation.	January 1960. January 1960.
22	Expenditure incurred on special flights on account of Naval exercises outside Indian Territory between 21st and 30th August 1959.	Do.	Sub-Head D	The special flights were undertaken with reference to orders of Air Headquarters.	September 1959. May 1960 and July 1960.

- | | | | | | |
|--|-----|---------------|--|--------------------------------|--------------------------------------|
| 23 Irregular drawal of IAF scale of rations for Army personnel between 1st July 1957 to 31st March 1960 with the exception of certain spells of periods. | Do. | Sub-Head E | Expenditure was placed under objection. | September 1959. | September 1959. |
| 24 Expenditure incurred in connection with air-lifting of Helicopter aircraft for flood relief work between 25th June 1959 and 30th August 1959. | Do. | Sub-Head D . | The special flights were undertaken with reference to orders of Headquarters Operational Command. | October 1959 and January 1960. | August, September and December 1959. |
| 25 Expenditure incurred on flights in connection with flood relief operations as under :— | | | The flights were undertaken in anticipation of Government sanction with reference to orders of Headquarters Operational Command. | | |
| (i) Between 18th to 22nd September 1959. | Do. | Sub-Head E' | | January 1960. | November and December 1959. |
| (ii) Between 7th June 1959 to 4th July 1959. | Do. | Major Head 60 | | January and February 1960. | |
| 26 Expenditure incurred on flights to carry cannons for the visit of a high dignitary in January 1960. | Do. | Do. | Flights were undertaken with reference to verbal instructions. | August 1960. | February 1960. |

1	2	3	4	5	6
---	---	---	---	---	---

Rs.

Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities/Service Headquarters.

- | | | | | |
|--|---------------------------------------|--|-----------------------|----------------------|
| <p>27 Expenditure incurred on special flight undertaken for searching missing aircraft belonging to a private Airlines on 3rd August 1959.</p> | <p>Not assess- Major Head 60 able</p> | <p>Flight was placed under objection on detection.</p> | <p>December 1959.</p> | <p>January 1960.</p> |
| <p>28 Expenditure incurred by certain Air Force Units/ Formations on pay and allowances etc. as under :—</p> | | | | |

- | | | | | | |
|---|----------------------|------------|---|------------------------------------|----------------------------------|
| (i) Payment of daily allowance to officers in contravention of the existing orders during May 1954 to March 1955. | 28,370 | Sub-Head D | Expenditure was placed under objection. | March 1955. | May 1956. |
| (ii) Payment of higher rate of conveyance allowance during September 1955 to August 1956. | 10,000
(Approx.) | Do. | Expenditure was placed under objection in internal audit. | January 1957
and November 1959. | April 1958 and
November 1959. |
| (iii) Unauthorised issue of cigarettes and matches to Commissioned Officers during 7th November 1948 to 31st July 1958. | Not assess-
able. | Sub-Head E | Do. | June 1959. | December 1959. |
| (iv) Irregular issue of certain items of winter clothing and their subsequent return in lower category. | 2,924 | Do. | Do. | October 1958. | March 1960. |

1	2	3	4	5	6	
		Rs.			Month and year in which the objection was first raised. Month and year in which the case was first reported to higher authorities/Service Headquarters.	
29	Thirty cases of unauthorised provision of conveyance by air to Service Officers, civilians, foreign VIPs etc. and for carrying stores and luggage during April 1957 to March 1960.	Not assessable	Major Head 60	Flights were undertaken in anticipation of Government sanction.	Between December 1959 to July 1960.	Between July 1959 to October 1960.

ANNEXURE II TO PARA 16

Statement showing some of the specific cases involving financial and procedural irregularities.

1. During the course of linking of Central purchase vouchers in a certain Ordnance Depot, it was detected that the suppliers had collected 90% advance payments amounting to Rs. 96,247 approximately fraudulently for the stores stated to have been supplied by them but not actually received in the Depot. Local investigation revealed that the Railway Receipt Numbers quoted by the suppliers in the bills submitted to the Pay and Accounts Officers were fictitious. The case has been handed over to the Special Police Establishment for investigation.
2. In an Ordnance Depot a number of caps (water proof) and several pairs of socks (woollen) were charged off the ledger in December 1958 and June/July 1959. It is understood that the deficiencies are suspected to be due to theft, and stock-taking sheets have not so far been produced to audit. The case is understood to be under investigation by a Court of Inquiry.
3. In a certain formation, payment issues of items of personal clothing were made to individuals other than those whose names were shown in the nominal rolls as also to certain individuals who were either posted out or were not borne on the strength of the formation.
4. In one formation, on handing/taking over, certain stores were found deficient. As a result of 100% audit it was discovered that stores had been charged off the ledger without the supporting issue vouchers, expense stores had been charged off the ledger over and above the quantity shown on the vouchers and expendible stores had been issued in excess of entitlement, etc., etc. Results of investigation by a General Court Martial are awaited.
5. Stores were charged off without supporting issue vouchers in a formation. Payment issues were not supported by nominal rolls and where nominal rolls were attached they bore forged signatures. Loss statements were finalised without prior scrutiny by audit. Results of the Court of Inquiry held to investigate these irregularities are awaited.
6. In one formation a preliminary stock-verification was conducted as a result of suspected theft. Deficiencies and surpluses of appreciable magnitude were noticed. A Court of Inquiry assembled at unit level, however, opined that there had been no theft and that the losses might have occurred earlier. Subsequent stock-verification revealed that earlier stock-verification was not properly conducted. Stock-taking sheets were not prepared. Certain unorthodox practices appear to have been adopted to bring down the ledger balances. In certain cases, stores were charged off subsequent to the completion of work orders and issue vouchers were amended to show increased quantities as having been issued but not actually issued. In some cases stores had been charged off on jobs completed much earlier. The matter is under consideration of the administrative authorities as to the agency which should investigate the irregularities.
7. In a certain division contracts were concluded for the supply of firewood. The particular forest compartment from which the wood was to be extracted was stipulated in the contract. The rates agreed upon for the supply therefor also took into account the proximity and accessibility of the forest compartment indicated in the contract. However, it was noticed in audit that the particular forest compartment from which the contractor was required to supply firewood was changed resulting in an unintended benefit to the contractor. Besides this, de-controlled varieties of firewood were accepted in contravention of the provisions of the contract in lieu of the controlled varieties of firewood. The supplies of the above nature being outside the scope of contracts are under investigation;

8. In a certain unit last ration certificates in a number of cases received from various units were found to have been altered. Special audit conducted in May 1960 revealed that figures were manipulated in a large number of cases. Ration was drawn for individuals who were either struck off from the unit's ration strength or for those who were still borne on other units' strength. The extent of unauthorised overdrawal of 17,286 rations from 1956-57 to 1959-60 amounted to Rs. 21,607 approximately. The case is under investigation by a Court of Inquiry.

9. In a certain station, due to non-inclusion of flush water charges in return of recoveries by a Garrison Engineer, Government dues to the extent of Rs. 15,866 for the period from 18th July 1955 to 31st March 1958 on account of these charges had been omitted to be recovered. Action for the regularisation of the amount is pending.

10. In 1948 Government issued orders for the disposal of a certain Naval ship, after removal of all Naval equipment. The Naval equipment was not vouchered for and listed over to Spare Part Distributing Centre. These stores were allowed to lie in a dump without proper accounts, maintenance and stock-verification. A part of these stores was, however, taken on charge after a period of seven years. Survey Board declared that all the stores had become unserviceable due to improper storing and exposure to weather and missing components. The extent of loss to the State on this account is yet to be assessed.

11. Test check conducted during 1958-59 and 1959-60 of accounts maintained by a certain Naval Pay Office revealed that irregular payments of advances had been made in spite of clear instructions and orders on the point. It was observed that advance of pay had been allowed to Service officers on transfer not involving change of station, on annual leave, on sick leave and while proceeding to hospital. Irregular grant/erroneous regularisation of leave was also noticed. A few cases of grant of travelling time in excess of entitlement and excess payment of ration allowance in advance at the maximum rate, *viz.*, Rs. 2.25 instead of Rs. 1.50, while on temporary duty were also noticed.

12. It was noticed that in two Air Force Depots, civilian Industrial personnel reporting direct to sick quarters for outdoor treatment were not marked late on reporting to their duty, with the result that the late attendance was not notified in office orders. In the absence of notification, recovery of pay and allowances for the period not worked could not be effected as such personnel are employed on 'no-work-no-pay' basis.

13. Issue of 1160 gallons of petrol to an aircraft was not brought to account in a certain squadron in the Inventory of the aircraft. Further, 570 gallons of petrol stated to have been defuelled from the same aircraft could not be traced in the books of accounts, nor did it come out as surplus during stock-verification.

14. At a certain station a number of vehicles under the control of certain Brigades were detailed on 'long training drive', with the object of showing the Jawans an Athletic Meet in January 1960. Total mileage involved was about 2,000.

In the same Command a number of vehicles were also detailed for the conveyance of *charpoy*s from one station to another during December 1959, covering a total mileage of about 4,254 shown as "long training drive."

15. Items of public clothing issued to certain entitled personnel were exchanged after a very short period of use in a certain unit. The returned articles were condemned within short period.

Unauthorised issues of certain clothing items were also made to families of entitled personnel.

16. In a certain unit, stock-taking figures recorded in the ledgers were subsequently rubbed out, mutilated and altered in a large number of cases. Subsequent transactions were also correspondingly altered. The stock-taking proceedings produced to audit also showed the amended figures. The original stock-taking proceedings were not produced to audit. The distribution details required to be shown on the reverse of each ledger folio were incomplete in a number of cases. The page numbers of ledgers were also changed and the procedure of introducing new pages, closing old pages, was not followed. The distances recorded in the duty slips for various categories of trips did not correspond to actual geographical distances. Records to watch the prompt acceptance of debits by quasi-commercial departments on account of Mechanical Transport supplied to them were not correctly maintained. The incomplete maintenance/non-maintenance/non-production of store accounts was brought to the notice of the administrative authorities on 11th August 1959 for investigation by a Court of Inquiry.

17. Out of the debit balances in the pay accounts of soldiers of the Army amounting to Rs. 3.36 lakhs at the end of February 1960, a sum of Rs. 2.49 lakhs is attributable to the payments made by the Paying Officers in contravention of Rules in Regulations and other orders.

APPROPRIATION ACCOUNTS

18. GRANT No. 9—DEFENCE SERVICES, EFFECTIVE—ARMY.

Sub-Heads		Final Grant or Appropriation	Actual Expendi- ture	Excess(+) Saving(-)	
1		2	3	4	
<i>Major Head 58</i>					
A.—Pay and Allowances of the Army.					
Voted	{ O. S. R. }	53,28,78 34 42,11 }	53,71,23	53,49,45	-21,78
B.—Pay and Allowances and Miscellaneous Expenses of Territorial Army, etc.					
Voted	{ O. R. }	2,70,13 -34,23 }	2,35,90	2,15,77	-20,13
C.—Pay and Allowances of Civilians employed with(or for) the Army.					
Voted	{ O. S. R. }	26,37,53 43 -33,86 }	26,04,10	25,92,00	-12,10
Charged	{ O. R. }	50 -46 }	4	4	..
D.—Transportation and Miscellaneous.					
Voted	{ O. S. R. }	15,88,05 1,15 86,33 }	16,75,53	15,49,01*	-1,26,52
Charged	{ O. R. }	50 -12 }	38	23	-15
E.—Expenditure on Manufacturing Establishments (including Stores and Works).					
Voted	{ O. R. }	24,29,02 82,65 }	25,11,67	25,55,55	+43,88
Charged	{ O. R. }	3,00 -2,18 }	82	52	-30

*Includes 1 on account of subscription for 1959 to the International Committee of Military Medicine and Pharmacy.

GRANT NO. 9—DEFENCE SERVICES, EFFECTIVE—ARMY.

EXPLANATIONS

Sub-Head B

The saving is mainly due to:—

(In lakhs of Rs.)

(a) Less expenditure on the National Cadet Corps than anticipated mainly due to late receipt of debits for clothing issued to cadets during the year	14
(b) Less expenditure on the pay and allowances of the establishment of the Territorial Army and the Lok Sahayak Sena	6
	20
	20

Sub-Head D.

The saving is mainly due to:—

(a) Non-adjustment of rail charges owing to non-receipt of debits	72
(b) Less expenditure on sea passages (Rs. 2 lakhs), air transportation and road warrants (Rs. 2 lakhs) and hired transport (Rs. 30 lakhs) due to non-payment of bills	34
(c) Less expenditure in respect of payments due to P. & T. Department towards telephone and trunk call charges, etc. mainly due to non-receipt/late receipt of bills	9
(d) Less expenditure in respect of unit allowances and other miscellaneous expenses	8
(e) Less payments of Grants-in-aid to cantonments, etc.	3
	126
	126

Sub-Head E.

The excess under "Voted" is largely due to:—

(a) Heavier expenditure on Pay and Allowances and overtime payments owing to engagement of additional personnel to cope with the increased production activities of the Ordnance and Clothing Factories	14
(b) Larger expenditure on purchase of materials owing to materialisation of supplies contrary to expectation (Rs. 68 lakhs), partly counter-balanced by less expenditure on customs duty which could not be accurately assessed (Rs. 38 lakhs)	30
	44
	44

18. GRANT No. 9—DEFENCE SERVICES, EFFECTIVE—ARMY.—Contd.

Sub-Heads			Final Grant or Appropriation	Actual Expendi- ture	Excess(+) Saving(-)
1			2	3	4
F.—Purchase & Sale of Stores [Other than for Manufacturing Establishments and Military Engineer Services (excluding Engineer Store Depots)].					
Voted	{ O.	36,18,66	32,71,14	29,90,04	-2,81,10
	{ R.	-3,47,52			
Charged	{ O.	3,00	2,04	1,80	-24
	{ R.	4			
G.—Expenditure on Works (Other than Capital Projects), Maintenance, etc.					
Voted	{ O.	11,50,53	12,34,64	12,46,49	+11,85
	{ R.	84,11			
Charged	{ O.	4,00	1,82	1,80	-2
	{ R.	-2,18			
H.—Charges in England.					
Voted	{ O.	4,52,92	2,22,57	2,22,20**	-37
	{ R.	-2,30,35			
I.—Loss or Gain by Exchange.					
Voted	R.	39	39	38	-1
Surrenders or withdrawals within Grant or Appropriation.					
Voted	R.	3,50,37	3,50,37	..	-3,50,37
Charged	R.	4,90	4,90	..	-4,90
TOTAL	{ Voted		1,74,77,54	1,67,20,89	-7,56,65
	{ Charged		10,00	4,39	-5,61

**Includes 501 on account of contribution for 1959-60 to the Imperial War Graves Commission and (-) Rs. 107 on account of refunds of subscription to Journals and magazines paid during the previous years which should have correctly been adjusted as receipt to Major Head XLVII.

GRANT No. 9—DEFENCE SERVICES, EFFECTIVE—ARMY.—Contd.

EXPLANATIONS—Contd.

Sub-Head F.

The saving under "Voted" is mainly on account of:—

(In lakhs of Rs.)

(a) Less expenditure than anticipated due to non-payment for stores received during the year, owing to non-submission of bills by suppliers, belated issue of Inspection Notes, delay in finalisation of contracts, non-finalisation of prices, etc.	150
(b) Larger issues to other departments etc. resulting in heavier credits than anticipated—Ordnance stores (Rs. 33 lakhs), clothing stores (Rs. 23 lakhs) and engineer stores (Rs. 38 lakhs)	94
(c) Less materialisation of supplies than anticipated	23
(d) Non-receipt of debits for supplies received during the year	14
	281
	281

GRANT No. 9—DEFENCE SERVICES, EFFECTIVE—ARMY.—*Contd.*

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

Particulars	Sub- Heads	Budget Estima- te	Revised Estima- te	Actual Reco- veries	Actual Recoveries	
					more (+) than Budget Estimate	less(—) the Revised Estimate
I	2	3	4	5	6	7
Pay and Allowances of Civilians	C	94,73	1,00,76	94,58	—15	—6,18
Ordnance & Clothing Factories	E	3,73,00	2,74,46	2,77,53	—95,47	+3,07
Military Farms	E	1,23	1,40	1,10	—13	—30
Tools, Plant and Machi- nery	G	11,36	10,42	9,81	—1,55	—61
Stores	G	1,40,00	1,47,00	1,87,83	+47,83	+40,83
TOTAL:		6,20,32	5,34,04	5,70,85	—49,47	+36,81

GRANT No. 9.—DEFENCE SERVICES, EFFECTIVE.—ARMY.—contd.

EXPLANATIONS—*Contd.*

19. GRANT No. 10—DEFENCE SERVICES, EFFECTIVE—NAVY.

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess (+) Saving(-)
1		2	3	4
<i>Major Head 59</i>				
A.—Pay and Allowances of the Navy.	{ O. 3,56,63 } { R. 9,16 }	3,65,79	3,66,19	+40
B.—Pay and Allowances of Reservists.	{ O. 2,70 } { R. -1,13 }	1,57	1,56	-1
C.—Pay and Allowances of Civilians.	{ O. 3,11,55 } { R. 4,84 }	3,16,39	3,11,81	-4,58
D.—Transportation and Miscellaneous.				
Voted	{ O. 81,37 } { R. 3,22 }	84,59	81,18	-3,41
Charged	{ O. 50 } { R. -48 }	2	2	..
E.—Expenditure on Stores.	{ O. 5,00,25 } { R. -1,22,74 }	3,77,51	3,61,19	-16,32
F.—Expenditure on Works (Other than Capital Projects), Maintenance, etc.				
Voted	{ O. 1,05,65 } { R. -5,88 }	99,77	97,46	-2,31
Charged	{ R. 5 }	5	5	..
G.—Charges in England.	{ O. 4,81,85 } { R. -1,90,16 }	2,91,69	2,91,22*	-47
H.—Loss or Gain by Exchange.	R. 51	51	51	..
Surrenders or withdrawals within Grant or Appropriation.				
Voted	R. 3,02,18	3,02,18	..	-3,02,18
Charged	R. 43	43	..	-43
TOTAL	{ Voted } { Charged }	18,40,00 50	15,11,12 7	-3,28,88 -43

*Includes 14 on account of contribution for 1959 to the International Hydrographic Bureau.

GRANT No. 10—DEFENCE SERVICES, EFFECTIVE—NAVY.

EXPLANATIONS

Sub-Head C

The saving is due to the provision made for certain additional appointments in various Naval Establishments not having been utilized, as the appointments were not filled for administrative reasons.

Sub-Head D

The saving is mainly due to less expenditure than anticipated in respect of repairs and refits to ships (Rs. 0·97 lakh), telephone charges (Rs. 0·79 lakh), unit allowance and miscellaneous expenses (Rs. 0·70 lakh), printing and stationery (Rs. 0·64 lakh) and transportation charges (Rs. 0·25 lakh).

Sub-Head E

The saving is mainly due to non-materialisation of supplies to the extent anticipated, non-availability of material, delay in conclusion of contracts, etc. (Rs. 15 lakhs) and non-receipt of debits for supplies received (Rs. 10 lakhs), partly set off by heavier adjustments of customs duty charges (Rs. 9 lakhs).

Sub-Head F

The saving is mainly on account of less expenditure in respect of general charges due to non-payment of rates and taxes, non-receipt of debits in respect of rent for requisitioned lands and buildings etc. (Rs. 1 lakh) and departmental charges on Naval Works carried out by Military Engineer Services due to less expenditure on works (Rs. 1 lakh).

GRANT No. 10.—DEFENCE SERVICES, EFFECTIVE—NAVY.—*contd.*

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

Particulars	Sub-Head	Budget Estimate	Revised Estimate	Actual Recoveries	Actual more(+)	Recoveries less(—)
					than the	
					Budget Estimate	Revised Estimate
1	2	3	4	5	6	7
Pay and Allowances of Civilians.	C	3,60	3,60	5,24	+ 1,64	+ 1,64

GRANT No. 10—DEFENCE SERVICES, EFFECTIVE—NAVY.—*contd.*

EXPLANATIONS—*contd.*

20. GRANT No. 11—DEFENCE SERVICES, EFFECTIVE—AIR FORCE.

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess(+) or Saving(-)
I		2	3	4
<i>Major Head 60</i>				
A—Pay and Allowances of the Air Force.	{ O. 8,41,27 S. 3,91 R. 2,71 }	8,47,89	8,48,47	+58
B—Pay and Allowances of Reserve and Auxiliary Services.	{ O. 8,00 R. -4,45 }	3,55	3,43	-12
C—Pay and Allowances of Civilians.	{ O. 2,68,68 S. 3,04 R. -1,30 }	2,70,42	2,70,08	-34
D—Transportation & Miscellaneous.				
Voted	{ O. 2,28,18 S. 8,05 R. -11,50 }	2,24,73	2,12,93	-11,80
Charged	{ O. 50 R. -50 }	..	..	..
E.—Expenditure on Stores.	{ O. 17,89,79 S. 87,54 R. -2,27,07 }	16,50,26	18,38,71	+1,88,45
F—Expenditure on Works (other than Capital Projects), Maintenance etc.				
Voted	{ O. 2,68,74 S. 16,26 R. -6,61 }	2,78,39	2,71,13	-7,26
Charged	R. 14	14	14	..
G. Charges in England.	{ O. 25,74,75 S. 4,75,67 R. -4,01,35 }	26,49,07	26,41,86*	-7,21
H—Loss or Gain by Exchange.	{ S. 5,31 R. -70 }	4,61	4,60	-1
Surrenders or withdrawals within Grant or Appropriation.				
Voted	R. 6,50,27	6,50,27	..	-6,50,27
Charged	R. 36	36	..	-36
TOTAL { Voted } Charged		65,79,19 50	60,91,21 14	-4,87,98 -36

*Includes 3 on account of contribution for 1959-60 to the Commonwealth Advisory Aeronautical Research Council.

GRANT NO. 11—DEFENCE SERVICES, EFFECTIVE—AIR FORCE.

EXPLANATIONS

Sub-Head D

The saving is mainly due to non-payment of certain training charges (Rs. 5 lakhs), less expenditure than anticipated on telephone charges (Rs. 3 lakhs) and printing and stationery (Rs. 2 lakhs) and other minor variations (Rs. 2 lakhs).

Sub-Head E

The excess is mainly due to:—

	(In lakhs of Rs.)
(a) Heavier adjustment than anticipated in respect of arrear transactions relating to supply of petrol, oil and lubricants (Rs. 17 lakhs), Ordnance Stores (Rs. 14 lakhs).	31
(b) Heavier adjustments of customs duty on aviation stores than anticipated.	60
(c) Heavier expenditure than anticipated on petrol, oil and lubricants	95
(d) Other minor variations	2
	<hr/> 188 <hr/>

Sub-Head F

The saving under "Voted" is mainly due to:—

(a) Less expenditure on departmental charges on Air Force Works carried out by the Military Engineer Services on account of reduction in expenditure on works.	3
(b) Delay in settlement of compensation cases and non-payment of rental for lands	2
(c) Non-receipt of debits, non-receipt of stores and non-payment of bills, etc.	2
	<hr/> 7 <hr/>

21. GRANT NO. 12—DEFENCE SERVICES, NON-EFFECTIVE.

Sub-Heads			Final Grant or Appropriation.	Actual expenditure.	Excess(+) Saving(-)
I			2	3	4
<i>Major Head 60-A</i>					
A—Army	Voted	{ O. 14,96,01 R. -91,30 }	14,04,71	13,87,36	-17,35
	Charged	O. 81,85			
B—Navy	Voted	{ O. 21,80 R. 4,05 }	25,85	24,38	-1,47
	Charged	O. 2,17			
C—Air Force	Voted	{ O. 10,06 R. 26 }	10,32	9,97	-35
	Charged	O. 7			
D—Charges in England.	Voted	{ O. 3,33 R. 42 }	3,75	3,61	-14
	Gain by Exchange	R. 1			
E—Loss or Surrenders or withdrawals within Grant or Appropriation	Voted	R. 86,56	86,56	..	-86,56
TOTAL		{ Voted 15,31,20 Charged 84,09 }	14,25,33	84,09	-1,05,87

GRANT NO. 12—DEFENCE SERVICES, NON-EFFECTIVE.

EXPLANATIONS

(In lakhs of Rs.)

Sub-Head A

The saving is due to:—

- | | |
|---|----|
| (a) Less number of pensioners than anticipated having turned up to draw pensions during the last quarter of 1959-60 | 14 |
| (b) Non-adjustment of certain debits for want of full particulars | 3 |

 17

Sub-Head B

The saving is mainly due to non-utilization of the Government contribution in respect of some subscribers to the Indian Naval Dockyard Workmen Provident Fund on their election of pensionary benefits.

22. GRANT NO. 108—DEFENCE CAPITAL OUTLAY.

Sub-Heads			Final Grant or Appropriation.	Actual Expenditure.	Excess(+) Saving(—)
I			2	3	4
<i>Major Head 86</i>					
A.—Army	Voted	{ O. 11,85,00 R. —2,32,01 }	9,52,99	9,06,85	—46,14
	Charged	{ O. 4,00 R. —2,46 }	1,54	1,54	..
B.—Navy	Voted	{ O. 16,20,00 R. 3,17,97 }	19,37,97	19,25,50	—12,47
C.—Air Force	Voted	{ O. 4,10,00 R. —60,97 }	3,49,03	3,34,48	—14,55
	Charged	R. 2,25	2,25	2,12	—13
E.—Industrial Development		{ O. 4,75,00 R. —24,99 }	4,50,01	4,50,00	—1
Surrenders or withdrawals within Grant or Appropriation					
	Charged	R. 21	21	..	—21
TOTAL { Voted			36,90,00	36,16,83	—73,17
{ Charged			4,00	3,66	—34

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

Particulars	Budget Estimate	Revised Estimate	Actual Recoveries	Recoveries more (+) less (—) than the	
				Budget Estimate	Revised Estimate
I	2	3	4	5	6
Recoveries on Capital Account.	4,20,00	46,00	9,62	—4,10,38	—36,38

GRANT NO. 108—DEFENCE CAPITAL OUTLAY.

EXPLANATIONS

Sub-Head A

The saving under "Voted" is mainly due to:—

	(In lakhs of Rs.)
(a) Less expenditure on works for reasons such as non-receipt of stores, non-completion of works, change in specifications, etc.	27
(b) Non-receipt of debits	15
(c) Non-adjustment of inter-departmental schedules.	4
	<hr/> 46 <hr/>

Sub-Head C

The saving under "Voted" is mainly due to:—

(a) Non-receipt of debits	7
(b) Non-payment of bills in respect of works expenditure	4
(c) Less expenditure on stores because of non-receipt of supplies.	2
(d) Less expenditure on acquisition of land due to non-payment of compensation, etc.	1
(e) Other minor variations.	1
	<hr/> 15 <hr/>

**SECTION V.—REVIEW OF MILITARY ENGINEER SERVICES
EXPENDITURE.**

23. The total expenditure incurred by the Military Engineer Services on Capital projects and on Revenue Account during the year 1959-60 was Rs. 29.42 crores. A comparison of the figure with the Original Grant and Final Estimate is given below:—

(In crores of rupees)

	Original Grant or Appropriation.	Final Estimate	Actual Expenditure	Actual Expenditure	
				more(+) than the	less(—) than the
				Original Grant or Appropriation.	Final Estimate
Expenditure met from Revenue	16.12	16.83	16.49	(+)0.37	(—)0.34
Expenditure met from Capital	14.34	13.51	12.93	(—)1.41	(—)0.58
GRAND TOTAL	30.46	30.34	29.42	(—)1.04	(—)0.92

The expenditure shown above has been brought to account under the relevant sub-heads of the Grants shown in Section IV where explanations for variations have also been furnished.

It will be seen from the figures furnished above that the variation between the Original Grant and the Actual Expenditure and the Final Estimate and the Actual Expenditure for the year under review was 3.41% and 3% respectively. The saving under Revenue Account is small. The saving under Capital Account is due mainly to non-receipt/non-adjustment of debit for stores and non-payment of final bills.

24. A statement showing the amounts originally allotted to certain important projects during the year and the actual expenditure incurred against these allotments is given in Appendix 'G'. Total original allotment in respect of these works was Rs. 1032 lakhs and the actual expenditure Rs. 972 lakhs. Out of the sixty-seven cases reported, in forty-eight, the amounts originally allotted were not spent fully while in nineteen actual expenditure exceeded the original allotments. Funds in most of these cases, involving under-spending, were surrendered during the course of the year and in cases of overspending re-appropriated from surrenders elsewhere.

The explanations for variations which have been given in each case indicate that the main reasons for under-spending are late conclusion/non-conclusion of contracts, slow progress of works, non-finalisation of acquisition of land and non-receipt/non-adjustment of debits. In cases of over-spending, the variations are attributable mainly to accelerated progress of works and also to larger procurement/receipt of stores.

25(a) The authorised works procedure was generally complied with by the executive authorities.

Annexure I to this Section will show the amount of expenditure objected to by the internal check authorities for non-compliance with the basic rules governing works expenditure.

(b) In the event of unexpected circumstances arising out of operational military necessity or on medical grounds, when reference to the appropriate authority would entail dangerous delay, local commanders are authorized under rules to order commencement of works to meet such situations. Similarly, in the case of imminent danger to buildings, etc. or of break-down of supply from an installation, when delay would be seriously detrimental to the public service, the local Engineer Officers are authorized to take steps to protect Government property or the inhabitants. In all such cases, earliest possible steps are required to be taken to regularize the matters by normal action.

It would be seen from Annexure II to this Section that *ex post facto* sanctions of the competent authorities for an expenditure of Rs. 8,92,366 incurred on such works were outstanding at the end of the year.

26. The rules require prompt action in investigation and finalization of cases of losses. The Controllers' reports, however, indicate that at the end of the year under review losses amounting to Rs. 3.97 crores were awaiting finalization. The bulk of this amount (Rs. 3.57 crores) relates to the losses detected in earlier years.

27. The position in regard to recoveries of rent and allied charges, as indicated in the Controllers' reports, continues to be unsatisfactory. As against the sum of Rs. 2.95 crores and Rs. 2.69 crores respectively reported as outstanding at the end of the years 1957—58 and 1958—59 respectively, the amount outstanding at the end of the year under review was Rs. 2.64 crores. As already reported in previous years, the bulk of the amount outstanding is against State Governments (Rs. 1.59 crores) and Central Ministries (Rs. 0.54 crore).

28. The statistics relating to the flow of cash expenditure have been examined. The expenditure during the four quarters of the year was 16%, 20%, 23% and 41% respectively of the total expenditure. The corresponding percentages in respect of the previous year were 15, 18, 22 and 45. The expenditure in the month of March 1960 was a little more than 3 times the average expenditure of the first eleven months, 2.37 times the average expenditure of the year and a little more than twice the expenditure incurred in the month of February 1960. Though the position during the year under review has slightly improved as compared with the previous year, flow of expenditure continued to be large in the closing months of the year.

The rush in the month of March 1960 has been stated to be mainly due to greater progress of works in the closing months of the year, larger on account payments, late conclusion of contracts, late finalisation of bills and late receipt of sanctions.

29. A statement showing the amounts of original estimates and actual final cost in respect of certain important works completed during the year is given in Appendix 'H'. It would be seen that final costs in these cases were less than the original estimates, as in the case of some works completed in earlier years. The reasons for variations which have been given in each case show that the savings were attributable mainly to non-utilization of provision for contingencies and conclusion of contracts at rates lower than those provided in the estimates. Out of the seventeen cases reported, in fifteen the sanctioned amount of contingencies was not used fully, and in seven cases actual requirement proved to be less than 20% of the estimated amount in this regard.

30. In regard to the operation of contracts, the Controllers' reports indicate that in a large number of cases extensions of time granted under the contracts were disproportionately long when compared with the periods of contracts specified at the tender stage. In 463 cases the extensions of time that were granted to the contractors for completion of works exceeded half of the time originally contemplated, and in 203 out of these, periods of extensions exceeded even the full periods of time as specified originally. The main reasons of these extensions were stated to be non-availability of stores (128 cases) non-availability/late handing over of sites (103 cases), bad weather (58 cases), changes in the scope/ specification and site conditions (26 cases), suspension of work due to other reasons (82 cases), non-availability or breakdown of Tools and Plants (17 cases) and unavoidable hindrances (49 cases).

31. In paragraph 29, Appropriation Accounts of the 1958-59, a mention was made about projects for living accommodation which were executed by troop labour instead, by the normal method of contract. During the year under review, three more projects estimated to cost Rs. 255.08 lakhs, Rs. 78.88 lakhs and Rs. 55.43 lakhs, respectively, were taken up for execution by troop labour. Some portions of these projects, the execution of which requires technical knowledge, however, are proposed to be executed through the normal agency of contracts, under the Military Engineer Services.

32. The Controllers' reports indicate that the system of documentation and store accounting in Engineer Stores Depots was generally satisfactory and that stock-verification was carried out in the normal manner.

As regards Military Engineer Services formations, the system of store accounting was generally satisfactory. The quantitative limits were fixed in all cases and the divisional stocks were generally within the quantitative limits. Stock book rates had been properly worked out and the expenditure on maintenance of stores was found to be reasonable. Stock-verification was carried out in the usual manner except in one formation in which it was done only partially.

33. The total expenditure on establishment during the year amounted to Rs. 3.19 crores against a total works load of Rs. 24.04 crores. The percentage of establishment expenditure to works expenditure during the year thus works out to 13.26 as against 13.55 and 13.62 for the years 1958-59 and 1957-58, respectively. 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.

34. 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 Annexure III to this Section.

ANNEXURE I TO SECTION V

[Referred to in paragraph 25(a)]

Serial No.	Nature of objection	Amount outstanding on 1-4-1959	Amount objected to during the year 1959-60	Amount settled during the year 1959-60		Amount outstanding on 31-3-1960
				objections pertaining to the previous years	objections pertaining to the current year	
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Want of Administrative Approval (Non-emergent Works) .	9,44,908	5,81,605	98,026	2,34,503	11,93,984
2	Want of Technical Sanction .	7,77,571	11,21,813	*2,58,787	6,30,261	10,10,336
3	Want of Allotment of Funds .	..	10,00,485 (—)11,04,800	..	8,24,970 (—)1,84,207	1,75,515 (—)9,20,593
4	Excess over Administrative Approval	27,37,677	23,33,416	**24,12,176	21,56,949	5,01,968
5	Excess over Technical Sanction .	36,82,722	6,90,126	10,45,418	58,403	32,69,027
6	Excess over Allotment . . . . .	..	33,45,504 (—)10,92,853	..	15,31,551 (—)45,198	18,13,953 (—)10,47,655

* Includes a sum of Rs. 1,21,300 actually settled during 1958-59.

** Includes a sum of Rs. 11,24,537 actually settled during 1958-59.

ANNEXURE II TO SECTION V

[Referred to in paragraph 25(b)]

Serial No.	Nature of objection	Amount outstanding on 1-4-1959	Amount objected to during the year 1959-60	Amount settled during the year 1959-60		Amount outstanding on 31-3-1960
				Objections pertaining to the previous years.	Objections pertaining to the current year	
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Want of Administrative Approval (Emergent Works)	11,43,608	5,76,040	6,64,630	1,62,652	8,92,366

ANNEXURE III TO SECTION V
(Referred to in paragraph 34)

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 1959-60.

Serial No.	Name of work	Estimated cost	Expenditure incurred		Amount of departmental charges remitted/reduced	
			During 1959-60	to end of 1959-60	During 1959-60	to end of 1959-60
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	St. Thomas Mount, Madras— Construction of a school building	58,542	6,327	47,522	127	1,335
2	Jammu and Kashmir Area— Construction of dispensary buildings and fly-proof latrines	24,500	1,675	11,679	34	1,034
3	Jammu and Kashmir Area— Construction of a ten-seated group latrines	7,000	4,569*	4,569	91	91
4	Lajpatnagar-(Kilokri Scheme)- Phase V—Provision of water supply	3,25,000	1,371	2,71,518	116	44,656
5	Jalahalli—Construction of Bharat Electronics Factory					
	(a) Phase I	1,02,96,370	10,249	57,89,032	666	7,93,570
	(b) Phase III (B)	26,24,577	121	18,52,235	8	2,68,849
	(c) Air-conditioning of workshop	3,89,747	17,290	3,36,711	1,124	45,262

*Represents expenditure actually incurred during the year 1958-59.

APPENDIX A

Statement of losses of cash, overpayments, etc., pertaining to the post-partition period, finally dealt with during the year 1959-60

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	Loss due to erroneous promotion of a Junior Commissioned Officer from 1st April 1946 resulting in an overpayment till 19th July 1954 when the irregular promotion was cancelled. A Court of Inquiry was held on 7th November 1955 but no action could be taken against the Officer Commanding responsible for the irregular promotion as he was no longer in service. As it was considered that the recovery of the entire overpayment would cause unnecessary hardship, a sum of Rs. 500 was ordered to be recovered from the Junior Commissioned Officer. This sum of Rs. 500 is being recovered from him in convenient instalments. Out of the amount of Rs. 4,860·87 an amount of Rs. 936·46 relates to the pre-partition period.	3,924
2*	Loss in the Imprest Account of an Engineer formation due to misappropriation by an officer, who was the Accounts Officer and imprest holder of the formation, detected in January 1954. Physical check of cash balances revealed the loss in Imprest Account. The officer was tried by a General Court Martial cashiered and awarded three years' rigorous imprisonment. Out of a sum of Rs. 4,331·75 due to the officer on account of pay and allowances withheld a sum of Rs. 41·94 was paid as electric charges and the balance of Rs. 4,289·81 was forfeited to Government. 'Severe displeasure' of the Chief of the Army Staff was conveyed to Officiating Deputy Chief Engineer held responsible for negligence and warning for slackness in supervision was administered to the Deputy Chief Engineer and another officer who was holding a Short Service Commission and had completed his term of engagement was released from service for his lack of care and thought in the performance of his duties. Remedial measures have been taken.	6,990

*This pertains to the year 1958-59.

Serial No.	Nature of losses written off with particulars	Amount
3	<p>Loss due to misappropriation of public funds by a clerk of the office of a Pension Paymaster during the period January 1952 to June 1953. The loss was detected as a result of the audit of accounts for January and February, 1952 and 1953. The <i>modus operandi</i> of the clerk was that while correct entries of the pension payment were being recorded in the Check Register/original Pension Payment Orders, exaggerated payments were recorded in the pension payment schedules. In other words, he paid the pensioners the amounts actually due to them and misappropriated the excess amounts shown in the pension payment schedules. Special investigation and verification of all documents was conducted by an officer of the Defence Accounts Department and the clerk and the Pension Paymaster were held responsible. The clerk was convicted to undergo rigorous imprisonment for one year and also to pay a fine of Rs. 500, or to undergo a further six months' imprisonment in default thereof and dismissed from service. Departmental action was taken against the Pension Paymaster concerned and a reduction of 4% of his final pension and retirement gratuity was ordered. The work relating to disbursement of pension was re-organised on a functional basis to avoid recurrence of such irregularities.</p>	<p>Rs. 22,084</p>
4	<p>Loss representing the overpayment of disability pension granted twice to a sepoy for the period 16th August 1943 to 31st March 1957 and 26th September 1946 to 31st August 1957 as a result of his fraudulent re-enrolment without disclosing the fact of previous discharge from military service on medical grounds and the grant of pension. The grant of double pension came to light on 17th September 1957 on receipt of an application from the individual mentioning about his second enrolment. The first award was cancelled with effect from 1st April 1957 and the second award was withheld in toto. Out of the total overpayment of Rs. 4,263.62 a sum of Rs. 722.18 pertains to the pre-partition period.</p>	3,541

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

Rs.

- | | | |
|---|--|-------|
| 5 | <p>Loss representing the incorrect payment of pension for the period 1st October 1943 to 31st January 1954. After sanction the pension was wrongly paid to the brother of the pensioner who continued to draw it without proper identification after the pensioner died on 21st February 1944. As the Pension Disbursing Officer was primarily responsible for the wrong payment which was made without proper identification of the pensioner the case has been reported to the State Government concerned. As a remedial measure, a general circular has been issued to the State Governments and the Post Master General of the State concerned. A sum of Rs. 100.93 due to the individual on account of life time arrears has been set off against the total overpayment of Rs. 3,915. A sum of Rs. 1,099.88 pertains to the pre-partition period.</p> | 2,714 |
|---|--|-------|

MASTER GENERAL OF ORDNANCE BRANCH

- | | | |
|---|--|--------|
| 6 | <p>Loss due to embezzlement of cash by a clerk of an officers' shop by not depositing the sale proceeds of the shop on certain days in August and September 1950 in the bank. The individual was convicted by a Court of Law and sentenced to one year's rigorous imprisonment and to pay a fine of Rs. 15,000, in default to undergo one year's further imprisonment. Penal recoveries to the extent of Rs. 1,100 were made from three officers as a result of a Staff Court of Inquiry which investigated the case on 10th October 1950. The Officer Commanding the shop was disqualified by the Area Commander for being placed in charge of an officers' shop for a period of two years. Suitable remedial measures were also adopted.</p> | 13,957 |
| 7 | <p>Extra expenditure caused to the State as a result of erroneous re-fixation of pay of five civilian workshop supervisors serving in a formation at a station now in Pakistan during 1st October 1946 to 14th August 1947. Pay was provisionally</p> | 10,332 |

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

Rs.

fixed at the minimum of a time scale (Rs.180—7½-240) with effect from 1st October 1946. On 14th April 1947 the pay was finally fixed at the same stage with effect from 1st October 1946 on successful completion of probationary period of six months. On 2nd August 1947 pay was re-fixed at the maximum of scale with effect from 1st October 1946. On arrival in India pay was admitted on the basis of the Last Pay Certificate issued by the Pakistan authorities. On 9th April 1951 intimation was received from Pakistan authorities stating that the enhanced re-fixation of pay was irregular and payments made at the enhanced rate required regularisation. In two instances the amount drawn for the period from 15th August to 31st August 1947 could not be ascertained. The enhanced rates of pay and allowances had been drawn by the individuals concerned on the genuine understanding and belief that they were entitled to the rate of pay allowed to them. As the overpayments occurred in circumstances beyond their control and as it was thought that recovery would cause undue hardship to them, it was decided not to enforce any recovery of the overpayment from them. No Court of Inquiry was held as the re-fixation was done by the Pakistan authorities.

QUARTERMASTER GENERAL'S BRANCH

8	Loss representing the cost of irregular issue of 710 road warrants between two stations during the period 1st October 1949 to 31st March 1951 by a record office of a Corps. The clerk or messenger carrying sheet rolls from one station to another for the purpose of revision of running ledger accounts of Junior Commissioned Officers and Other Ranks of the Corps was actually travelling in a public bus on cash payment of six annas each way. During this period a hired transport contract for conveyance of personnel also existed. The contractor used to pay the bus fare to the orderly and in turn get the road warrant signed by him and claim	3,284
---	---	-------

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<p>a sum of Rs. 5 representing the cost of road warrant daily in pursuance of the terms of agreement, thus resulting in an excess expenditure of Rs. 4-10-0 per road warrant. No Court of Inquiry was convened for the reasons that the officers issuing the warrants were not available, having been released or posted away from the formation and the circumstances of overpayment and the terms of the contract were not known to the Record Office.</p>	
ENGINEER-IN-CHIEF'S BRANCH		
9	<p>Loss representing the compensation paid to a firm in September 1955 on account of freight, insurance, customs duty, rebate and other incidental etc. charges caused by the unauthorised placing of an indent by a Division in 1948 for spares for reconditioning a diesel engine. A Board of Officers was convened on 13th May 1955 to fix the responsibility for the loss involved and as a result disciplinary action was taken against two clerks, a Superintendent and three officers of the Division. Suitable remedial measures were also taken.</p>	4,500
10	<p>Loss arising out of the premature termination of a contract in an Engineer Division in 1950. A contract was entered into with a contractor for executing artificers' work as ordered for six months in October 1949, the estimated value of the works being Rs. 40,000. The contract was terminated after about three months when work orders amounting to about Rs. 40,000 were placed on the contractor, to comply with an instruction from the Commander Works Engineer to limit expenditure on such contracts up to this limit and also because the contractor was not agreeable to enhance the amount of the contract. A second contract was then entered into by the Garrison Engineer with the same contractor by inviting tenders and the rate was raised from 84% to 118% above the Military Engineer Services Schedule of Rates. Thus extra expenditure to the extent of Rs. 15,281 was caused to the State due to increased rates in respect of works which were ordered on the basis of the second contract during the period between</p>	15,281

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	the date of termination of the first contract and the date up to which it would have remained operative but for its premature termination. The Garrison Engineer concerned was administered a recorded warning for maladministration of the contract.	
11	Loss representing overpayment of house rent allowance, non-recovery of rent and allied charges, hospital stoppages and overpayment of pay and allowances for the period March 1948 to November 1951 to casual personnel employed at an engineer division. Irrecoverable amount of house rent allowance which amounts to Rs. 3,875 was in respect of casual personnel which did not fall within the stipulated limits, qualifying for the allowance. The overpayment of pay and allowances and other charges was due to the individuals concerned proceeding on casual leave and continuing to extend the same as extraordinary leave till they got discharged for continued absence. No Court of Inquiry was held and no individual was held responsible for the non-recovery of Government dues. As a remedial measure, in doubtful cases, payments are withheld and recoveries effected. Demands are also closely watched and casual personnel bills checked with attendance register before authorising payments.	4,250
	FACTORIES	
12	Loss representing extra expenditure caused due to difference in freight charges at Military Credit and Public Tariff rates incurred by an Ordnance Factory during the period January to March 1954. As a result of Board of Inquiry convened on various dates between 29th May and 27th September 1957 to investigate the alleged loss, the persons responsible were warned. As a remedial measure the terms of contract were amended and further consignments were despatched to the party on military credit notes freight pre-paid.	2,509
	Losses exceeding Rs. 10 but not exceeding Rs. 2,500 in each case	27,063
	TOTAL I	1,20,429

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 resulting from the resale of a lot of stores in an Ordnance Depot on 16th July 1956. Certain stores were sold to an individual for Rs. 4,800. The purchaser deposited earnest money of Rs. 1,200 but failed to pay the balance sale value of Rs. 3,600. This lot was resold on 25th February 1957 for Rs. 2,765 which resulted in a loss of Rs. 835. In addition, there was a loss of Rs. 9,024 representing the ground rent for the period 21st August 1956 to 24th February 1957.	9,859
2	Loss incurred in the resale of certain lots of stores in an Ordnance Depot in 1957-58 as the total amount realised by the resale plus the amount of earnest money forfeited fell short of the original sale value. In addition the State suffered a loss of Rs. 5,195 by way of ground rent. A registered notice sent to the original bidder was returned undelivered.	5,225
3	Loss representing the value of stores issued on payment by an Ordnance Depot during 1947-50. These transactions remained outstanding in the books of the Defence Accounts Authorities as the vouchers could not be properly linked in the absence of receipted copies and necessary debits could not therefore be raised against the consignees. No Court of Inquiry was held and no disciplinary action was taken as the responsibility could not be pin-pointed due to the closure of the Depot on 31st July 1950 and destruction of records in 1955. Suitable instructions have been issued to all Ordnance Depots to ensure that cases relating to outstanding recoveries in respect of payment issues are vigorously progressed. The layout of payment and book debit issues register has also been revised. Out of the total loss of Rs. 9,762 an amount of Rs. 4,410 pertains to the pre-partition period.	5,352

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
4	<p>Loss on account of resale of 9 lots of material due to failure of the first purchaser to remove the stores and to pay the balance value within the stipulated period in an Ordnance Depot during 1956-57. The stores were originally auctioned on 22nd August 1956 for Rs. 3,105 and a sum of Rs. 810 was deposited as earnest money. On default of the purchaser to take delivery of the stores, the same was resold on 12th September 1957 at the risk and expense of the original purchaser. The resale, however, fetched only Rs. 1,200 resulting in a loss of Rs. 1,095 after forfeiture of earnest money. In addition, a loss of Rs. 10,930 was sustained on account of unrecovered ground rent for the period from 25th September 1956 to 11th September 1957. No amount could be recovered from the original purchaser as he could not be traced.</p>	12,025
5	<p>Loss representing the amount of extra expenditure incurred on repurchase of stores consequent on the cancellation of the original acceptance of tenders due to the failure of the contracting firm to supply the stores in time. The acceptance of tenders were placed on the firm on 23rd December 1949 and as per conditions of the contract the supplies were to be made by 31st March 1950. The firm failed to supply the stores within the stipulated time and Acceptance of Tenders were cancelled at the risk and expense of the firm. Subsequently the cancelled quantities were repurchased at an extra cost of Rs. 26,000. When this extra cost was recovered from the bills of the defaulting firm they protested and referred the case to their arbitrator. Government also nominated their arbitrator. As the arbitrators differed with each other the case was referred to an umpire on 28th January 1954 who held that although the firm had committed breach of contract, Government had not established its right to recover the extra cost or any other sum from the claimant by way of compensation and damages. The umpire's award was accepted on the advice of the Ministry of Law.</p>	26,000

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
6	Loss representing the cost of stores received deficient/in repairable condition from a foreign country during April 1951 to April 1954. Claims submitted in this connection were rejected by the liquidator of the firm which had gone under voluntary liquidation. Legal opinion was that there was never any claim which could have been successfully pursued. In view of the legal opinion the claim was written off as a loss.	9,003
7	Loss resulting from the non-recovery of ground rent from the bidder of certain stores auctioned in an Ordnance Depot. The stores were sold by public auction on 26/27th December 1955 for Rs. 900 but the purchaser after depositing the earnest money of Rs. 225 failed to deposit the balance of Rs. 675 within the stipulated time. The stores were resold on 15/16th May 1958 for Rs. 1,160. For the period between the two sales ground rent amounting to Rs. 7,071 was recoverable from the original bidder. No legal action was taken against him as such a course was not possible in the absence of a formal contract.	7,071
8	Seven cases representing losses on account of non-recovery of ground rent from defaulted bidders of salvaged stores auctioned in an Ordnance Depot during 1959-60. In each case, the bidder deposited the earnest money but failed to remove the stores from the site within the stipulated period of six days and even after the service of notice resulting in the forfeiture of the earnest money. The sale was accordingly treated as cancelled and fresh auctions were arranged. The stores were sold to the highest bidder in the fresh auctions. The new auctions resulted in a gain to the State as the value of the new bids plus the forfeited earnest money of the first bidder exceeded the amount of the first bid.	52,041
9	Loss representing the cost of 10 Radar Sets received from a foreign country in 1955-56 which were found in repairable condition when surveyed at the port and examined by the Army Base Workshop. A claim	8,760

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

Rs.

for compensation for the damages was lodged against the suppliers through the Military Attache of the Indian Embassy in that country but the same was repudiated by the suppliers on the ground that the various defects, dents and scratches on the sets might be the result of moist sea climate and the jolts caused by reloading in transit and unloading at the destination. No Court of Inquiry was considered necessary as no theft, fraud or neglect was involved on the part of authorities in India.

ADJUTANT GENERAL'S BRANCH

- | | | |
|----|--|--------|
| 10 | Loss representing the overpayment made as a result of erroneous inclusion of charge pay/additional pay in the term 'Pay' for calculating contractual gratuity in respect of 28 military officers during the period October 1947 to December 1950. The overpayments were caused owing to incorrect interpretation of Government orders and could not be recovered as the officers concerned were released from service. Necessary instructions to avoid the recurrence of such cases were issued. | 12,827 |
|----|--|--------|

GENERAL STAFF BRANCH

- | | | |
|----|---|-------|
| 11 | Loss due to irregular issue of Railway Warrants instead of IAFI-1736 authorising half concession in rail fare to the competitors for the central matches of the Army Rifles Association during 1954-55. No one could be held responsible for the irregularity and no Court of Inquiry was convened. | 8,841 |
|----|---|-------|

ENGINEER-IN-CHIEF'S BRANCH

- | | | |
|----|--|--------|
| 12 | Two cases of losses (Rs. 10,193 and Rs. 13,191) on account of irregular employment of mess servants for Junior Commissioned Officers' messes of two Headquarter formations and various units during 1952 to 1954 and April 1951 to February 1954 respectively. It was held by the Internal Check Authorities that for the purposes of entitlement of mess servants, Junior Commissioned Officers of various units could not be grouped together. | 23,384 |
|----|--|--------|

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	The irregularity occurred due to a genuine misinterpretation of orders. Necessary instructions to avoid recurrence of such cases have been issued.	
	NAVAL HEADQUARTERS	
13	Loss due to short recovery consequent upon the adoption of a lower rate for the payment issue of Cloth Calico Bleached made to officers/ratings in ships/establishments during the period September 1950 to June 1952. Even though Cloth Calico Bleached and Cloth Calico Unbleached were stocked in the Naval Stores the same pattern number was allotted to both with the result that issues of Cloth Calico Bleached were made against the demand for Cloth Calico Unbleached and recoveries effected at the rate for the latter. Due to lapse of time and as no malafides were involved it was considered that the holding of a Board of Inquiry would not serve any useful purpose. As a remedial measure procedure regarding promulgation of rates and amendments thereto has since been revised.	20,053
	DEFENCE ACCOUNTS DEPARTMENT	
14*	Loss representing overpayment of pension and commuted value of pension paid to certain retired officers of the Defence Accounts Department. The pensions had originally been granted after taking into account their provisionally substantive pay which was not permissible under the rules. The mistake was due to genuine mis-interpretation of the rules and therefore no responsibility was fixed. The pensions have since been correctly fixed with effect from 1st October 1955.	89,862
	Losses exceeding Rs. 10 but not exceeding Rs. 5,000 in each case	2,60,329
	TOTAL II	<u>5,50,632</u>
	GRAND TOTAL I AND II	<u>6,71,061</u>

* This pertains to 1958-59.

Serial No.	Nature of losses written off with particulars
---------------	---

III. Losses monetary value of which could not be assessed.

GENERAL STAFF BRANCH

- 1 Loss of a Railway Warrant form belonging to a Regimental Centre discovered on 20th March 1958. A Court of Inquiry held on 4th June 1958 to investigate the loss opined that the circumstances under which the form was found missing could not be ascertained. The Lieutenant Quartermaster of the Centre and a Havildar Clerk were blamed for the loss and warned to be more careful. It was ordered that any loss, if and when caused to Government by the fraudulent use of the form, should be recovered from the Lieutenant Quartermaster who was responsible for its safe custody.
- 2 Loss of two blank Railway Warrant forms belonging to a State Force Unit during July 1952. The Court of Inquiry which investigated the loss on 18th February 1954 could not fix the responsibility either on the issuing stationery depot or the receiving unit.
- 3 Loss due to irregularities relating to the issue of rations and Quartermaster stores, sale of grass and use of Government transport/ammunition in respect of a unit during the period November 1953 to November 1954. The extent of loss could not be determined. A Court of Inquiry convened on 10th November 1954 held the Commanding Officer of the unit responsible. The officer was tried by a General Court-Martial and was sentenced to be cashiered. But the Chief of Army Staff commuted the sentence to one of forfeiture of 6 years' service for purposes of promotion. Later, he was compulsorily retired on 26th January 1956 and granted service pension at a reduced rate of Rs. 280 per month. An amount of Rs. 709 outstanding against him as public and regimental debts was also adjusted against the pension sanctioned to him under Government orders.
- 4 Loss arising from non-recovery of conservancy charges due from non-entitled personnel living in unit lines in a station prior to April 1953. The exact amount due on this account could not be assessed as no records were maintained.

QUARTERMASTER GENERAL'S BRANCH

- 5 Loss of two blank Military Credit Note forms from a book held on charge of an Army Service Corps unit, discovered in May 1958
-

Serial No.	Nature of losses written off with particulars
---------------	---

The loss was published in the various Railway Gazettes. The Court of Inquiry convened on 19th May 1958 opined that the responsibility for the loss could not be fixed on any individual. The General Officer Commanding the Division, however, ordered that if it transpired in course of time that the forms had been irregularly used, 50% of the loss so caused to the State would be borne by Officer Commanding the unit and the remaining 50% by a Non-Commissioned Officer and a sepoy in equal proportion.

- 6 Losses relating to the provision of irregular passages authorised by the Joint Repatriation Officer to certain officers who were repatriated *ex-India* from 15th August to 31st December 1947. The cases of the individuals in question came to light after they had been released from the Army and their whereabouts are not known. The extent of the loss could not be determined.
- 7 Non-filling of columns 1 to 12 pertaining to nature of stores, amount charged etc. of a Military Credit Note form issued by an Army unit on 11th November 1950 to the Railway authorities. No Court of Inquiry was conducted as the individual responsible for the lapse had deserted and is still a deserter. Remedial action has been taken.
- 8 Loss of three blank Railway Warrant forms from a book belonging to a Supply Platoon, discovered on 14th December 1954. The Court of Inquiry convened to investigate the loss on 18th July 1955 blamed the officer responsible for the safe custody of the forms. He was reprimanded by the Sub Area Commander.

MASTER GENERAL OF ORDNANCE BRANCH

- 9 Loss of a book of Railway Warrant forms and non-production of three books of Railway Warrant Forms belonging to a Vehicle Depot in December 1947. A Court of Inquiry which was convened on 20th May 1957 to investigate the loss, could not fix responsibility on any one.

MEDICAL DIRECTORATE

- 10 Loss of a blank Military Credit Note form book belonging to a Medical Stores Depot in May 1958. A Court of Inquiry which investigated the loss on 26th May 1958 held a civilian store officer and a store-keeper responsible. The former was warned and the latter censured. Adequate security measures have been taken to avoid recurrence of such losses.
-

Serial No.	Nature of losses written off with particulars
---------------	---

ENGINEER-IN-CHIEF'S BRANCH

- II Loss of three Military Credit Note forms belonging to a Field Company on 21st May 1958. The Court of Inquiry which investigated the loss on 16th June 1958 blamed a Junior Commissioned Officer, a Sapper Clerk and the 2nd-in-Command of the Unit for signing the credit notes in blank. Displeasure of the Army Commander was conveyed to the 2nd-in-Command and the Junior Commissioned Officer was severely reprimanded. The Sapper Clerk was awarded 28 days' imprisonment in military custody.
-

APPENDIX B

Statement showing by various categories the total amount of store losses pertaining to 1959-60.

Categories of losses	Food & forage	Petrol, oil, lubricants and aviation spirit	Other Army Service Corps Stores	Mechanical transport vehicles and connected stores
I. Actual losses due to theft, fraud or neglect	685	5,478	3,667	2,13,042
II. Actual losses due to other causes.				
(a) Fire . . . . .	..	..	29	88
(b) Deficiencies in actual balances.	1,207	5,59,824	3,531	12,96,089
(c) Deterioration	9,858	6,887	5,961	7,143
(d) Defective storage	788	80,044	..	..
(e) In transit	1,47,052	2,92,471	43,737	3,50,207
(f) Miscellaneous causes.	44,616	5,77,170	10,196	2,03,682
TOTAL II	2,03,521	15,16,396	63,454	18,57,209
GRAND TOTAL I AND II	2,04,206	15,21,874	67,121	20,70,251

Note 1.—Details of losses exceeding (i) Rs. 5,000 due to theft, fraud or annexure to this Appendix.

Note 2.—Losses of aircraft as a result of crashes and accidents due to

the Defence Services relating to post-partition period finally dealt with during the year

(In rupees)

Other Ordnance and clothing stores	Medical stores	Military Engineer stores and buildings	Miscellaneous stores	Aviation stores	Naval stores	Total
1,04,366	9,636	2,34,675	7,519	16,77,651	2,570	22,59,289
9,118	..	75,184	2,334	600	..	87,353
9,20,757	225	1,49,198	75,749	9,80,955	1,74,021	41,61,556
2,21,760	81	1,31,505	7,982	97,817	49,094	5,38,088
5,565	..	11,341	32	..	26	97,796
2,59,628	9,668	1,25,264	55,806	64,306	26,712	13,74,851
4,04,714	6,209	5,24,872	1,09,579	59,441	22,942	20,63,421
18,21,542	16,183	11,17,364	2,51,482	12,03,119	2,72,755	83,23,065
19,25,908	25,819	13,52,039	2,59,001	28,80,770	2,75,365	1,05,82,354

neglect and (ii) Rs. 15,000 due to other causes in each case are given in the incidence of service have not been included in this statement.

ANNEXURE TO APPENDIX B

Serial No.	Nature of losses written off with particulars	Amount
<i>I. Losses due to theft, fraud or neglect exceeding Rs. 5,000 in each case.</i>		Rs.
MASTER GENERAL OF ORDNANCE BRANCH		
1	<p>Loss representing the value of certain clothing stores found deficient on receipt in a Field Ordnance Depot. The deficiencies were detected as a result of a special stock check carried out on 3rd August 1956. A Staff Court of Inquiry convened on 8th August 1956 to ascertain the causes of the loss in stock opined that the loss was attributable to the piecemeal removal of the stores resulting in (i) stores being issued in excess of those mentioned in the issue vouchers, (ii) stores being issued twice on the same issue vouchers and (iii) stores being issued on duplicate vouchers. As a result of the recommendations of the Court of Inquiry, one Non-Commissioned Officer was convicted by District Court Martial; but the sentence was later on set aside. Two increments of four civilian personnel were stopped with recurring effect. Suitable remedial measures to avoid the recurrence of such cases were taken.</p>	10,453
2	<p>Loss of ordnance stores due to theft in a Station Workshop on the night of 27/28th October 1956. The loss was attributed to inadequacy of security measures. The Court of Inquiry held on 31st October 1956 found a Junior Commissioned Officer, two Non-Commissioned Officers and a Sepoy negligent in the performance of their duties. They were severely reprimanded.</p>	7,883
3	<p>Loss on account of damage to two vehicles of a Vehicle Depot due to an accident on 30th October 1958 and their consequent down-gradation from Class I to Class IV and Class VI respectively. A Staff Court of Inquiry convened on 15th November 1958 opined that nobody could be blamed for the accident. The Formation Commander, however, held the driver of one of the vehicles responsible for the loss. He was tried and awarded 14 days' rigorous imprisonment.</p>	11,737

Serial No.	Nature of losses written off with particulars	Amount
	could not pin-point the responsibility. Departmental action was, however, taken against a storeman who was censured for neglect of duty.	Rs.
12	Loss representing value of 1,221 numbers of an item of store found deficient at the time of special stock-taking on 20th February 1957. A Departmental Court of Inquiry held on 1st July 1957 to investigate the loss opined that the loss was not real and attributed it to incorrect stencilling of the packages and wrong packing by special re-packing teams. One storeman held responsible for the loss was charge-sheeted and warned.	35,409
13	Loss representing the cost of repairs of two guns received in damaged condition in an Ordnance Depot due to fire in the wagon carrying the packages on 16th February 1957. A Staff Court of Inquiry which investigated the matter on 4th March 1957 found that an Officer and a Junior Commissioned Officer were negligent in their duties in not properly instructing/equipping the members of the escort party. The Junior Commissioned Officer was discharged on compassionate grounds and severe displeasure of Army Commander was conveyed to the officer.	6,772
14	Loss representing value of stores lost due to floods in September 1950 in an Ordnance Depot. A Court of Inquiry held on 28th June 1958 opined that nobody could be blamed for the loss of stores valued at Rs. 10,814.56, but held one clerk responsible for the loss of stores valued at Rs. 84.37, which has since been recovered.	10,815
GENERAL STAFF BRANCH		
15	Loss on account of damage caused to a military lorry due to an accident on 21st January 1956 resulting in its downgrading from class I to VI as also the cost of 60 gallons	45,954

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

Rs.

of petrol lost on this account. A Court of Inquiry held on 22nd February 1956 to investigate the circumstances found that the accident was attributed to the fault of the driver who was awarded 28 days' imprisonment.

16	Loss on account of damage to a vehicle of an Armoured Brigade due to accident on 7th December 1958. A Court of Inquiry held on 22nd December 1958 opined that the accident was due to negligent driving. The driver was fined Rs. 90 and also awarded 28 days' detention.	5,982
----	---	-------

17	Loss on account of damage caused by fire to a tank of an Armoured Corps Unit during driving training in April 1957. A Court of Inquiry which investigated the loss on 20th May 1957 opined that the real cause of the fire was not possible to establish. They, however, felt that no proper check of the fire extinguishers was carried out before commencement of training and that if they had been in order, the damages to the tank engine could have been minimised. Suitable disciplinary action was taken against three individuals including a penal deduction of Rs. 100 from one of them. Necessary instructions for the prevention of such accidents in future have been issued.	15,460
----	--	--------

QUARTERMASTER GENERAL'S BRANCH

18	Loss representing the cost of damage to a vehicle due to an accident on 9th October 1957. The Court of Inquiry which investigated the loss during 9th to 11th November 1957 opined that the accident occurred due to a mechanical defect in the vehicle which was beyond the powers of the driver. The Corps Commander, however, did not agree with the opinion of the court and held that the driver was to be blamed for the accident. As a result of disciplinary action, the driver was	19,189
----	---	--------

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

Rs.

deprived of the appointment of Lance Naik and awarded 28 days' imprisonment.

- | | | |
|----|---|--------|
| 19 | <p>Loss of Government building and furniture due to fire in the Unit Lines of a regiment on 5th June 1952. A Court of Inquiry held on 16th June 1952 to investigate the loss opined that the fire was caused deliberately by unknown individuals. The Brigade Commander, however, held that the fire occurred due to an accident and that the Station Commander was responsible for non-observance of proper fire fighting arrangements. Severe displeasure of the Army Commander was recorded in the documents of the officer in question.</p> | 29,063 |
|----|---|--------|

ENGINEER-IN-CHIEF'S BRANCH

- | | | |
|----|---|-------|
| 20 | <p>Loss on account of damages caused to a vehicle of an Engineer Field Company by an accident on 25th April 1953. The Court of Inquiry held on 5th May 1953 to investigate the loss opined that the driver was not to blame and the Brigade Commander agreed with it. The driver was, therefore, sent on reserve on 21st September 1953. But the depot authorities to whom the vehicle was sent refused to accept the opinion of the Court of Inquiry without the sanction of the Area Commander who was the competent authority to finalise the Court of Inquiry proceedings. The Court of Inquiry proceedings were, therefore, submitted to the Area Commander who held in April 1954 that the driver was responsible for the accident and recommended that disciplinary action be taken against him. The unit thereupon wrote to the Record Officer for recalling the driver. The Record Officer, however, desired that the matter should be taken up through staff channels. The individual was finally ordered to be recalled to colours in 1956 when it transpired that</p> | 7,160 |
|----|---|-------|

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

Rs.

the disciplinary action against him had become time-barred in accordance with the provisions of the Army Act of 1950. It has been stated that the driver escaped disciplinary action due to erroneous finalization of the Court of Inquiry proceedings by the Brigadier and subsequent lapse on the part of the formation in not recalling the individual to colours at the unit's request. Since the Brigadier in question retired on 19th November 1956, no disciplinary action could be taken against him.

- | | | |
|----|---|----------|
| 21 | Loss on account of deficiencies in a Military Engineer Division, detected during August 1948. A Departmental Board of Officers assembled on 12th December 1949 had to conduct 100% stock-taking in January 1950 to assess the correct amount of loss. The board which finalised its proceedings in May 1950 attributed the loss to rush of work during the war, lack of proper storage accommodation, improper handing/taking over between individuals and negligence of duty by seven individuals. Increments were stopped for six months to one year in respect of six individuals and no disciplinary action could be taken against one who resigned from service in October 1950. | ' 88,802 |
| 22 | Loss of stores found deficient at the time of handing/taking over charge between two store-keepers in August 1948. As the store-keeper who handed over charge was released from service in 1948 itself, no Court of Inquiry was held to investigate the loss. A sum of Rs. 288 due to the individual has been forfeited to Government. Proper handing/taking over is now being insisted upon. | 11,195 |
| 23 | Loss in transit of copper conductor weighing 7,758 lbs. and deficiency of 5,984 lbs. of the same material revealed during verification of ground balances of stock in an | ' 11,165 |

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

Rs.

- Engineer Park in March 1952. The original consignments received in the Engineer Park in August 1949 had been accepted for the weight vouchered by the consignor, as no adequate weighing facilities existed in the consignee park. A Court of Inquiry held on 9th February 1953 to investigate the loss ascribed it to the general inefficiency and slackness of the staff. Increments of four subordinates were stopped for varying periods without cumulative effect.
- | | | |
|----|--|----------|
| 24 | Loss on account of damage caused by fire to certain stores on charge of an Engineer Works Section on 6th August 1956. A Court of Inquiry which investigated the loss on 13th August 1956 opined that the security precautions were not properly implemented and held the Chowkidar responsible. Penal recoveries amounting to Rs. 169 was effected from a supervisor, grade I and Rs. 35 is to be recovered from the unpaid wages due to the Chowkidar concerned. Suitable remedial measures were taken to avoid recurrence of such cases. | 7,336 |
| 25 | Loss representing value of underground pipelines found stolen in an airfield in March 1949. The airfield was originally in charge of Central Public Works Department and was transferred to Military Engineer Services in June 1946. A Court of Inquiry which was held on 2nd March 1954 opined that the loss was attributable to inadequacy of Military Engineer Services staff, deterioration and pilferage of stores due to delay in disposing of the assets, lack of knowledge by Military Engineer Services staff of the lay out of the pipeline, time-lag and non-availability of documents relating to handing/taking over between Central Public Works Department/Military Engineer Services. No individual was held responsible for the loss. | 1,28,989 |

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

Rs.

FACTORIES

26	Loss due to theft of 32 tools on 16th April 1956 in an Ordnance Factory. The Board of Inquiry which investigated the loss in May/June 1956 could not pin-point responsibility on any individual.	5,278
----	--	-------

AIR HEADQUARTERS

27	Loss representing the cost of the damage caused to an aircraft as a result of accident on 26th April 1957. A Court of Inquiry which investigated the loss on 27th April 1957 blamed the pilot and also another officer for the accident. The two officers were severely reprimanded and a penal recovery of Rs. 250 was made from the pilot.	24,750
28	Loss representing the cost of damage caused to an aircraft as a result of accident on 30th January 1958. The Court of Inquiry held to investigate the loss on 7th February 1958, partially blamed the pilot who was reproved by his Station Commander.	9,800
29	Loss representing the cost of damage to an aircraft on 6th January 1958. A Court of Inquiry held on 9th January 1958 opined that certain officers/airmen were responsible for the damage. A sum of Rs. 200 was recovered from one of the officers who was also reprimanded. Another officer was awarded severe reprimand and two airmen were also reprimanded.	79,800
30	Loss representing the value of equipment found deficient in an Air Force unit during snap check held in May 1955. Some of the equipment was found in possession of two airmen. A Court of Inquiry held on 29th July 1955 to investigate the loss	29,710

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<p>opined that it was not a case of theft by breach of external security and that there was a possibility of these items having been issued as "in lieu" items against certain demands for similar items and recommended that the write off of the loss should await final biennial stock-taking then in progress and finalisation of proceedings against the two airmen concerned. The loss was finally confirmed on completion of biennial stock-taking during February 1957. As a result of disciplinary action taken, one airman was dismissed from service. The case against the other was dismissed as a result of recording of "Summary of evidence."</p>	
31	<p>Loss on account of damages to an aircraft following an accident on 9th September 1958. A Court of Inquiry which investigated the accident on 10th September 1958 attributed it to incorrect handling of the aircraft by the pilot due to an error of judgement. He was awarded reprimand and a penal deduction of Rs. 50.</p>	14,950
32	<p>Loss due to damage caused to an aircraft in an accident on 3rd July 1957. The accident was attributed by the Court of Inquiry held on 4th July 1957 to the faulty take off technique on the part of the pilot who was severely reprimanded and a sum of Rs. 600 was recovered from him.</p>	3,49,400
33	<p>Loss representing cost of damages to an aircraft following an accident on 25th August 1958. A Court of Inquiry which investigated the loss on 27th August 1958 attributed the damages to negligence on the part of the pilot. He was awarded severe reprimand and a penal deduction of Rs. 450. The award of severe reprimand was also entered in his service records.</p>	16,060

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
34*	Loss on account of damage to a mechanical transport vehicle and trailer of an Air Force formation due to accident on 18th May 1957. A Court of Inquiry held on 21st May 1957 recommended that necessary disciplinary action be taken against the driver and the cost of damage written off against the State. Penal deduction of Rs. 20 was imposed on the driver.	8,980
35	Loss on account of damage to an aircraft due to accident on 22nd September 1956. A Court of Inquiry convened on 25th September 1956 to investigate the damage opined that the accident was caused due to negligence on the part of a Corporal and an Aircraftsman. They were awarded reprimand and 7 days' confinement to camp respectively.	16,500
36	Loss due to damage by accident to a Service aircraft on 3rd September 1958. A Court of Inquiry convened on 4th September 1958 to investigate the loss blamed the pilot for the accident and recommended disciplinary action against him. The officer was awarded severe reprimand, loss of seniority by two months and a penal deduction of Rs. 300.	79,700
37	Loss representing the cost of damage to a Service aircraft following an accident on 3rd March 1959. A Court of Inquiry held on 14th March 1959 found that the accident was attributable to carelessness on the part of the pilot. Disciplinary action was taken against him and he was reprimanded by the Air Officer Commanding-in-Chief, Operational Command.	70,000
38	Loss representing the cost of the damage caused to a Service aircraft which met with an accident while landing on 12th December 1958. A Court of Inquiry held on 13th December 1958 found the pilot guilty of not carrying out his vital actions carefully	47,800

*This case relates to 1958-59.

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	and appropriately. The pilot besides being severely reprimanded, was awarded forfeiture of two months' past service for the purpose of promotion and was put under stoppages of pay and allowances to the extent of Rs. 1,200.	
39	Loss representing total loss of a Service aircraft due to an accident on 4th August 1958 as a result of dangerously low flying by an officer. The Court of Inquiry held on 8th August 1958 blamed the pilot for the accident which resulted in his death and that of another Service personnel on duty with him. No disciplinary action was possible as the officer died in the accident. A sum of Rs. 181 being the cost of damage to civil property was also paid by Government.	5,01,802
40	Loss representing total loss of an aircraft due to an accident on 8th August 1958. A Court of Inquiry held on 10th August 1958 could not determine positively the cause of the accident, but held the formation leader indirectly responsible for the loss. He was awarded severe reprimand and forfeiture of one month and fourteen days' service for the purpose of promotion.	3,50,000
41	Loss representing the cost of damage caused to an aircraft while being checked by a Non-Commissioned Officer on 17th May 1956. A Court of Inquiry convened on 21st May 1956 blamed the Non-Commissioned Officer for the damage. He was reprimanded.	18,750
42	Loss representing the cost of damage to an aircraft by an accident on 9th July 1956. A Court of Inquiry held on 11th July 1956 to investigate the loss opined that the accident was due to the negligence of the pilot who was awarded a penal deduction of Rs. 900 in addition to a severe reprimand. Two other officers who were held indirectly responsible for the accident were reprovved by the Station Commander.	43,000

Serial No.	Nature of losses written off with particulars	Amount
Rs.		
NAVAL HEADQUARTERS		
43	Loss on account of destruction of a temporary cinema hall in a Shore Establishment by fire on 24th January 1953. The Board of Inquiry held during 16th to 18th February 1953 concluded that the fire was accidental. Subsequently on 19th February 1953, it came to light that one ordinary Seaman had deliberately set fire to the building. He was sentenced to 90 days' rigorous imprisonment and dismissed from service.	39,949
<i>II. Losses due to other causes exceeding Rs. 15,000 in each case.</i>		
MASTER GENERAL OF ORDNANCE BRANCH		
1	Loss representing the value of certain items of vehicles found deficient on receipt in a Vehicle Depot in 1950. The vehicles on receipt were subjected to inspection and a discrepancy report for the deficient items was raised, but the consignor unit having been disbanded, the discrepancy report could not be finalised. No Court of Inquiry was held and as the responsibility for the loss could not be pin-pointed, no disciplinary action could be taken.	19,342
2	Loss representing the value of certain items of vehicles found deficient on receipt in a Vehicle Depot in 1951. The vehicles on receipt were subjected to inspection and a discrepancy report for the deficient items was raised. Responsibility for the discrepant items was not accepted by the consignor. No Court of Inquiry was held and no disciplinary action was taken as it was considered that the loss had occurred during transit.	27,200
3	Two cases of losses (Rs.15,525 and Rs.15,809) on account of damages to certain ordnance stores in a Field Ordnance Depot caused by storm/rain on 5/6th May and 25th May 1955.	31,334

Serial No.	Nature of losses written off with particulars	Amount
	Board of Officers convened to assess the damages on 25th May 1955 and on 13th June 1955 opined that the losses/damages were not due to the fault of anybody.	Rs.
4	Loss on account of deficiencies of certain ordnance stores in an Ordnance Depot revealed during stock-verification in 1954. The deficiencies were attributed to change in condition due to long storage under adverse climatic conditions and wrong identification of the stores in the past. No Court of Inquiry was convened as no theft, fraud or neglect was involved and no individual was held responsible for the loss.	31,407
5	Loss on account of deficiencies and deterioration of certain ordnance stores in an Ordnance Depot revealed during stock-verification in 1953. The loss was attributed to rough handling in transit. No Court of Inquiry was convened as no theft, fraud or neglect was suspected and no individual was held responsible for the loss.	46,452
6	Loss on account of deficiencies of certain ordnance stores in an Ordnance Depot revealed during stock-verification in 1954. The deficiencies were attributed to wrong identification of the stores in the past and technical defects. No Court of Inquiry was convened as no theft, fraud or neglect was involved.	35,440
7	Loss on account of deficiencies in certain ordnance stores in an Ordnance Depot revealed during stock-verification on 6th January 1956. The loss was attributed to late posting of receipt vouchers in account cards. No Court of Inquiry was held and as responsibility could not be pin-pointed, no disciplinary action could be taken. Remedial steps to avoid recurrence of the irregularity resulting in the loss were taken.	23,820
8	Loss representing the value of various types of ammunition in an Ammunition Depot due to heavy rains on 25/26th September 1956. A Staff Court of Inquiry held in March 1958 opined that the loss/damage occurred due to flood water submerging the bottom layer of the ammunition in the sheds and that no one was to be blamed for the loss.	21,060

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
9	Loss on account of damage caused to certain ordnance stores in a Field Regiment by cyclonic storm on 31st May/1st June 1956. A Station Board, which was convened to assess the damage, surveyed the stores on 2nd June 1956 and opined that the loss was attributable to natural causes.	16,582
10	Loss representing the value of stores found deficient in stock-taking held in an Ordnance Depot on 27th March 1955, in connection with reorganization. The stores were received during 1945-46 and were taken on charge after a percentage check. Investigation revealed that the deficiencies were due to short packing of stores in the packages by the consignors in the past. No Court of Inquiry was held as, besides being uneconomical, it was considered to serve no useful purpose. All fresh receipts are now thoroughly checked before taking them on charge with the result that recurrence of deficiencies of this nature has been eliminated.	30,513
11	Two cases of losses (Rs. 1,51,948 and Rs. 15,545) representing the value of 6,020 Covers Water Proof found repairable and 50,839 found unserviceable and 1,05,446 Shorts Mazri Recruits found repairable and 963 found unserviceable in an Ordnance Depot at the time of stock-taking held in November 1952 and December 1951, respectively. Departmental Courts of Inquiry which investigated the losses on 19th August 1954 opined that the losses occurred due to the stores being exposed to adverse weather conditions when they were kept in open storage for years due to paucity of covered accommodation.	1,67,493
12	Loss of stores issued by an Ordnance Depot on payment to various units/formations during 1947 to 1950. The payment issue transactions remained outstanding in the books of the Defence Accounts authorities	24,824

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

Rs.

as the details on the issue vouchers were not correct and it was not found possible to link up any of the transactions with the issues made to the units concerned. No Court of Inquiry was held and no disciplinary action was taken, as the responsibility could not be pin-pointed due to the closure of the depot on 31st July 1950 and the destruction of records in 1955. Suitable instructions have been issued to all Ordnance Depots to ensure that cases relating to outstanding recoveries in respect of payment issues are vigorously progressed. The lay out of payment and book debit issues register has also been revised. Out of a total loss of Rs. 25,095 an amount of Rs. 271 pertains to pre-partition period.

13	Loss representing the value of stores found deficient in a stock-taking held in an Ordnance Depot on 9th May 1951. The loss was investigated by a Court of Inquiry held on 31st January 1953 which opined that the loss was attributable to incorrect stock-taking in the past due to improper stacking of the items over long periods. Disciplinary action could not be taken against any individual as the responsibility for the loss could not be pin-pointed.	1,88,235
14	Loss of stores in an Ordnance Depot found deficient at the time of stock-taking held in January 1956 apparently due to incorrect counting of stores in the past.	54,040
15	Loss representing the value of certain stores found deficient in an Ordnance Depot at the time of stock-taking held in October 1953. A Court of Inquiry which investigated the loss on 24th November 1955 opined that it was due to short receipt of stores in the past and nobody could be held responsible.	16,083
16	Loss representing the value of 107 covers waterproof found deficient on 23rd January 1957 in an Ordnance Depot during stock-taking. While conducting stock-taking	22,683

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	during the stock-taking cycle of 1956-57, the store in question escaped checking due to its segregation from stock for preservation and conditioning, thereby resulting in fictitious deficiency. The store was merged with stock after preservation and conditioning and subsequent stock-taking revealed a surplus of the same quantity of store. The deficiency has been attributed to common human element and no Court of Inquiry was, therefore, held.	
17	Loss representing the value of 198 Engines Assembly found deficient in an Ordnance Depot at the time of stock-taking held in March 1955. The loss was ascribed partly to incorrect counting of stores and partly to incorrect identification of stores in the past. A surplus of equal number of engines was revealed later.	3,96,000
18	Loss representing the value of stores found damaged in a unit in October 1955 due to floods. A Court of Inquiry held on 10th November 1955 opined that the damage occurred due to floods and no one was to be blamed.	27,447
19	Loss representing the value of an item of store found deficient at the time of special stock-taking conducted on 7th August 1956 and 30th March 1957. A Departmental Court of Inquiry held to investigate the loss on 17th April 1957 opined that the loss was fictitious and due to incorrect identification. No individual was held responsible for the loss.	21,462
20	Loss representing the value of 76 Cable Layers Mechanical found deficient in an Ordnance Depot at the time of stock-taking held on 24th February 1954. The loss was attributed to errors in accounting in the past.	2,05,960
21	Loss representing the value of certain stores found deficient in stock in an Ordnance Depot, during the course of stock-taking held on 23rd February 1955. The loss in	51,328

Serial No.	Nature of losses written off with particulars	Amount
	<p>this case was a fictitious one due partly to incorrect surpluses brought on charge and partly to incorrect accounting in the past. A Court of Inquiry held to investigate the loss on 23rd December 1955 held a Leading Hand responsible. No disciplinary action could, however, be taken against him since he had already been discharged from service.</p>	
22	<p>Loss representing value of stores damaged in an Ordnance Depot due to severe storm and heavy rain on 11th March 1953. No Court of Inquiry was held to investigate the case as the loss occurred due to natural calamities and the persons concerned who were working in the depot at the time of loss were discharged or posted away in other depots.</p>	38,081
23*	<p>Loss representing value of stores received prior to partition in an Ordnance Depot found unserviceable during the course of special stock-taking on 6th October 1956. The loss was due to breakage of stores in original factory packed cases. A Departmental Court of Inquiry convened on 22nd April 1957 to investigate the loss found that the factory packing was defective. Nobody could be held responsible for the loss. Suitable remedial measures were taken to avoid the recurrence of such losses.</p>	41,800
QUARTERMASTER GENERAL'S BRANCH		
24	<p>Loss on account of the cost of fodder and stores washed away/damaged at a military farm as a result of flood in August 1957. A Staff Court of Inquiry held on 9th September 1957 opined that the loss/damage occurred due to an act of God and nobody was to be blamed. A strong bund has since been constructed near the stackyard of military farm thus minimising the risk of flood.</p>	24,720
25	<p>Losses representing the value of various types of ammunition in a Supply Platoon in 1951. The losses were detected in the ammunition stores despatched to it by/backloaded from</p>	32,915

* Pertains to the year 1958-59 and the amount has already been included in Appendix 'B' to that year's Appropriation Accounts.

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	<p>it to various formations. Courts of Inquiry to investigate the losses were convened on 7th June 1954, March and April 1955 but they could not proceed with the investigation in the absence of the essential witnesses and records. No disciplinary action could be taken, as the responsibility could not be fixed. Despatches of ammunition are now made under responsible escort entrusted with relevant receipt and issue vouchers and other connected documents in order to obviate the possibility of losses in transit.</p>	
26	<p>Loss representing the value of 15,382 gallons of an operational fuel destroyed by burning at a depot during the period 9th to 11th November 1957. Due to long storage it had become completely unserviceable. No Court of Inquiry was held to investigate the loss, as no element of theft, fraud or neglect was involved.</p>	24,416
27	<p>Loss of mechanical transport gasoline stored in a petroleum depot due to evaporation by breathing in bulk storage tanks during pumping and filling operations and leaking in pack stocks in July 1958. The percentage of loss, which is 0.34 in this case, is within the percentage, <i>viz.</i>, 1% for such losses. The loss was of a recurring nature and was unavoidable. No Court of Inquiry was held, as it was not due to theft, fraud or neglect.</p>	15,100
28	<p>Loss representing the damage caused to certain building/sheds in an Ammunition Depot on account of storm on 8/9th June 1957. A Court of Inquiry held on 3rd September 1958 to investigate the circumstances in which the loss occurred opined that in view of the intensity of the storm and the temporary specification of the buildings, it was unavoidable.</p>	51,461

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
29	Loss due to damage to a vehicle of a Field Company in an accident on 6th March 1957. A Court of Inquiry held on 11th March 1957 to investigate the loss opined that the loss which was due to an accident was not attributable to neglect.	15,929
30	Loss due to damage caused to building/sheds/ installations, Military Engineer Services furniture by storm at a station on 8th June 1958. A Court of Inquiry held on 10th June 1958 to investigate the loss opined that it occurred due to an act of nature and that no individual could be held responsible for the loss.	38,925
31	Loss due to damage caused to buildings/sheds by a cyclone and heavy storm at a station on 29th April and 18th May 1956. A Board of Officers convened on 21st May 1956 to investigate the loss opined that it occurred due to an act of nature and that no individual could be held responsible.	42,521
32	Loss representing the cost of damages to stores and property caused by severe storm and rains on the night of 31st May/1st June 1956 in a Supply Company.	24,915
33	Loss representing the value of 7,621 gallons of Mechanical Transport Gas lost in storage due to evaporation while filling, pumping and breathing at a Reserve Petroleum Depot during November 1957.	21,339
34	Loss representing the value of 21,813 gallons of Mechanical Transport Gas allowed as compensation to private oil companies on account of storage losses for holding 33,55,728 gallons of Mechanical Transport Gas by them during the period from June 1957 to June 1958, in connection with the emptying of two, two million gallon tanks at a Reserve Petroleum Depot. The stock of Mechanical Transport Gas at that time was due for turnover. The oil companies under an arrangement agreed to take over the stocks into their installation and hold them for the Army till it was taken back from them.	57,804

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
35	Loss due to deficiencies in the components of tentage received from an Ordnance Depot, detected on 12th February 1954. A hundred percent check of the tentage could not be carried out due to non-receipt of issue vouchers along with the packages and the pitching of the tents could not be delayed as the troops concerned had already arrived at the station. A Court of Inquiry convened to investigate the loss on 12th February 1954 opined that no responsibility could be fixed on any one and that the discrepancies could be attributed to wrong identification both at the consignor as well as the consignee's ends.	21,436
36	Loss of 8,042 gallons of 80 Mechanical Transport Gas in a Reserve Petroleum Depot due to filling, pumping and breathing during July 1959. The loss was of a recurring nature and was unavoidable. No Court of Inquiry was held, as it was not due to theft, fraud or neglect and as the percentage of loss was within the authorised percentage of evaporation.	20,909
GENERAL STAFF BRANCH		
37	Loss on account of destruction of stores and property of various units of an escort formation caused by floods on 17th July 1954. The Court of Inquiry which investigated the loss in August 1954 attributed it to natural causes.	1,07,883
38	Loss on account of damage to a tank during a training practice in an Armoured Corps unit on 24th June 1957. A Court of Inquiry held to investigate the loss on 9th December 1957 opined that the damage to the tank was caused by overheating due to defective cooling and that it was not possible to pin-point responsibility for the damages. Necessary remedial measures have been taken to avoid recurrence of such cases.	25,000
39	Loss on account of overissue of milk at 1 lb. per diem per recruit of a Signal Regiment during 15th July 1948 to 31st December 1955 in addition to the normal authorised issue	17,559

Serial No.	Nature of losses written off with particulars	Amount
	<p>of 9 ozs. per diem due to misinterpretation of orders. 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 under-nourished recruits on the recommendations of the medical authorities. No Court of Inquiry was held and no one could be blamed. Necessary instructions, clarifying the position have since been issued and there is no likelihood of recurrence of such cases.</p>	Rs.
	ENGINEER-IN-CHIEF'S BRANCH	
40	<p>Loss representing the value of 2,936 Cwts. of cement stacked in an Ordnance Factory godown which got set as the godown was flooded with water due to heavy rains on 8th, 9th and 11th October 1956. A Court of Inquiry convened on 17th April 1957 opined that the loss was attributable to unforeseen heavy rains and that no individual could be blamed for it.</p>	17,264
41	<p>Loss due to deterioration of components of Nissen Huts in an Engineer Division during the period 1954-56. The loss was investigated by two Boards of Officers on 1st October 1955 and 28th December 1956. The second Board of Officers opined that the entire stock was war surplus and had become unserviceable due to long storage in the open as covered accommodation could not be provided. No individual could be blamed for the loss and no disciplinary action was, therefore, taken.</p>	31,569
42	<p>Loss representing damage caused to asbestos cement sheets during transit and long storage in an Engineer Division since 1949. No Court of Inquiry was held as the damage was not due to theft, fraud or neglect. As remedial measures, the movement of asbestos cement products from one station to another has been restricted and the item is progressively being made an item of contractors' supply.</p>	34,134
43	<p>Loss due to fire in a military building on 10th January 1958. The Court of Inquiry held on 20th January 1958 opined that no individual could be blamed for the accidental fire.</p>	15,332

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
44	Loss representing the value of stores found damaged in an Engineer Stores Depot unit due to heavy storm in June 1955. A Staff Court of Inquiry held on 16th April 1956 opined that the loss/damage occurred due to storm and no one was to be blamed.	17,415
45	Loss representing the value of 55 numbers of Water Proof Covers. 94 numbers of these covers were found deficient in 1948 when the stores were unpacked in the depot for taking them in general stock. A Staff Court of Inquiry convened on 17th March 1952 came to the conclusion that the shortage was only 39 numbers as an issue of 55 numbers had not been posted in the ledgers and the value of these 39 numbers was accordingly written off. Subsequently in June 1956 it was found that the issue of 55 numbers had already been posted in the ledger. As only the value of 39 numbers of the Water Proof Covers had been written off previously, the loss of these 55 numbers had also to be regularised. The loss was not due to theft, fraud or neglect.	26,400
46	Loss representing the value of stores found deficient in an Engineer Stores Depot on stock-taking in 1955-56. A Staff Court of Inquiry held in May 1957 opined that the discrepancies had to be viewed in the context of the formation of the depot during the war in 1943-44 when heavy tonnage of stores were received in the depot. Proper accounting and planning of stacking and rezoning of these stores were also not possible at that time due to war conditions. The rezoning/regrouping of stores was done for the first time in 1955-56 and the subsequent stock-verification revealed the discrepancies. No individual was held responsible for the loss in view of the circumstances in which the loss occurred.	25,969
47	Loss representing the value of stores damaged due to storage in the open over a period of 5 years (1954-58). A Board of Officers convened on 23rd June 1958 to investigate the loss opined that the stores were damaged to	16,981

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	some extent at the time of receipt and their condition deteriorated further due to long storage. No individual was held responsible for the loss, as there was no element of theft, fraud or neglect.	
48	Loss representing the value of Coach Screws found unserviceable, below specification and not properly grooved during stock-verification in October 1954. A Board of Officers which assembled on 5th January 1955 investigated the case and no one was held responsible, as the stores were procured during war time.	34,688
49	Loss representing the value of stores found deteriorated in 1956 due to long storage, adverse climatic conditions and nature of stores. The deterioration was detected during depot stock-verification. A Court of Inquiry held on 11th October 1958 and subsequent days did not hold any one responsible for the loss. Remedial measures have been taken for proper storage of such items.	19,964
50	Loss on account of damages to certain Army buildings and perimeter wall by storm on 24th June 1958. A Staff Board of Officers held on 27th June 1958 attributed the damages to heavy rains in June and specially to the storm on 24th June 1958. No individual could be held responsible, as the damages were occasioned by natural causes.	24,326

FACTORIES

51	Loss due to shortages of stores revealed during stock-verification in a Stores Depot in 1948-49. The shortages were investigated by an officer of the Ministry of Works, Housing and Supply who started verification on or about 15th February 1954 and submitted report on 27th April 1954 concluding that they were due to mix-up and wrong classification of stores, weighing error, accounting mistakes and deterioration due to long storage in the open. The lapses were due to shortage of staff and lack of proper	63,801
----	--	--------

Serial No.	Nature of losses written off with particulars	Amount
	<p>supervision on account of frequent change of administrative control of the depot. The then store officer was held responsible for these shortages. No disciplinary action could, however, be taken against him as he had since died.</p>	Rs.
AIR HEADQUARTERS		
52	<p>Loss on account of deficiencies of stores in an Equipment Depot detected during the biennial stock-taking for the period 1953-55. The loss was attributed to inadequacy of staff and large scale transfer of stock items without pre-issue and pre-receipt inspection. A Court of Inquiry held on 11th September 1957 to investigate the deficiencies opined that the loss was not due to theft, fraud or neglect. Suitable instructions to eradicate the common types of omissions and irregularities in stock-taking have been issued. The establishment of the depot has also been adequately increased.</p>	1,01,938
53	<p>Loss on account of deficiencies of stores in an Equipment Depot detected during the biennial stock-taking for the period 1955-57. The loss was attributed to wrong identification and wrong accounting of items during the previous stock-taking, shortage of staff and relevant publications. A Court of Inquiry held on 6th December 1957 opined that the loss was not due to theft, fraud or neglect. To eradicate these defects, the establishment of the depot has been suitably increased. Reorganisation of the sites of the depot so as to ensure correct identification and labelling of items has also been taken in hand.</p>	77,632
54	<p>Loss of stores found deficient in an Equipment Depot of the Air Force during stock-taking in 1952 due to inaccuracies in records. Three Courts of Inquiry were held to investigate the loss, the last one was held on 15th February 1957 which came to the conclusion that the loss was due to incorrect records and wrong tally cards and paper action. Responsibility for the loss could not be pinpointed on any particular individual.</p>	56,194

Serial No.	Nature of losses written off with particulars	Amount
55	Loss representing the value of stores found deficient at the time of biennial stock-taking in an Air Force Equipment Depot during the 1955-57 cycle. A Court of Inquiry held on 12th September 1957 to investigate the loss opined that the deficiencies were not due to theft, fraud or neglect but due to wrong identification of items during previous stock-taking when inexperienced staff were employed on the job of stock-taking. No individual was held responsible. The Court also opined that the deficiencies were fictitious as there were more surpluses than deficiencies. As remedial measures, establishment of the depot has been increased and suitable instructions to eradicate common irregularities detected during previous stock-taking have been issued to the Command Headquarters.	Rs. 25,194
56	Loss representing the value of stores found deficient in an Air Force Depot on biennial stock-taking in 1951-53. A Court of Inquiry held on 15th March 1954 opined that the loss was due to wrong accounting of items during previous cycle of stock-taking and dispersal of stock at various places, shortage of manpower and employment of inexperienced staff. Certain administrative instructions were issued to eliminate cases of wrong identification and also to reduce the incidence of discrepancies during future stock-takings.	28,799
57	Eight cases of losses representing the value of stores found deficient at the time of biennial stock-taking in an Air Force Equipment Depot during the 1953-55 cycle. The Courts of Inquiry held on various dates between 11th January 1955 and 21st October 1957 to investigate the losses opined that the deficiencies were not due to theft, fraud or neglect but due to wrong identification and incorrect accounting, shortage of storage space, deterioration/damage of items while in stock and lack of adequate experienced personnel during the previous stock-taking. No individual was held responsible. As remedial measures, establishment of the depot has been increased and suitable	2,07,334

Serial No.	Nature of losses written off with particulars	Amount
	instructions to eradicate common irregularities and omissions detected during previous stock-taking have been issued to the Command Headquarters.	
58	Loss on account of deterioration of certain aviation stores while in transit from one unit to another. On unloading the consignment from the railway wagons on 24th October 1953 at the consignee's end it was found that 21 out of 510 bales of the store were either wet or completely drenched. Inspection after unpacking revealed that 213 numbers of the stores had become un-serviceable. A claim for the loss was preferred on the Railways who turned it down principally on the ground that the consignment was booked at "Owner's risk". A Court of Inquiry convened on 17th February 1956 and an additional Court of Inquiry held on 31st January 1957 opined that the matter be taken up with Ministry of Railways. But in view of replies already received from the Railway authorities, it was not considered worth-while to pursue the case for compensation.	15,975
59	Loss of stores found deficient in an Equipment Depot on 28th April 1956 at the time of handing/taking over. A Court of Inquiry convened on 2nd July 1956 held that the loss was due to mix-up of depot stock with armament salvage stored in the same shed. No individual was held responsible for the loss.	23,400
60	Loss representing the value of stores found deficient in an Air Force Depot on biennial stock-taking in 1951-53. A Court of Inquiry held on 3rd November 1953 attributed the deficiencies to inadequate manpower for stock-taking, dispersal of stock at different places and accumulation of stores in large quantities for which there had been no turn-over and wrong identification of items during previous cycle of stock-taking. The Court of Inquiry did not hold anybody responsible for the loss. Certain administrative instructions were issued to reduce the incidence of discrepancies during future stock-takings.	38,030

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
61	Loss on account of deficiencies of stores in an Equipment Depot revealed during biennial stock-taking in the 1955-57 cycle. A Court of Inquiry held on 14th October 1957 attributed the deficiencies to improper identification of stock, non-availability of relevant publications, inadequacy of staff and accounting mistakes in the previous stock-taking. No individual was held responsible for the loss.	16,213
62	Loss due to deterioration of stores in an Equipment Depot revealed during a pre-stock-taking inspection in December 1954. A Court of Inquiry held on 14th October 1957 opined that the deterioration was attributable to old age, long storage and improper storage accommodation. No individual could be blamed for the loss as it was not due to theft, fraud or neglect and, therefore, no disciplinary action could be taken.	21,750
63	Loss representing value of stores found deficient in an Equipment Depot during the biennial stock-taking for the period 1953-55. A Court of Inquiry held on 24th October 1956 to investigate the loss opined that it was due to shortage of staff and absence of qualitative check and proper verification during the previous stock-taking. As remedial measure, suitable instructions to eradicate common types of irregularities in stock-taking have been issued.	19,042
64	Loss representing value of an aeroengine found damaged on inspection on 15th April 1955 and declared beyond economical repair. No Court of Inquiry was held as the damage was due to presence of oil in the combustion chamber for which no one was held responsible.	40,000
65	Loss on account of change in condition of stores in an Equipment Depot revealed during biennial stock-taking in the 1953-55 cycle. A Court of Inquiry held on 13th April 1957 opined that the deterioration	15,195

Serial No.	Nature of losses written off with particulars	Amount
	<p>was caused by shortage of personnel, unsuitable climatic and storage conditions and leaking of roofs. No individual was held responsible for the loss. Periodical inspections are being regularly carried out to avoid the recurrence of such losses.</p>	Rs.
66	<p>Loss representing the cost of clothing stores despatched from one Air Force formation to another. The stores were found to differ qualitatively on unpacking in the consignee unit. Two Courts of Inquiry held on 18th January 1956 and 15th June 1957 opined that the loss was attributable to deterioration under unsatisfactory storage conditions during the period 1946-52 in the consignor unit. No individual was held responsible for the loss. Remedial measures like provision of sufficient steel and wooden almirahs, periodical turnover and proper preservation of items have been taken to avoid the recurrence of such losses.</p>	19,093
NAVAL HEADQUARTERS		
67	<p>Loss representing deficiencies in permanent and consumable Naval stores discovered during destoring of a ship in 1956-57. A Court of Inquiry was not considered necessary, as no malpractice or fraud was suspected.</p>	53,491
68	<p>Loss representing the value of stores found deficient or unserviceable, including the estimated cost of repairing the repairable items, during stock-verification in a Spare Parts Distributing Centre during 1952 to 1955. A Court of Inquiry was not considered necessary as the loss was not due to theft, fraud or negligence on the part of any individual.</p>	40,234

Serial No.	Nature of losses written off with particulars
---------------	---

III. Losses monetary value of which could not be assessed.

MASTER GENERAL OF ORDNANCE BRANCH

- 1 Loss resulting from the non-accounting of petrol issued with the vehicles received in an Ordnance Depot during the period 1951-55, in accordance with the prescribed procedure. No Court of Inquiry was held as it was considered to be of no avail at the belated stage. To avoid recurrence of such irregularities, the depot has been instructed to insist for separate petrol, oil and lubricants vouchers from consignor and take on charge the quantity of petrol vouchered over in accordance with the existing instructions.

QUARTERMASTER GENERAL'S BRANCH

- 2 Loss resulting from omission to lease grazing/grass cutting rights of vacant military land prior to 1951-52. The land was used by unauthorised persons for grazing their cattle. As the responsibility for disposal of grazing/grass cutting rights of the land was not clear, no officer could be held responsible for the loss. A Court of Inquiry was, therefore, not held. Responsibility for disposal of grazing/grass cutting rights from Military lands has since been fixed and irregularity of this nature is not likely to recur.

AIR HEADQUARTERS

- 3 Irregular issues of special flying rations to aircrew on "per landing" basis instead of "per day" basis and drawal of certain items of special flying rations to make good the previous underdrawals in two Air Force formations during the periods January 1949 to 11th November 1956 and January 1949 to 31st March 1958.

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 1959-60.

NIL

APPENDIX D

Statement of ex-gratia payments exceeding Rs. 20,000 in each case made during the year 1959-60.

NIL

APPENDIX E

Balances outstanding under the head "Suspense" on the 31st March 1960 and their

1952-53	1953-54		1954-55		1955-56		1956-57		1957-58		1958-59		
Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
15,08,95,000..	22,17,000	8,64,821	5,64,000..	3,07,000	..	..	9,827	(-)	21,833	22,553	

Analysis by years of the amounts outstanding in columns 21 and 22 and Credits (Column 21)

Year	Item No.	Amount	Details
		Rs.	
1952-53	1	10,08,95,000	Represents the balance of amount kept out of the sale proceeds of surplus and obsolete stores to meet storage and custodial charges.
1954-55	2	22,17,000	
1955-56	3	5,64,000	
1956-57	4	3,07,000	
1958-59	5	(-)8,829	Represents the difference between Daily Payment Sheets and Schedule III.
1959-60	6	23,477	Represents amounts credited in the cash accounts of Naval Ships/Formations on account of payments due to certain individuals pending disbursement through the accounts for 1960-61.
	7	1,907	Represents the difference between Daily Payment Sheets and Schedule III.

10,39,99,555

APPENDIX G

Statement showing variation between the year's Original Allotment and Expenditure in respect of works carried out during the year 1959-60.

Serial No.	Description of work	Original Allotment	Actual Expenditure	Variation	Remarks
1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
INSTANCES OF UNDER-SPENDING THE ALLOTMENTS					
1.	Provision of accommodation for a field regiment at a military station.	10,00,000	4,33,328	5,66,672	Due to :— (1) Late conclusion of contract on account of high tendered rates in the first instance. (2) Non-conclusion of contracts during the year. (3) Non-receipt of stores (4) Liabilities not discharged during the year.
					3,11,000 1,82,000 56,000 17,672 <hr/> 5,66,672
2.	Lengthening of runway at an Air Force station.	12,00,000	6,77,000	5,23,000	Due to :— (1) Area drainage work having been held over on account of delay in canalisation of a stream-let under construction by the State Public Works Department.
					3,60,000

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
					(2) Non-payment of a final bill due to defects noticed in the work and late submission of the bill by the contractor with claims which are under consideration.
					1,63,000
					<u>5,23,000</u>
3. Construction of a bulk-cum-pack petroleum installation at a military station.	5,00,000	3,13,448	1,86,552	Due to :—	
				(1) Non-conclusion of contracts.	1,82,000
				(2) Non-receipt of bills.	3,225
				(3) Non-receipt of debit for freight charges.	1,327
					<u>1,86,552</u>
4. Expansion of hospital at a military station.	6,00,000	4,66,814	1,33,186	Due to :—	
				(1) Non-conclusion of contracts :—	
				(a) On account of non-availability of site.	30,000
				(b) Due to high tendered rates.	20,000
					<u>50,000</u>
				(2) Non-receipt of cement	25,000

(3) Non-payment of a final bill.	46,000
(4) Non-receipt of debits due to non-payment of bills by the Pay Accounts Officer.	6,600
(5) Non-receipt of bills from the Pay Accounts Officer.	4,510
(6) Non-receipt of debit for freight charges.	685
(7) Other minor variations	391
	<hr/>
	1,33,186
	<hr/>

5. Provision of accommodation for an Infantry Battalion at a military station.

13,00,000

9,40,998

3,59,002

Due to :—

(1) Over-estimation.	3,00,000
(2) Non-conclusion of contracts on account of high tendered rates.	25,000
(3) Non-payment of final bills during the year.	17,000
(4) Non-receipt of debit due to non-payment of a bill by the Pay Accounts Officer.	8,000
(5) Reduction in quantities provided provisionally in the contract.	9,002
	<hr/>
	3,59,002
	<hr/>

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
6. Provision of additional works services at an Air Force station.		14,72,000	11,36,854	3,35,146	Due to :— (1) Non-payment of final bills. 1,20,000 (2) Non-receipt of stores. 29,550 (3) Non-receipt of debit for freight and siding charges. 35,596 (4) Non-utilization of provision for contingencies. 1,50,000 <hr/> 3,35,146
7. Provision of a new runway main and allied works at an Air Force station.		7,32,000	3,24,956	4,07,044	Due to :— (1) Reduction in the scope of work. 1,84,000 (2) Deferment of a portion of work. 1,70,000 (3) Low tendered rates. 15,000 (4) Non-receipt of stores. 11,000 (5) Non-receipt of bills for cement. 9,000 (6) Non-receipt of debit for freight and siding charges. 18,044 <hr/> 4,07,044
8. Construction of '50' married Officers' quarters at an Air Force station.		16,00,000	15,86,346	13,654	Due to :— (1) Non-receipt of debit for stores. 7,245 (2) Non-receipt of debit for freight charges. 3,873 (3) Non-payment of a final bill. 2,536 <hr/> 13,654

9	Provision of a bulk petrol tank at a military station.	13,00,000	5,92,473	7,07,527	Due to :—	
					(1) Non-conclusion of contracts.	4,70,000
					(2) Non-payment for stores received late in the year .	1,94,820
					(3) Non-receipt of stores.	28,816
					(4) Non-payment of bills.	13,891
						<hr/>
						7,07,527
						<hr/>
10	Provision of covered accommodation and ancillaries for 'A' and 'B' vehicles at a military station.	15,00,000	9,02,000	5,98,000	Due to :—	
					(1) Non-conclusion of contract due to revision of administrative approval owing to changes in the lay out of the depot.	4,70,000
					(2) Non-receipt of firm sanction for purchase of furniture.	37,000
					(3) Non-payment of a final bill .	91,000
						<hr/>
						5,98,000
						<hr/>
11	Provision of additional accommodation for 'A' vehicles at a military workshop.	14,00,000	13,35,170	64,830	Due to :—	
					(1) Non-receipt of stores.	11,530
					(2) Non-payment of a final bill .	21,560
					(3) Slow progress of work by the contractors.	19,624
					(4) Non-adjustment of debits/charges.	2,986
					(5) Non-receipt of debits for freight charges.	9,130
						<hr/>
						64,830
						<hr/>

1	2	3	4	5	6	Rs.
12	Provision of 20 married officers' quarters at a military station.	6,00,000	3,52,106	2,47,894	Due to late conclusion of contracts on account of change in the site for two quarters.	Rs.
13	Provision of pre-fabricated structures in an ordnance depot.	10,00,000	7,81,586	2,18,414	Due to :— (1) Late conclusion of contract as the site was not made available by the users. (2) Non-adjustment of vouchers.	2,00,000
						<u>18,414</u>
						<u>2,18,414</u>
14	Provision of accommodation at a military station.	21,58,000	17,62,801	3,95,199	Due to :— (1) Excessive provision of funds. (2) Non-payment of final bill of a supplier. (3) Liabilities not cleared during the year.	3,64,600
						25,823
						4,776
						<u>3,95,199</u>
15	Provision of accommodation for troops at a military station.	25,17,000	25,15,311	1,689	Due to non-clearance of liabilities during the year.	
16	Purchase of a building at a military station.	9,50,000	..	9,50,000	Due to non-finalisation of the sale deed as the owner of the building is minor.	

17	Provision of permanent domestic and technical accommodation for a Wing Headquarters and one Twin Engined Transport Squadron at an Air Force station.	26,00,000	24,52,308	1,47,692	Due to non-payment of final bills on account of their late/non-submission to the accounts authorities.	
18	Provision of covered accommodation for vehicles in a depot.	7,00,000	4,59,245	2,40,755	Due to:—	
					(1) Receipt of more stores in the preceding year resulting into lesser expenditure.	1,50,000
					(2) Low tendered rates.	52,893
					(3) Non-conclusion of contracts for certain works as priority was shifted to other special repairs.	37,862
						<u>2,40,755</u>
19	Provision of accommodation for an Ordnance Depot.	6,00,000	3,37,321	2,62,679	Due to excessive provision of funds.	
20	Provision of 46 'E-1' type officers' quarters at a military station.	10,00,000	9,10,000	90,000	Due to slow progress of work on account of shortage of bricks at the station.	
21	Construction of 100 'H' & 'J' type quarters at an ordnance factory.	5,50,000	5,22,037	27,963	Due to:—	
					(1) Non-execution of a portion of work.	25,128
					(2) Lesser expenditure on stores than anticipated.	2,835
						<u>27,963</u>

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
22	Provision of accommodation for an Armoured Brigade at a military station—Phase I.	30,00,000	19,45,848	10,54,152	Due to:— (1) Late conclusion of contracts on account of delay in the acquisition of land. 71,152 (2) Delay in finalisation of specifications for heavy duty roads. 4,00,000 (3) Reduction in the scope of sewage disposal works. 3,33,000 (4) Difference between sanctioned and detailed estimate. 2,50,000 <hr/> 10,54,152
23	Provision of accommodation for an Armoured Brigade at a military station—Phase II.	10,00,000	9,43,993	56,007	Due to:— (1) Diversion of funds to two newly sanctioned works. 55,000 (2) Sundry reasons. 1,007 <hr/> 56,007
24	Provision of married accommodation for Junior Commissioned Officers and Other Ranks and garages for an Infantry Battalion at an Army station.	6,00,000	3,66,523	2,33,477	Due to failure of the contractors to execute work and consequent termination of contracts.

(7) Non-provisioning of furniture during the year owing to delay in the completion of the concerned buildings.	22,000
(8) Non-receipt of full quantity of cement in the last quarter of the year.	20,000
(9) Transfer of stores to another project.	4,728
(10) Non-payment of a bill for cement by the Pay Accounts Officer.	2,816
	<hr/>
	4,71,209

Less:—

(1) Greater expenditure on works establishment than anticipated.	1,362
(2) Omission to demand funds for an adjustment	<u>24,578</u>
	<hr/>
	—25,940
	<hr/>
	4,45,269
	<hr/>

28 Provision of permanent accommodation and ancillary services for Army Units—Phase I. 9,00,000 8,25,224 74,776

Due to:—

(1) Diversion of funds to another work to cover payments necessitated by accelerated progress on that work.	50,000
(2) Non-receipt of credit notes for adjustment during the year.	2,040

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
					(3) Non-receipt of Central Purchase Bills from the Pay Accounts Officer. 7,240
					(4) Non-receipt of a debit. 1,600
					(5) Credit on transfer of unwanted stores. 13,896
					74,776
29	Provision of permanent accommodation for Army Units—Phase II.	5,00,000	3,53,335	1,46,665	Due to:—
					(1) Delay in the conclusion of contract owing to policy change in specification. 1,41,144
					(2) Non-receipt of a Central Purchase Bill. 5,354
					(3) Non-receipt of a credit note for adjustment. 167
					1,46,665
30	Provision of permanent accommodation for a Signal Training Centre at a military station—Phases I and II.	14,00,000	13,29,681	70,319	Due to diversion of funds to other works.
31	Provision of accommodation for the Electrical and Mechanical Engineer Centre at a military station.	8,00,000	6,45,790	1,54,210	Due to:—
					(1) Non-conclusion of a contract owing to re-location of certain units of the centre. 25,949

				(2) Reduction in the scope of work.	24,051
				(3) Defective planning resulting in late acceptance of contracts.	1,00,000
				(4) Non-payment of Central purchase bills.	3,491
				(5) Non-adjustment of freight charges.	719
					<hr/>
					1,54,210
					<hr/>
32	Provision of permanent accommodation for Army units at a military station.	5,00,000	4,46,809	53,191	Due to non-provisioning of furniture during the year owing to late receipt of amendment to the administrative approval.
33	Provision of permanent accommodation for Defence Services Staff College—Phase II.	6,05,000	3,13,735	2,91,265	Due to:—
					(1) Release of lesser work for execution during the year than anticipated.
					4,05,000
					(2) Partly counter-balanced by
					(1) Accelerated progress of work.
					72,735
					(2) Cost of crawler tractors transferred to the project.
					41,000
					<hr/>
					—1,13,735
					<hr/>
					2,91,265
					<hr/>
34	Extension and strengthening of runways at an Air Force station.	40,00,000	17,00,000	23,00,000	Due to slow progress of work by the contractor.
35	Air conditioning of storage sheds at an Air Force station.	6,00,000	5,04,495	95,505	Due to late conclusion of a contract owing to retendering.

1	2	3	4	5	6	
		Rs.	Rs.	Rs.	Rs.	
36	Provision of permanent domestic and technical accommodation for an Universal Equipment Depot at an Air Force station—Phase I.	35,00,000	24,09,858	10,90,142	Due to:—	
					(1) Late receipt of the approval confirming the items originally sanctioned as provisional in the administrative approval.	1,60,000
					(2) Non-acquisition of land.	65,000
					(3) Time taken in the reconciliation of the discrepancies in the plinth areas sanctioned in the administrative approval and those shown in the drawings prepared by the Director General of Works.	1,00,000
					(4) Non-receipt of stores during the year.	2,00,000
					(5) Non-finalisation of drawings for certain buildings by users.	2,00,000
					(6) Non-conclusion of contracts owing to high rates received on two occasions.	1,00,000
					(7) Delay in completion of a portion of work owing to—	2,65,142
					(a) Non-availability of certain stores; and	
					(b) Non-finalisation of a design for a lightning protection system.	
						10,90,142

37	Construction of 304 'H' and 192 'J' type quarters at an Ordnance Factory.	20,00,000	18,57,079	1,42,921	Due to:—	1,11,600
					(1) Non-execution of work relating to external electrification by an electric supply company as the estimates submitted by the company could not be finalised during the year	
					(2) Non-receipt of debits for stores purchased through Rate Running Contract.	36,820
					(3) Other minor reasons.	5,061
					(4) Partly counterbalanced by the debits for civil credit notes not anticipated during the year.	—10,560
						<hr/> 1,42,921 <hr/>
38	Construction of 400 'H' type quarters at an Ordnance Factory.	15,50,000	14,82,938	67,062	Due to retarded progress of work on account of site condition.	
39	Provision of long proof range outside an Ordnance Factory and modifications to medium and short proof ranges inside the factory.	8,00,000	1,84,547	6,15,453	Due to non-finalisation of acquisition of land.	

1	2	3	4	5	6	Rs.
40	Construction of a Naval Armament Depot.	17,05,000	14,61,650	2,43,350	Due to:— (1) Slow progress of work by the contractor. (2) Diversion of stores to another project. (3) Non-receipt of an Inter Departmental Schedule.	92,303 74,000 77,047 <hr/> 2,43,350
41	Provision of a permanent joint Army and Navy Transmitting station.	15,00,000	3,78,782	1,21,218	Due to non-receipt of debit for cost of land.	
42	Provision of accommodation for an Inland Water Transport Company etc. at a military station.	9,00,000	6,59,928	2,40,072	Due to non-finalisation of acquisition of land.	
43	Provision of additional domestic accommodation for a Wing Headquarters and extension of runway at an Air Force station.	20,00,000	15,85,047	4,14,953	Due to:— (1) Lesser funds required by the Public Works Department for cost of road and land, than anticipated. (2) Non-purchase of furniture during the year due to non-receipt of amendment to the administrative approval.	98,000 40,000

(3) Non-conclusion of contract for swimming pool on account of non-finalisation of contract for filtration plant and design.	30,000
(4) Non-availability of Well-boring Platoon for boring the tube-well.	35,000
(5) Late receipt of sanction for revised scheme for external electrification.	50,000
(6) Suspension of work due to revision of design for foundations.	40,000
(7) Late receipt of intimation regarding exact scope of a portion of work from the users.	70,000
(8) Change in policy, <i>i.e.</i> , decision to build static tanks for fire fighting instead of fire hydrants.	51,953
	<hr/> 4,14,953 <hr/>

44 Provision of accommodation for troops at a military station. 47,25,000 33,92,003 13,32,997

Due to:—	
(1) Late receipt of bills from the Pay Accounts Officer.	4,02,000
(2) Lesser receipt of stores through the Director General of Supplies and Disposals.	4,57,000
(3) Lesser procurement of iron and steel during the year.	5,58,000
(4) Lesser receipt of stores from the Engineer Depot.	34,000
	<hr/> 14,51,000

1	2	3	4	5	6	Rs.
		Rs.	Rs.	Rs.	(5) Less expenditure incurred on construction and purchase of stores not included in the programme.	—1,18,003
						<u>13,32,997</u>
45 Provision of married quarters for Ratings at a Naval station—Phase IV.	10,67,000	10,58,270	8,730	Due to non-receipt of a Central Purchase voucher.		
46 Provision of a spare parts distribution centre at a Naval station.	5,66,000	3,92,456	1,73,544	Due to:— (1) Non-receipt of debit for cement. (2) Non-payment of a final bill expected to be paid during the year. (3) Erection of cranes not carried out as cranes were not received. (4) Less expenditure out of provision for establishment charges. (5) Defective planning. (6) Receipt of lesser debit for railway works than anticipated.	3,494	76,000
						15,000
						15,000
						58,050
						6,000
						<u>1,73,544</u>

57	Provision of permanent accommodation for a Petroleum Contract Platoon at a military station.	4,00,000	6,50,053	2,50,053	Due to accelerated progress of work.	
58.	Provision of accommodation for a workshop at a military station.	4,00,000	5,16,217	1,16,217	Due to inadequate provision of funds.	
59.	Provision of covered accommodation for stores/vehicles in a depot at a military station.	18,00,000	30,45,399	12,45,399	Due to inadequate provision of funds and accelerated progress of work.	
60.	Provision of accommodation for Army units at a military station—Phase II.	10,00,000	20,49,460	10,49,460	Due to execution of works not originally anticipated.	
61.	Provision of works services in connection with permanent location of a Conversion and Training Unit at an Air Force station.	8,00,000	9,60,732	1,60,732	Due to :—	
					(1) Payment of a final bill not anticipated to be finalised during the year.	85,561
					(2) Payment of bills for cement during the year, earmarked for payment in the earlier year but not paid in that year.	26,679
					(3) Necessity for execution of additional works not anticipated originally.	36,726
					(4) Conclusion of a contract at rates higher than those anticipated.	16,580

1,65,546

1	2	3	4	5	6	
		Rs.	Rs.	Rs.		Rs.
					(5) Partly counterbalanced by non-receipt of debits.	—4,814
						<u>1,60,732</u>
62. Provision of works services for an Armament Training Wing at an Air Force station Phase III.	30,00,000	54,19,344	24,19,344	Due to accelerated progress of work.		
63. Construction of 270 'J' type quarters at a Factory estate.	7,00,000	9,87,751	2,87,751	Due to accelerated progress of work.		
64. Construction of 200 'H' type quarters at an Ordnance Factory.	4,50,000	7,80,668	3,30,668	Due to accelerated progress of work.		
65. Naval Dockyard Expansion Scheme.	1,87,00,000	2,03,99,597	16,99,597	Due to :— (1) Accelerated progress of work. (2) Inadequate provision of funds.	16,41,384 58,213	
						<u>16,99,597</u>
66. Construction of technical accommodation at a Factory.	7,00,000	7,19,495	19,495	Due to lesser provision of funds.		
67. Provision of a Naval Stores Depot.	12,08,000	12,94,348	86,348	Due to accelerated progress of work.		

APPENDIX H

Statement showing variations between the original estimates and actual final costs in respect of works completed during the year 1959-60

Serial No.	Description of work	Original Estimate	Final cost	Variation	Remarks.	
1	2	3	4	5	6	
		Rs.	Rs.	Rs.	Rs.	
EXAMPLES OF SAVINGS						
1.	Construction of two separate single-storeyed buildings for a High School and a Primary School complete with services at an Ordnance Factory.	6,02,600	5,59,951	42,649	Due to :— (1) Low tendered rates (2) Non-utilization of provision for contingencies. (3) Savings on an item	8,289 28,161 6,199
						42,649
2.	Construction of 30 'F' type quarters at an Ordnance Factory.	7,76,285	6,91,416	84,869	Due to :— (1) Low tendered percentage, i.e., 129.5% against 150% provided in the estimate. (2) Non-utilization of provision for contingencies.	48,598 36,271
						84,869

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
3. Patch repairs to 1936 temporary quarters at an Ordnance Factory estate.		11,65,000	9,71,690	1,93,310	Due to low tendered rates.
4. Provision of reserve storage of mechanical transport fuel for Army.		7,00,500	6,95,808	4,692	Due to non-utilization of provision for contingencies.
5. Provision of permanent accommodation for the Defence Services Staff College—Phase I.		27,09,700	24,35,618	2,74,082	Due to :— (1) Low tendered rates 2,13,595 (2) Non-utilization of provision for contingencies. 37,245 (3) Non-utilization of provision for establishment charges. 1,530 (4) Savings on site condition 4,356 (5) Savings on external services. 17,356 <hr/> 2,74,082
6. Provision of permanent accommodation for the Armed Forces Medical College.		34,78,000	30,16,728	4,61,272	Due to :— (1) Reduction in the scope of work 1,86,946 (2) Low tendered rates. 1,35,249

(3) Receipt of credits larger than estimated from demolished buildings. 10,264

(4) Reduction in the length of a road due to site conditions. 7,614

(5) Non-utilization of provision for tools and plants. 15,543

(6) Non-utilization of provision for contingencies. 1,42,769

4,98,385

Less—

(1) Excess on account of provision of steel racks instead of wooden ones sanctioned originally. 31,093

(2) Excess on area drainage due to site conditions. 2,567

(3) Excess on provision for establishment charges. 3,453

37,113

4,61,272

1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
7 Provision of married accommodation for 600 Non-Commissioned Officers/ Other Ranks at an academy.		50,08,000	46,18,740	3,89,260	Due to :— (1) Non-utilization of provision for contingencies 2,25,000 (2) Non-utilization of provision for establishment 52,260 (3) Changes in specifications 1,12,000 <hr/> 3,89,260
8 Provision of furniture for certain buildings at an academy.		20,98,700	19,49,054	1,49,646	Due to :— (1) Non-utilization of provision for contingencies 80,000 (2) Low tendered rates 35,000 (3) Savings on certain items 34,646 <hr/> 1,49,646
9 Works relating to arboriculture, soil conservation and afforestation at an academy.		5,31,000	5,08,038	22,962	Due to non-utilization of provision for contingencies.
10 Provision of accommodation for a workshop and a laboratory at an academy.		27,25,600	26,19,329	1,06,271	Due to non-utilization of provision for contingencies.

APPENDIX I

Statement showing cases of non-maintenance or irregular maintenance of accounts condoned by Government of India during 1959-60.

Serial No.	Nature of irregularity
MASTER GENERAL OF ORDNANCE BRANCH	
1	Non-linking of twelve certified receipt vouchers with consignor's issue vouchers in an Ordnance Depot pertaining to the period 1st April 1950 to December 1952.
2	Improper maintenance of accounts in respect of milk issued to lead painters in an Ordnance Depot prior to 1st April 1951.
3	Non-linking of a certified receipt voucher dated 22nd May 1958 with consignor's issue voucher in an Ordnance Depot.
4	Non-compliance of prescribed accounting procedure for the receipt of stores from workshops after repairs and conditioning in an Ordnance Depot for the period 1945 to March 1950.
GENERAL STAFF BRANCH	
5	Non-production for audit of car diary of a staff car containing records for the period 19th July 1957 to 12th January 1958 belonging to a formation consequent on its loss on 10th May 1958. A Court of Inquiry convened on 21st May 1958 held a sepoy responsible for negligence and he was awarded 14 days' imprisonment in Military Custody.
6	Non-preparation and non-production of the actual labour procuring agents' receipts for the labour commission paid to them during June 1949 to March 1950 by certain Army units.
QUARTERMASTER GENERAL'S BRANCH	
7	Non-production of car diary containing records for the period 1st January to 27th February 1958 of a motor cycle belonging to an Army Supply Corps Platoon for audit consequent on its loss on 27th February 1958. A Court of Inquiry convened on 14th March 1958 held the driver responsible who was awarded seven days' detention. The cost of the panier bag in which the car diary was held was also recovered from the driver.
8	Non-production of vouchers pertaining to stores issued by one Army Supply Corps Platoon to another on 21st April and 24th October 1948.
ENGINEER-IN-CHIEF'S BRANCH	
9	Irregular maintenance of packing material accounts by an Armoured Division during 1952 to 1954. On objection having been raised in internal audit on 30th April 1954, all the packing material was taken on ledger charge by recasting of vouchers on 10th May 1954. The accounts could not be maintained correctly as the unit was employed in concentration area during the period concerned.

Serial No.	Nature of irregularity
10	Non-maintenance of certain records in connection with the operational works and maintenance services carried out by a State Public Works Department in 1948.
11	Loss of car diary of a motor cycle for the period 8th March 1956 to 25th March 1957 in an Engineer Division on 25th March 1957.
12	Non-maintenance of public clothing accounts and packing material accounts during the period 26th March 1955 to September 1957 and April 1954 to January 1958 respectively by a Field Engineer Unit.
13	Non-production of certain issue vouchers, sale accounts etc. for audit verification in an Engineer Division during 1950 to 1953.
14	Improper maintenance of store accounts of a project for the period December 1946 to August 1948 by an Engineer Division. A Staff Court of Inquiry was held on 10th March 1952. Six individuals were found responsible for neglect of duty but no disciplinary action could be taken against them as five individuals were no longer in service. The sixth one had already been reverted and no further action was recommended against him.
15	Non-maintenance of Vehicle Daily Return Account for construction plant and machines during the period September 1955 to October 1956 by an Engineer Construction Company.

NATIONAL CADET CORPS DIRECTORATE

16	Improper/non-maintenance of Repair Book by two National Cadet Corps Battalions during the period 1st June 1955 to 31st March 1957 and May 1956 to 31st March 1957 respectively.
17	Non-endorsement of monthly stock verification certificate in the folios relating to repair/cleaning materials in an expendible store ledger during the period 1st June 1955 to 30th June 1957.

NAVAL HEADQUARTERS

18	Non-production of vouchers for the purchases made by two Defence Security Platoons attached to a Naval Establishment during the years 1951-52 and 1952-53.
19	Irregular maintenance of amenity stores ledger by a Defence Security Platoon attached to a Naval Establishment during the years 1953-54 and 1954-55.
20	Non-maintenance of the Cinema Register in a Naval Training Establishment indicating the number of tickets sold and proportionate amount due to Government during the period 25th October 1956 to 4th June 1957.

AIR HEADQUARTERS

21	Non-production of records relating to the use of Service transport by officers and living-out Airmen pertaining to the period prior to 1st July 1951 in an Air Force formation.
----	---

COMMERCIAL APPENDIX



REVIEW OF THE ACCOUNTS OF MANUFACTURING CONCERNS OF THE DEFENCE SERVICES FOR THE YEAR 1959-60

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 11,87,740 lbs. of bread at an average cost of Rs. 26.84 per 100 lbs. as against 12,44,703 lbs. produced during the previous year at an average cost of Rs. 25.91 per 100 lbs. Thus there has been a decrease in the output of bread to the extent of 4.58% in comparison with the previous year.

3. In all, seven bakeries functioned during the year 1959-60, *i.e.*, the same as in the preceding year. The increase in the average cost of production during the period under review was mainly on account of a general increase in the rates of ingredients.

4. The bulk and retail market rates of bread available at the various stations at which Army Service Corps Bakeries functioned during the year ranged from Rs. 30 to Rs. 50 and Rs. 31 to Rs. 50 per 100 lbs., respectively. The minimum and maximum production costs of bread in the Army Service Corps Bakeries during the year were Rs. 24.13 and Rs. 53.36 per 100 lbs., respectively while payment issue rates ranged from Rs. 31 to Rs. 41 per 100 lbs. As in the previous year, the main reasons for the large variation in the maximum and minimum rates of production were (i) high overhead charges in relation to low output at the bakeries in Jammu and Kashmir, and (ii) consumption of more firewood, charcoal, etc. due to use of Field Ovens there.

NAVAL BAKERIES

5. During the year 1959-60, the Naval Bakeries produced 8,13,133 lbs. of bread at an average cost of Rs. 24.74 per 100 lbs. as against 8,34,302 lbs. at an average cost of Rs. 24.41 per 100 lbs. during the year 1958-59.

6. In all, five bakeries worked during the year 1959-60, *i.e.*, the same number as in the preceding year. There was a decrease in the output of bread to the extent of 2.54% as compared to the production of the previous year. There was an increase in the cost of production of bread to the extent of 1.35% in the year 1959-60 over that for the year 1958-59. This was on account of the increased expenditure on stores consumed owing to the general rise in the cost of ingredients.

7. The bulk and retail market rates of bread at the various stations at which the Naval Bakeries functioned varied from Rs. 25 to Rs. 64 and Rs. 31 to Rs. 72 per 100 lbs., respectively. The payment issue rates during the year ranged from Rs. 30.03 to Rs. 34.26 per 100 lbs. The minimum and maximum production costs of bread in the Naval Bakeries were Rs. 23.88 and Rs. 27.73 per 100 lbs., respectively.

MILITARY FARMS

8. 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, and (b) to provide fodder to the animals of the Army.

9. The break-up of the total issues of milk during 1959-60 under different categories is as under :—

(In lakhs of pounds)

Cow's milk	. . . . .	136.93
Buffalo's milk	. . . . .	9.78
Standard milk	. . . . .	34.97
Blended milk	. . . . .	432.69
TOTAL	. . . . .	614.37

10. The quantities of the principal items of dairy produce issued as part of ration to Defence Services and sold to other customers during the period under review compared with those for the year 1958-59 are as under :—

(In lakhs of pounds)

Year	Milk	Butter	Cream
<i>Free issues to troops and hospitals</i>			
1958-59	599.18	1.15	0.38
1959-60	564.76	1.26	0.35
<i>Payment issues to other Government institutions</i>			
1958-59	6.96	0.13	0.002
1959-60	6.52	0.10	0.002
<i>Payment issues to other customers</i>			
1958-59	29.93	1.52	0.12
1959-60	43.09	1.59	0.11

11. Issues on payment to entitled customers are made at concessional rates which are lower than the cost of production of milk at the Farms. These concessional rates were introduced with effect from 1st February 1957 in order to encourage the sales of milk, as prior to that date surplus milk was being disposed of at a loss after conversion into ghee. The difference between the cost of production/purchase and sale realisation from payment issues during the year 1959-60 estimated to amount roughly to Rs. 7.8 lakhs is absorbed in the trading results of the Farms. The increase in the quantity of payment issues of milk as mentioned in the preceding paragraph is attributable to the concessional payment issue rates introduced in 1957.

12. In accordance with the rules in force during the period under review Military Farms were entitled to charge from the demanding units for the minimum stipulated quantity even if it were not drawn by them to the full extent, as also to charge one-third higher for the quantities drawn by the units above the stipulated maximum. It has, however, been decided recently in consultation with audit that this procedure would be discontinued with effect from 1st April 1960.

13. The trade during the year resulted in a net loss of Rs. 89,100 against a profit of Rs. 20.30 lakhs during the year 1958-59. The break-up of the net profit/loss by Commands is as follows:—

(In lakhs of rupees)		
Command	1958-59	1959-60
Southern Command	6.80	—2.70
Eastern Command	—1.73	—4.31
Western Command	15.23	+6.12
TOTAL	20.30	—0.89

14. The net loss incurred during the year 1959-60 is attributed chiefly to the following causes :—

- (a) Increase in the cost of feeding the animals due to increased rates of grains and concentrates.
- (b) Increase in the average strength of the animals in the Military Farms which resulted in an increase in the feeding charges but did not result in increase in the production of milk because of:—
 - (i) higher incidence of disease during the year ;
 - (ii) general lower yield due to back crossing of cross bred cows ; and
 - (iii) poorer fertility among the animals.
- (c) Increase in the expenditure on staff due to annual increments for those on monthly wages and employment of additional staff on monthly wages as against casual labour.
- (d) Purchase of fresh milk by the Military Farms from the local markets at higher rates.
- (e) Reduction in sales due to move of troops from peace stations to operational areas which was not fully offset by reduction in purchases of fresh milk and milk powder nor by realisations from the sale of other milk products like butter, cream, etc.

15. The payment issues of milk to other customers during the year constituted 7.01 per cent of total quantity of this item issued by the Farms.

16. The value of buildings, machinery and live-stock written down during the year is as follows:—

(In lakhs of rupees)	
Buildings	2.73
Plant and machinery	3.87
Livestock	5.47
TOTAL	12.07

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

Milk	Butter	Cream
Rs. nP	Rs. nP	Rs. nP
0 36	2 88	2 94

18. It is not possible to make a useful comparison of the rates with those charged by private firms as the issues from the Dairy Farms consist of pasteurised/blended/standard/cow/buffalo milk deliverable to the customers in proper containers.

19. The current pricing policy and accounting system are, however, under review in connection with the recommendations of an Expert Committee which was appointed in 1958.

CANTEEN STORES DEPARTMENT (INDIA)

20. The turnover of the Department during the year was Rs. 4,70,03,818 which showed an increase of Rs. 44,74,251 (representing 10.52%) over the previous year's turnover of Rs. 4,25,29,567.

21. The value of stock in trade and in transit at various depots and warehouses on 31st March 1960 stood at Rs. 91,06,907 as compared to the corresponding figure of Rs. 81,42,010 in the preceding year.

22. During the year under review two more retail canteens were taken over by the Department, thereby increasing the total number of retail canteens which function under the direct control of the Canteen Stores Department (India) to twenty-three. The total turnover of these retail establishments during the year was Rs. 61,89,233 and the net surplus of receipts over expenditure amounted to Rs. 1,54,817.

23. In furtherance of the policy formulated by the Board of Control to take over progressively the operation of Garrison Cinemas, the Department took over six more cinemas, bringing the total number of cinemas under its control to nineteen. The working of these cinemas has resulted in a surplus of Rs. 28,897 as compared to the surplus of Rs. 48,388 during the previous year. The reduction in surplus is due to the following reasons :—

- (a) The working of some cinemas in Delhi-U.P. Zone resulted in reduction in surplus due to imposition of show tax, increase in staff to comply with Shops and Establishments Act, reduction in box-office collections, write off against loss on discarded machinery, etc.
- (b) The working of five cinemas taken over during the year resulted in deficit because either they are not open to civilians or are located in out of way places.
- (c) Increase in administrative expenditure due to creation of some new posts.

The Board of Control have decided that the surplus on this account may not be merged with the general surplus but may be carried forward undisturbed to the next year's accounts of the cinema business.

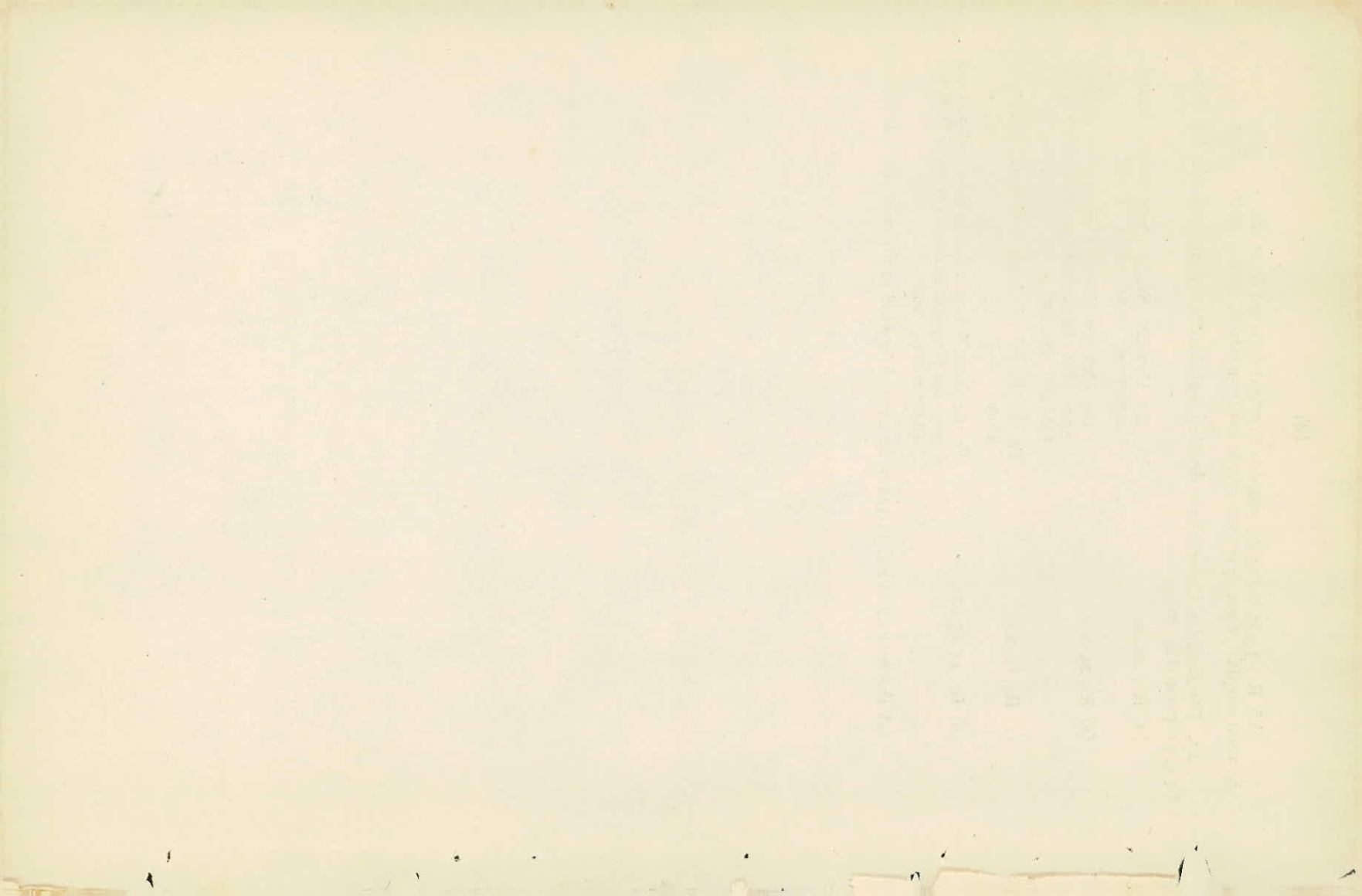
24. The net surplus of receipts over expenditure in respect of the Canteen trade after providing for all losses and contingencies, amounted to Rs. 26,10,605 which represents 4.91% on the combined turnover of wholesale and retail business as against a surplus of Rs. 22,47,822 for the previous year which worked out to 4.69% of the combined turnover of the previous year. With the addition of—

- (i) Rs. 39,700 being the unspent balance of the Board of Control, Canteen Services, General Purposes Fund written back,
- (ii) Rs. 4,247 being the un-utilised amount of the quantitative discount allotted during the previous year to unit-run-canteens for welfare purposes, and

(iii) Rs. 3,982 being the surplus brought forward from the preceding year the total surplus of receipts over expenditure available comes to Rs. 26,58,534.

25. The Board of Control have decided that the net surplus available as above be appropriated as under :—

- | | | |
|-------------------|---------------------------|--|
| (a) Rs. 20,000 | . . . | To the Canteen Stores Department (India).
Employees' Benevolent Fund. |
| (b) Rs. 25,000' | . . . | To the Canteen Stores Department (India)
Sports Fund and the Canteen Section of the
QMG's Branch. |
| (c) Rs. 50,000 | . . . | To the Board of Control General Purposes
Fund. |
| (d) Rs. 25,25,100 | . . . | To the three Services for welfare and general
amenity purposes and various other Defence
Institutions, and |
| (e) | the balance of Rs. 38,434 | to be carried forward to the next year's account. |



**TRADING ACCOUNTS, ETC. OF THE DEFENCE SERVICES MANU-
FACTURING CONCERNS**

Consolidated Production Account of Army Service Corps Bakeries for the year ended 31st March, 1960.

Dr.

Cr.

1958-59		Particulars	1959-60		1958-59		Particulars	1959-60	
Amount	Amount		Amount	Amount	Outturn	Cost		Outturn	Cost
1	2	3	4	5	6	7	8	9	10
Rs.	Rs.		Rs.	Rs.	Lbs.	Rs.		Lbs.	Rs.
		<i>Stores consumed</i>							
	2,45,705	To value of stores consumed.		2,43,289	12,44,703	3,22,544	By net cost of production.	11,87,740	3,18,826
		<i>Salaries, labour and other charges</i>							
	3,668	To proportion of pay of Station Supply Officer.	3,982						
	10,442	To pay and other charges of supervisory staff.	10,281						
	38,174	To pay and other charges of establishment (permanent and temporary).	36,808						
	3,804	To leave allowances	3,822						

4,208	To superannuation allowances.	4,221
84	To transportation charges.	48
8,501	To rent of buildings .	8,503
2,411	To water and electricity.	2,045
2,757	To conservancy .	2,710
2,794	To contingent and miscellaneous stores.	3,121
<hr/>	76,843	<hr/>
		75,541

Average cost per 100 lbs. of bread.	
1958-59	1959-60
Rs. nP.	Rs. nP.
25 91	26 84

141

4	Less Miscellaneous receipts	4			
3,22,544	TOTAL	3,18,826	3,22,544	TOTAL	3,18,826

NEW DELHI;
Dated the 24th August, 1960.
NEW DELHI;

Dated the 15th September, 1960.

I have examined the foregoing account of Army Service Corps 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 21st October, 1960.

PHUL CHAND,
Controller General of Defence Accounts.
G. S. GILL, Major-General,
Director of Supplies and Transport.

Countersigned

P. K. BASU,
Director of Audit, Defence Services.

NOTES

The total quantity of bread produced in Army Service Corps Bakeries during the year 1959-60 was 11,87,740 lbs. as against 12,44,703 lbs. produced in the preceding year. The decrease of 56,963 lbs. in output is 4.58% of the production for the year 1958-59. The number of bakeries worked remained at 7 as in the previous year. In two of the bakeries the quantity of bread produced was higher than in the preceding year.

2. *Cost of Production per 100 lbs. of bread produced.*

The All India Production cost of 100 lbs. of bread registered a further increase. The break-up of the production cost for 100 lbs. is given below :—

	1958-59		1959-60	
	Rs.	nP.	Rs.	nP.
(a) Cost of stores consumed	19	74	20	48
(b) Other charges	6	17	6	36
	25	91	26	84

The increase in cost of production was mainly due to general increase in rates of ingredients. In one Command, in spite of reduced quantitative output, expenditure under 'salaries and other charges' showed an increase.

3. The cost of production per hundred pounds of bread in Army Service Corps Bakeries varied between Rs. 24.13 and Rs. 53.36. The wide variation between the maximum and minimum cost of production is due to more expenditure on pay charges of bakers, Station Supply Officers, conservancy, etc. spread over to a lower output as also the use of more firewood, charcoal etc. in the field ovens. The quantitative production in the bakery showing minimum cost of production at Rs. 24.13 was 6,56,673 lbs. as against an output of 18,063 lbs. recorded by the bakery with the maximum production cost at Rs. 53.36.

4. *Variations in individual items of expenses.*

(i) *Stores consumed*

The decrease in quantitative consumption of stores due to reduced output did not show any significant variation in value because of higher cost of ingredients and increase of scale of firewood in a bakery. The overall fall under this head was therefore only 0.98%.

(ii) *Proportion of pay of Station Supply Officer*

The increase by 8.56% is attributable to inclusion of Kit Maintenance and Special Disturbance allowance.

(iii) *Pay and other charges of Supervisory Staff*

The overall decrease under this Head is to the extent of 1.54% mainly due to employment of Non-Commissioned Officers instead of Junior Commissioned Officers in one bakery, offset by substantial increase on account of employment of more supervisory staff in a second bakery and increase in rent, water and electric charges, etc. in a third bakery.

(iv) Pay and other charges of establishment

The fall in expenditure by 3·58% under this head is due to overall reduced output.

(v) Leave allowances

The increase of 0·47% is due to addition of Kit Maintenance and Special Disturbance allowance to the capitation rate adopted for Station Staff Officer and employment of more supervisory staff in one bakery.

(vi) Superannuation allowances

Increase by 0·31% for the reasons mentioned at (v) above.

(vii) Transportation charges

Fall in expenditure by 42·86% is due to lesser production in one bakery and location of another bakery in the premises of Army Service Corps Supply Depot which resulted in less use of transport.

(viii) Rent of buildings

The slight increase to the extent of 0·02% is the net result of the enhanced assessed rent for one bakery and the economy achieved by the move of another bakery to the premises of Army Service Corps Depot.

(ix) Water and electricity

The decrease in expenditure by 15·18% is due to less consumption of water and electricity consequent to fall in overall production.

(x) Contingent and Miscellaneous stores

In spite of reduced output, increase in expenditure under this head to the extent of 11·70% is on account of increase in Rations and Clothing of sweepers and washermen in certain bakeries.

5. Overhead 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. However, in fixing the payment issue rates of bread at each station, a levy of 2·1 nP. per pound of bread is being made to cover such charges.

Consolidated Production Account of Naval Bakeries for the year ended 31st March, 1960.

Dr.

Cr.

1958-59		Particulars	1959-60		1958-59		Particulars	1959-60	
Amount	Amount		Amount	Amount	Outturn	Cost		Outturn	Cost
1	2	3	4	5	6	7	8	9	10
Rs.	Rs.		Rs.	Rs.	Lbs.	Rs.		Lbs.	Rs.
		<i>Stores consumed</i>							
1,66,902		To value of stores consumed.	1,65,892		8,34,302	2,03,636	By net cost of production.	8,13,133	2,01,135
		.. To loss of stores	..	1,65,892					
	1,66,902	<i>Salaries, labour and other charges</i>							
2,588		To proportion of pay of Base Victualling Officer.	2,348						
4,587		To pay and other charges of supervisory staff.	5,029						
19,314		To pay and other charges of Establishment (permanent and temporary).	18,766						
2,457		To leave allowances	2,370						
1,360		To superannuation allowance.	1,203						

189	To transportation charges	287			
3,671	To rent of buildings	3,107			
1,681	To water and electricity	1,526			
184	To conservancy	185			
621	To contingent and miscellaneous expenses.	423			
84	To cost of medical concessions.	..			
			36,736	35,244	
			2,03,638	2,01,136	
	<i>Less Miscellaneous receipts</i>				
2	(i) Receipts of condemned and rejected food stuff.			1	
..	(ii) Miscellaneous receipts			..	
			2,03,636	2,01,135	
	TOTAL				
			2,03,636	2,01,135	

Average cost per 100 lbs of bread			
(Free issue rate)			
	1958-59	1959-60	
	Rs. nP.	Rs. nP.	
	24 41	24 74	

NEW DELHI;
Dated the 31st August, 1960.
NEW DELHI;
Dated the 7th September, 1960.

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 17th October, 1960.

PHUL CHAND,
Controller General of Defence Accounts.
K.R. JAYARAMAN, Commander,
Director of Victualling.

P.K. BASU,
Director of Audit, Defence Services.

NOTES

The total quantity of bread produced by Naval Bakeries during the year 1959-60 was 8,13,133 lbs. showing a decrease of 2.54% over the quantity produced in the previous year *viz.* 8,34,302 lbs. The number of bakeries worked during the year continued to be 5, as in the previous year. The unit cost of production of bread, however, showed a further increase during the year as compared with the preceding year ; mainly on account of increased expenditure under the head 'Stores consumed' although expenditure under 'Salaries and other charges' remained more or less the same *vide* figures shown below :—

Cost per 100 lbs. of bread produced	1958-59	1959-60
	Rs.	Rs.
(a) Stores consumed	20.00	20.40
(b) Salaries, labour and other charges	4.41	4.34
TOTAL	24.41	24.74

2. Although there was an overall decrease in production due to the closing down of 3 bakeries for about two months for repairs etc., the output in 3 bakeries was higher than the production during 1958-59. The production cost of bread in two of the bakeries which recorded enhanced output indicated a fall while in the third bakery the increased production was accompanied by increased cost of production due to employment of higher grade Supervisors and additional civilian bakers. In other two bakeries, however, the cost of production was higher due to incidence of higher expenditure on lower output.

3. The cost of production in Naval Bakeries varied between Rs. 23.88 and Rs. 27.73 per 100 lbs. of bread. The quantity of bread produced in the bakery showing maximum cost of Rs. 27.73 was 42,958 lbs. whereas the production in the bakery registering minimum cost of production at Rs. 23.88 was 2,05,073 lbs. The variation between maximum and minimum cost is due to relatively higher incidence of expenditure per unit of output under "Pay charges of establishment and Base Victualling Officer", leave allowance, superannuation, water and electricity etc. consequent to reduced output.

4. Main variations in expenditure during the year are explained below:—

(i) *Value of stores consumed*

In spite of a substantial fall in output the expenditure on stores consumed was not proportionately low, due to general rise in the cost of ingredients. The decrease in expenditure was 0.60% as against fall in output to the extent of 2.54%.

(ii) *Proportion of pay of Base Victualling Officer*

The decrease in expenditure under this head to the extent of 9.30% is mainly due to exclusion of pay and allowances for the period a bakery remained closed and the employment of officers of lower rank.

(iii) *Pay and other charges of Supervisory Staff*

The increase of 9·63% under this head is attributable to employment of a Chief Petty Officer against a leading cook for a major portion of the year in one bakery, as also increased expenditure on pay, rent, water and electricity, hire of furniture etc. at another bakery.

(iv) *Pay and other charges of Establishment*

The reduction in expenditure on account of a bakery remaining closed was offset by additional employment of civilian bakers in two bakeries where production was increased. Decrease in expenditure is 2·84%.

(v) *Leave and Superannuation allowances*

Expenditure on leave and superannuation decreased by 3·54% and 11·57% respectively because of less "Pay and other charges of establishment" in a bakery which remained closed during certain period.

(vi) *Rent of Buildings*

There has been a decrease under this head to the extent of 15·36% due to close down of one bakery for about two months.

(vii) *Water and Electricity*

The decrease of 9·26% under this item is mainly due to reduced output.

(viii) *Contingent and Miscellaneous expenses*

The overall decrease of 31·85% under this head is due to less expenditure in two bakeries.

5. The 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. However, in fixing the payment issue rates of bread at each station a levy of 2·1 nP. per lb. of bread is being made to cover such charges.

Balance Sheet of Military Farm

1958-59		Liabilities	1959-60	
1	2	3	4	5
Rs.	Rs.		Rs.	Rs.
	12,84,604	* Sundry Creditors		12,15,874
		Capital:—		
2,37,64,294		Government Account 'A' (Interest bearing)	2,41,04,189	
1,68,58,520		Government Account 'B' (i) (Free of interest)	1,78,43,405	
14,46,422	4,20,69,236	Government Account 'B' (ii) (Departmental)	13,62,812	4,33,10,406
		Reserve Fund Account:—		
2,24,91,497		Opening Balance	2,45,21,532	
20,30,035		Add profit made during the year . . . . .	...
...		Deduct loss made during the year	89,100	
	2,45,21,532	Balance		2,44,32,432
	6,78,75,372	TOTAL		6,89,58,712

Certified that the balance sheet is in accordance with the books and Accounts maintained by the Directorate of Military Farms.

NEW DELHI;
Dated the 21st December, 1960.

B.S. BAJWA,
Director of Military Farms.

NEW DELHI;
Dated the 21st December, 1960.

PHUL CHAND,
Controllor 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.

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.

I have examined the foregoing Accounts and Balance Sheet of Military Farms. I have obtained all the information Services, 1958 I certify, as a result of test audit, that in my opinion these Accounts and Balance Sheet are properly drawn and explanations given to me and as shown by the books of the Military Farms.

NEW DELHI;
Dated the 16th February, 1961.

as on the 31st March, 1960.

1958-59		1959-60				
Assets		Land	Buildings	Machinery	Live-stock	Total
6	7	8	9	10	11	12
Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Capital (Fixed Assets)						
1,88,22,321	Balance on 1st April, 1959	10,95,476	85,82,927	47,78,290	50,05,046	1,94,61,739
24,89,604	Additions	637	6,39,243	5,80,859	15,20,089 ^(a)	27,40,828
2,13,11,925	TOTAL	10,96,113	92,22,170	53,59,149	65,25,135	2,22,02,567
18,50,186	Deduct depreciation, Casualties, condemnations and transfer to other departments, etc.	306	2,89,031	5,18,816	10,16,803 ^(b)	18,24,956
1,94,61,739	Net value of capital on 31st March, 1960	10,95,807	89,33,139	48,40,333	55,08,332	2,03,77,611
2,26,07,497	Renewal Reserve Fund Account					2,29,32,795
40,73,241	Value of stocks					59,95,710
..	Value of temporary buildings not written off					...
8,75,156	Value of plant and machinery spare parts, etc.					8,10,986
43,675	Cash in hand					78,695
9,47,116	Sundry debtors					10,37,269
	Government Account 'C'	4,06,58,441				
	Deduct balance of Renewal Reserve Fund Account	2,29,32,795				
1,98,66,948	Balance	1,77,25,646				1,77,25,646
6,78,75,372	TOTAL					6,89,58,712

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 financial year.

	Rs.
(a) Amount of fresh purchases of live-stock during the year 1959-60	5,34,139
Transfer from stock (appreciation in value of young live-stock and adjustments)	9,85,950
TOTAL	15,20,089
(b) Depreciation of live-stock	5,46,872
Casualties of live-stock	2,02,382
Condemnation of live-stock	2,66,484
Transfer to other departments and adjustments	1,065
Losses	...
TOTAL	10,16,803

and explanations that I have required, and *subject to the observations contained in paragraph 27 of the Audit Report, Defence up to* to exhibit a true and fair view of the state of affairs of the Military Farms according to the best of my information

P. K. BASU,
Director of Audit, Defence Services

Consolidated Trading Account of Military Farms for the year ended 31st March, 1960.

Dr.

Cr.

1958-59	Particulars	1959-60	1958-59	Particulars	1959-60
I	2	3	4	5	6
Rs.		Rs.	Rs.		Rs.
	<i>To stock at the beginning of the year :—</i>				
7,83,326	Dairy produce	2,53,495	2,37,44,003	By sale of dairy produce	2,29,82,293
36,903	Ice, salt, acid, etc.	35,653	20,58,650	By cost of dairy produce transferred between Military Farms	21,23,654
38,68,846	Fodder (Grain and Fodder)	27,23,205	26,44,115	By Sale of Agriculture produce	26,75,440
10,56,838	Other miscellaneous stores	10,60,888		Rs.	
			(3,63,647)	(i) Transfer of fodder	(4,25,611)
				between Military Farms	
			(22,80,468)	(ii) Other transactions	(22,49,829)
			..	By sale of produce Ex-Development Farms . . . . .	..
	<i>To purchases:—</i>				
1,35,683	Ice, salt and acid etc.	1,27,742	2,53,495	<i>By value of stock at the end of the year</i>	
1,195	Customs duty . . . . .	..	35,653	Dairy produce	2,95,984
54,44,924	Dairy produce	72,38,586	27,23,205	Ice, salt, acid etc..	36,027
20,58,650	To cost of dairy produce transferred between Military Farms.	21,23,654		Fodder (grain and fodder)	45,39,507
			10,60,888	Other miscellaneous stores	11,24,192
19,78,122	To cultivation charges	21,18,850		All India average sale rates of dairy produce per lb.	
58,153	To rent of land	56,070		1958-59	1959-60
				Rs nP.	Rs. nP.
48,76,317	To feed of animals including rent of grazing land and grazing charges	90,93,065		0 36	0 36
				2 89	2 88
				2 94	2 94
				2 57	2 88
14,86,014	To rail and other transportation charges	15,19,438			

1,07,35,038 To gross profit carried over . . . 74,26,451

*All India Average rate of fodder per
100 lbs.*

3·60 Average production rate. 3·62
4·23 Average purchase rate . 4·15

3,25,20,009 TOTAL . . . 3,37,77,097 3,25,20,009 TOTAL . . . 3,37,77,097

37·74 Percentage of gross profit on turnover 26·73

The break-up of the total issues of milk under different categories and the quantities issued free to troops and hospitals are given in paragraphs 9 and 10 on page 134. For pricing the free issues the Farms/Depots are divided into six groups. Each group's price is fixed after 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 Free Issue Rates and the Average Market Rates for six groups during the year 1959-60 compare as follows:—
(In Naye Paise per lb.)

151

Group	Free Issue Rate	Average Production cost of pure milk.	Average Market Rate.
I	31	No production. Milk is purchased locally.	31
II	34	59·57	30·29
III	38	57·61	30·55
IV	41	No production	There is no civil market in the area of this group.
V	44	No production	
VI	50	67·41	38·50

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 percentage
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, 1960

Dr.

Cr.

1958-59		Particulars	1959-60		1958-59		Particulars	1959-60	
1	2		4	5	6	7		8	
Rs.	Rs.		Rs.	Rs.	Rs.			Rs.	
	4,36,717	To administrative staff etc.		4,33,470	1,07,35,038	By gross profit brought forward		74,26,451	
	61,66,414	To pay and allowances of staff and officers		63,33,569	16,92,375	By miscellaneous receipts		29,30,635	
	1,15,513	To Defence Accounts Department charges for internal check		1,41,112	15,68,091	By interest on Government Account 'C'		15,72,885	
	77,961	To leave and superannuation allowances		79,791	1,15,339	By receipts from casualties and condemnations		1,36,780	
	1,44,601	To travelling allowances etc.		1,65,449	8,73,974	By transfer of stores from Revenue to Capital (increase in the value of young live-stock on maturity)		9,85,950	
	5,83,578	To accommodation charges		5,35,798		By Loss sustained		89,100	
	5,10,183	To water and electricity charges		5,08,091					
	36,640	To conservancy charges		36,460					
	18,536	To telephone charges		14,563					
	139	To cost of free medical treatment		1,070					
	15,000	To part cost of Central Veterinary Laboratory		15,000					
		To Plant and machinery, repairs etc.							
	9,45,163	(i) Value of stock spare parts at the beginning of the period		8,75,156					
	14,09,155	(ii) Expenditure during the year		14,42,999					
	23,54,318	(iii) Total of (i) & (ii)		23,18,155					

8,75,156

	(iv) Less value of stock spare parts at the end of the period	8,10,986			
14,79,162	(v) Net expenditure (iii)—(iv)		15,07,169		
9,00,669	To miscellaneous stores (stationery etc.)		7,87,129		
	To Depreciation.—				
2,60,149	(i) Buildings		2,72,710		
5,25,348	(ii) Live-stock		5,46,872		
3,81,180	(iii) Plant and machinery		3,87,536		
2,06,598	To casualties of cattle, etc.		2,02,382		
3,02,382	To condemnation of cattle, etc.		3,07,460		
7,93,821	To interest on capital		8,64,979		
..	To loss of cash . . . . .		..
191	To bad debts		1,191		
..	To development farms . . . . .		..
20,30,035	To net profit during the year . . . . .		..
1,49,84,817	TOTAL	1,31,41,801	1,49,84,817	TOTAL	1,31,41,801

7·14 Percentage of Net Profit on turnover
 Percentage of Net loss on turnover 0·32

Certified that the account is in accordance with the books maintained by the Directorate of Military Farms.

NEW DELHI;
 Dated the 21st December, 1960.

NEW DELHI;
 Dated the 21st December, 1960.

B. S. BAJWA,
 Director of Military Farms.

PHUL CHAND,
 Controller General of Defence Accounts.

NOTES

i. The following losses were written off during the year :—	
(i) Loss of Stores in transit	Rs. 5,888
(ii) Loss of Stores in charge	52,210
2. Value of stores in transit	29,406

3. The total sales comprising of dairy produce (including transfers between Military Farms) and agricultural produce shows an overall decrease of 2.34% during the year as compared with the preceding period. The fall in "sale of dairy produce", to the extent of 3.21% was as a result of the reduction in strength of garrison in two commands as also to the issue of tinned milk etc., the dairy produce transferred between Military Farms and "sale of Agriculture produce", however, registered increase to the extent of 3.16% and 1.18% respectively. The percentage variation against the various receipt and expenditure heads, are not in close conformity with the percentage decrease in sales. The reasons for such variations under classified heads in the Trading and Profit and Loss Accounts are as follows :—

(i) *Ice, Salt, Acid, etc.*

The decrease in expenditure to the extent of 5.85% is due to less purchase of ice by one Military Farm following installation of re-frigerating plant inspite of the fact that more ice and preservatives were obtained at higher rates in other stations.

(ii) *Dairy produce.*

(a) The expenditure on account of purchases of dairy produce registered a net increase of 32.94% as compared to the previous years, due to more purchases of dairy produce (skimmed milk powder, milk, cream, etc) at higher rates partly to meet increased demand. The adjustment of cost of skimmed milk powder by one farm to the extent of Rs. 2,72,195 also accounted for the increased expenditure.

(b) The value of dairy produce transferred between Military Farms increased by 3.16%.

(iii) *Cultivation charges.*

The rise in expenditure by 7.11% is mainly attributable to (1) extended harvesting operations in two commands, (2) adjustment of expenditure on electric charges for tube well under head cultivation charges during 1959-60 by two farms in one command, (3) rise in cost of seeds, labour rates for cutting of fodder etc., and (4) the running of vegetable garden at one farm and procuring hay from forest by farm agency.

(iv) *Rent of land.*

The decrease of 3.58% is due to reduced production of fodder at three farms in a command.

(v) *Feed of animals.*

The expenditure incurred under this head recorded a rise of 86.47% mainly due to more purchases of concentrates at higher rates during the year necessitated by increase in herd strength in some farms, comparatively lower opening stocks but higher closing stocks, less purchases of fodder at certain stations with increased production and also the payment of more boarding charges.

(vi) *Administrative staff.*

The expenditure under this head registered a fall of 0.74% only.

(vii) *Pay and allowances of staff.*

The employment of substitutes in leave vacancies in connection with weekly off and gazetted holidays and increase in staff on monthly rates of pay in one Military Farm (the daily rated staff was brought on monthly rates of pay) accounted for a slight increase in expenditure (2.71%) as compared to the preceding year.

(viii) *Defence Accounts Department charges.*

The expenditure adjusted on this account increased by 22.16% because of general enhancement in expenses of the farms.

(ix) *Leave and superannuation allowances.*

The slight increase of 2.35% is mainly due to posting of more quasi-permanent and permanent service personnel with longer service at farms.

(x) *Travelling allowances etc.*

The increase by 14.42% was caused due to more temporary and permanent moves and payment of leave travel concession claims.

(xi) *Accommodation.*

Reduction of 8.18% was due to less repair works carried out in two Commands. The expenditure decrease was, however, compensated by more repair works and increased Military Engineer Services departmental charges in a third Command.

(xii) *Telephone charges.*

The decrease of 21.43% is due to less Trunk calls during the year and the adjustment of rent bills for the current period in last year's accounts.

(xiii) *Cost of free medical treatment.*

The expenditure under this head increased by 669.78% on account of a number of claims for re-imbusement of medical charges of staff in a certain farm.

(xiv) *Miscellaneous stores.*

The fall in expenditure to the extent of 12.61% is mainly due to less purchases of miscellaneous stores and issues from stock. The

booking of daily labour employed for weekly off during the year preceding to the head also accounts for comparative decrease in charges.

(xv) *Depreciation.*

- (a) *buildings.* Increase of 4.83 % is attributed to higher opening value of assets.
- (b) *Live-stock.* The 4.10 % increase is attributable to calculation of depreciation at the "special rates" on purchased buffaloes, besides enhanced value of live stock at the beginning of the year.
- (c) *Plant and machinery.* Increase of 1.67 % is due to more capital assets on charge.

(xvi) *Interest on Capital.*

The rate of interest having been raised, the adjusted expenditure increased by 8.96 %.

(xvii) *Miscellaneous Receipts.*

The transfer of skimmed milk powder, stores etc., from certain military farms to other formations within and outside the command, caused increase in receipts to the extent of 73.17 %.

(xviii) *Receipts from Casualties.*

Due to better realisation on sale of condemned animals and buildings there has been an increase over the previous year by 18.59 % under the particular item.

(xix) *Transfer of stores from Revenue to Capital.*

The credit taken for more live-stock matured during the year accounts for variation of 12.81 %.

4. The results of the working of Military Farms during 1959-60 indicate a net loss of Rs. 89,100 as against a net profit of Rs. 20,30,035 in the previous year. The broad reasons for loss sustained during the year are attributable to heavy expenditure incurred on purchase of "dairy produce" and "Feed of animals", and substantial reduction in "sale of dairy produce" inspite of better receipts under the head "miscellaneous" and heavier closing stock at the end of the year.

- | | |
|---|------|
| 5. (a) Value of temporary buildings written off | Nil. |
| (b) Value of temporary buildings transferred to Military Engineer Services and other Departments. | Nil. |
| (c) Value of temporary buildings otherwise disposed of | Nil. |

We have audited the attached (a) Balance Sheet of the Canteen Stores Department (India) as at 31st March 1960, (b) Trading and Profit and Loss Accounts of C.S.D. (I) for the year ending on that date, (c) Consolidated Balance Sheet of 18 CSD(I) Retail Canteens and 5 Combined Retail and Bulk Issue Depots as at 31st March 1960, (d) Consolidated Trading and Profit and Loss Account of 18 CSD(I) Retail Canteens and 5 Combined Retail and Bulk Issue Depots for the year ended on that date, (e) Consolidated Balance Sheet of 19 CSD(I) Run Defence Services Cinemas as at 31st March, 1960 (f) Consolidated Profit and Loss Account of 19 CSD(I) Run Defence Services Cinemas for the year ended on that date and (g) Schedules attached to all the above, from which naye paise 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 best of our information and explanations given to us and as shown by the books of the department.

BOMBAY-1

October 25th, 1960.

SORAB S. ENGINEER & CO.,

Chartered Accountants.

CANTEEN STORES
Balance Sheet as at

1958-59	Funds and Liabilities	1959-60	
Rs.		Rs.	Rs.
	Capital :		
	Amount allotted out of the terminal Profits of Wartime Canteen Services (India)		48,00,000
48,00,000			
	Funds and Specific Reserves :		
74,05,432	General Reserve Fund	74,05,432	
13,03,986	Contingent Reserve	13,64,461	
82,209	Capital Profit on Sales of fixed assets	87,263	
3,125	Profits on redemption of Securities	3,125	
9,29,982	Insurance Funds	10,05,956	
75,000	Price Fluctuation Reserve	75,000	
10,344	Profit on sale of Securities	38,700	
98,10,078			99,79,937
	Depreciation on Stock Equalisation Account		10,61,000
13,61,000			
	Liabilities :		
38,07,303	Due to Sundries for Goods supplied	49,49,186	
5,59,241	Due to Sundries for expenses due	6,97,435	
27,31,788	Due to Sundries for other finance	30,94,050	
2,56,363	For Freight Suspense	3,24,553	
1,29,458	For Contractors Security Deposits	1,08,458	
10,000	For Staff and other Security Deposits as per contra	12,000	
39,550	CSD(I) Employee's Benevolent Fund Account . . . . .	..
75,33,703			91,85,682
	Profit and Loss Account :		
18,58,648	Profit as per last year's Balance Sheet	22,67,982	
	<i>Less amount appropriated (as per Board of Control's Resolutions):</i>		
	I. Towards Welfare and Amenities Funds of various Armed Services	Rs. 15,14,000	
11,96,000			

DEPARTMENT (INDIA)

31st March, 1960.

1958-59	Properties and Assets	1959-60	
Rs.		Rs.	Rs.
	Capital Expenditure :		
..	Land, Properties and Dead Stock	37,13,496	
10,70,316	Less depreciation provided upto 31-3-1960	26,33,093	10,80,403
	Stock in Trade (as per Inventory Certified by Management) :—		
73,40,587	Stock in Warehouses (at cost less 25% depreciation)	84,11,499	
3,33,423	Stock in transit from Suppliers (at purchase price)	3,00,831	
4,54,721	Stock in Transit from warehouse to warehouse (at cost less 25% depreciation)	3,72,026	
13,279	Stock of packing materials (at cost less 25% depreciation)	22,551	
81,42,010			91,06,907
1,44,038	Stock of Stationery in hand and in transit (at cost less 10% dep- reciation)		85,647
3,410	Stock of Building Materials Stores, etc.		3,543
	Book Debts (Considered Good) :		
15,75,183	Due by Contractors and Units	18,22,800	
39,887	Accrued Rebate and Over-riding discount	44,417	
2,66,781	Due by Sundries	3,64,282	
18,81,851			22,31,499
	Loans and Advances :		
3,39,840	Advances for capital expenditure, excise fees and prepaid expen- ses	3,13,827	
1,41,920	Loans to Units/Formations	1,06,320	
17,19,699	C S D (I) Retail Establish- ments	51,38,981	
7,11,044	Defence Services Cinemas Or- ganisation	8,92,785	
59,12,503			64,51,913

CANTEEN STORES

Balance Sheet as at

1958-59	Funds and Liabilities	1959-60	
Rs.	Rs.	Rs.	Rs.
6,50,000	2. For distribution to the Unit-Run-Canteens	7,50,000	
18,46,000		22,64,000	
12,648		3,982	
..	Add Board of Control, Canteen Services General purposes Fund interest balance written back	39,700	
22,47,822	Add Profit as per annexed Profit and Loss Account	26,10,605	
7,512	Add unpaid amounts of Quantitative Discount written back	4,247	
22,67,982			26,58,534
2,57,72,763	TOTAL		2,76,85,153

There is contingent liability of :—

- (a) Rs. 5,65,125 being the increased demand in U.P. Excise Duty for the period 1-1-1948 to 31-3-1950.
- (b) Rs. 1,44,768.50 being the increased demand for rent for accommodation occupied by CDS(I), Depot at Pathankot for the period from 1-1-1950 to 31-3-60.
- (c) Rs. 12,00,000 approximately. Demanded by C.D.A. Western Command, Meerut on account of the cost of Jammu and Kashmir Government hired transport utilised by the Department which has hitherto been provided free of cost.

All of which the department repudiates.

There is also a claim for Rs. 14,006.46 for a loss of consignment against the Railways, which they have not yet admitted, but which has been taken in the account as a recoverable claim.

DEPARTMENT (INDIA)

at March, 1960—contd.

1958-59		Properties and Assets	1959-60	
Rs.			Rs.	Rs.
	Investments:			
	Government Securities of the face value of Rs. 55,05,200 (Less reserves for depreciation) (Market value as on 31-3-1960 being Rs. 53,24,187)		52,35,903	
61,50,597	Investment against Staff and other Security Deposit		12,000	
10,000				
61,60,597				52,47,903
	Interest accrued on Investment and Call Deposits etc. upto 31-3-60			65,685
75,186	Cash and other Balances			34,11,653
23,82,852				
2,57,72,763	TOTAL			2,76,85,153

Sardar SURJIT SINGH MAJITHIA,
Deputy Defence Minister.

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

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

Lt. Gen. B. M. KAUL,
Quartermaster General.

Commodore K. R. NAIR,
*Chief of Personnel,
Naval Headquarters.*

Air Cdr. H. N. CHATTERJEE,
*AOA,
Air Headquarters.*

**Board of
Control,
Canteen
Services.**

CANTEEN STORES

Trading Account for the year

Dr.

1958-59		1959-60	
Rs.		Rs.	Rs.
	To Opening Stock on 1-4-1959		
59,01,052	Stock in Warehouses	73,40,587	
2,85,318	Stock in Transit from Suppliers	3,33,423	
	Stock in Transit from Warehouse		
6,95,052	to Warehouse	4,54,721	
11,276	Stock of Packing Materials	13,279	
<u>68,92,698</u>			81,42,3
	To Purchases		
	(Inclusive of stock in transit from suppliers Rs. 3,00,831 and amount appropriated to Marine Insurance Fund Rs. 24,097 and less claim Rs. 91,359)		3,62,3
3,37,49,498			
	To Direct Charges		
28,27,263	Customs Duty	41,87,506	
87,652	Port Trust Charges	1,29,188	
	Freight, Clearing, Transport Charges, Excise Fees, Terminal Tax, Sales Tax, Assessment Fees, etc.	29,84,397	
31,09,812			
<u>60,24,727</u>			73,01,097
	To Insurance Charges		
91,411	Provided for Inland & Pilferage Insurance Fund		1,02,351
42,58,243	To Gross Profit Transferred to Profit and Loss Account		46,29,610
<u>5,10,16,577</u>	TOTAL		<u>5,64,10,723</u>

DEPARTMENT (INDIA)

ended 31st March, 1960.

		Cr.	
		1958-59	1959-60
Rs.		Rs.	Rs.
4,25,29,567	By Sales— (Net)		4,70,03,818
By Stock in Trade and Stock of Packing Materials as on 31-3-1960			
73,40,587	Stock in Warehouses (at cost less 25% Depreciation)	84,11,499	
3,33,423	Stock in transit from suppliers (at purchase price).	3,00,831	
4,54,721	Stock in transit from Warehouse to Warehouse (at cost less 25% depreciation)	3,72,026	
13,279	Stock of packing Materials (at cost less 25% depreciation)	22,551	
<u>81,42,010</u>			<u>91,06,907</u>
3,45,000	By Transfer from Depreciation on Stock Equalisation Account		3,00,000
5,10,16,577	TOTAL		5,64,10,725

CANTEEN STORES

Profit and Loss Account for the year

Dr.

1958-59		1959-60
Rs.		Rs.
17,57,796	To Salaries and Wages	19,76,453
3,160	To Conveyance Charges	2,304
2,05,389	To Rent, Repairs and Lighting	2,08,097
36,501	To Postage and Telegrams	37,922
53,248	To Printing, Stationery and Advertisement Charges	66,016
	To Travelling Expenses including Travel	
	concession	66,470
60,119	To Bank Charges	9,616
10,218	To Telephone and Trunk Call Charges	10,728
10,648	To Audit Fees (Estimated)	31,000
32,000	To Sundry Expenses	27,635
23,809	To Medical Charges	20,281
21,537	To CSD(I)'s Contribution to Employees' Pro-	
	vident Fund and Welfare Fund	1,14,125
1,09,450	To Cost of Canteen Section	38,355
27,000	To Head Office Motor Car Expenses	6,829
4,729	To Establishment and Overhead Expenses re-	
	imbursed to Combined Retail and Bulk Issue	
	Depots	1,65,500
1,52,000	To Depreciation on Properties and Dead Stock	43,481
3,36,680	To Net Profit carried down	24,55,788
20,67,199		52,80,600
<hr/>		<hr/>
49,11,483	To Profit Transferred to Balance Sheet	26,10,605
22,47,822		<hr/>
<hr/>		<hr/>
22,47,822	TOTAL	26,10,605

DEPARTMENT (INDIA)

ended 31st March, 1960.

Cr.

1958-59		1959-60	
Rs.		Rs.	Rs.
42,58,243	By Gross Profit brought forward		46,29,610
1,53,778	By Rebate on Direct Supplies		2,23,775
2,70,466	By Interest		2,36,858
	By Rent :		
	Ghatkopar Property	82,195	
	Less expenses	32,246	
<u>1,71,730</u>			
	Adelphi Building	49,949	
	Less expenses	1,78,892	
		<u>78,652</u>	
<u>1,17,687</u>			
	Mazagaon Property	1,00,240	
	Less expenses	62,400	
		<u>24,163</u>	
<u>38,600</u>			
		<u>38,237</u>	
<u>2,28,017</u>			1,88,426
979	By Miscellaneous Receipts		1,931
<u>49,11,483</u>			<u>52,80,600</u>
20,67,199	By Net Profit brought down		24,55,788
48,388	By Net Profit of Defence Services Cinemas* . . . . .		..
1,32,235	By Net Profit of CSD(I) Retail Establish- ments		1,54,817
<u>22,47,822</u>	TOTAL		<u>26,10,605</u>

*From 1959-60, profit/loss made by Defence Services Cinemas has been retained by Cinema Division.



THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY

RESEARCH REPORT NO. 1000

BY
J. H. GOLDSTEIN
AND
R. F. W. WILSON

DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

1954

RESEARCH REPORT NO. 1000

BY
J. H. GOLDSTEIN
AND
R. F. W. WILSON

DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

1954

RESEARCH REPORT NO. 1000

BY
J. H. GOLDSTEIN
AND
R. F. W. WILSON

DEPARTMENT OF CHEMISTRY
UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS

1954



THE UNIVERSITY OF CHICAGO

1958



GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
1961

PSH



