

CENTRAL GOVERNMENT



APPROPRIATION ACCOUNTS  
OF  
THE DEFENCE SERVICES  
FOR THE YEAR 1957-58  
AND  
COMMERCIAL APPENDIX  
THERE TO



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CORRIGENDA

APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES FOR THE YEAR  
1957-58 AND COMMERCIAL APPENDIX THERETO.

- Page 1, Para 1, line 5—insert closing bracket after 'Rs. 0.91 crore'.  
line 10—insert closing bracket after 'Rs. 0.04 crore'.
- Para 2, sub-para 1, lines 3 & 4—delete ',' after 'Effective'.
- Sub-para 5, line 4—delete '-' before 'Effective'.
- Page 2, Para 4, table, Grant No. 12, Charged Col. 2—insert '0.91' against '0'.
- Page 6, Note, line 1—for full-stop after '35' read '-'.  
Page 13, Serial No. 2 (iv), Col. 2, line 2—for 'Sadium' read 'Stadium'.
- Serial No. 3, Col. 2, line 5—delete ',' after 'supply'.
- Page 14-15, Serial No. 5, Col. 5, line 11—for 'neces ary' read 'necessary'.
- Page 16, Serial No. 12, Col. 2, line 3—for '1957-58' read '1956-57'.
- Page 19, Serial No. 19, Col. 2, line 1—insert '-' after 'trans' at the end of the line.
- Page 21, Serial No. 28, Col. 4—for Major Head '58' read '59'.
- Serial No. 32, Col. 4—for Major Head '60' read '58'.
- Serial No. 33, Col. 2, line 1—for 'ncurred' read 'incurred'.
- Page 22, Sub-Head A, R—for '30,80' read '- 30,80'.
- Sub-Head D, Col. 3—see footnote\* at page 24.
- Sub-Head E, Col. 1, line 2-3—for 'Establishment' read 'Establishments'.
- Page 23, Sub-Head E, Explanation (i), line 3—for '1959' read '1957'.
- Page 24, Heading of Col. 2—for 'Appropriations' read 'Appropriation'.
- Sub-Head F, Col. 1, line 6—for 'Stores' read 'Store'.
- Page 26, table, Col. 2—for Sub-Head 'F' read 'E'.
- Page 28, Footnote\*—for '/' after 'Bureau' read ','.
- Page 30, Sub-Head D, R—for '9,5' read '9,50'.
- Page 32, Sub-Head B, Voted, R—for '82' read '- 82'.
- Page 33, Sub-Head A, line 1—insert 'to' after the word 'due'.
- Page 36, Para 21, line 7—for 'under taken' read 'undertaken'.  
line 11—for 'accelerated' read 'accelerated'.
- Page 37, Para 24, line 3—for 'expentiture' read 'expenditure'.  
penultimate line—for 'sactioning' read 'sanctioning'.
- Para 25, line 7-8—for 'Government' read 'Governments'.
- Page 43, Serial No. 1, line 12—for 'Cl rk' read 'Clerk'.
- Serial No. 2, line 8—insert ',' after 'Bank'.
- Page 46, Serial No. 8, penultimate line—delete ',' after 'measures'.
- Serial No. 11, line 4—for 'incurred' read 'incurred'.
- Page 47, Serial No. 11 (contd.), line 6—for 'firms' read 'firm's'.
- Serial No. 1, penultimate line—for 'contracts' after the words 'course of' read 'action'.
- Page 48, Serial No. 3, line 10—for 'Inquiry' read 'Inquiry'.
- Page 51, Serial No. 11 (contd.), line 11—for 'reimbursed' read 'reimbursed'.
- Page 53, Serial No. 20, line 1—for 'representing' read 'representing'.  
line 3—for 'Ap ' read 'April'.
- Page 54, Serial No. 24, line 3—for 'Na ' read 'Naval'.
- Page 59, Heading—for 'particulaurs' read 'particulars'.

- Serial No. 23, line 7—for 'Headquarters' read 'Headquarters'.
- Serial No. 25, line 2—for 'that' read 'than'.
- Page 61, Serial No. 34, line 2—for 'were' read 'was'.
- Page 63, Heading of Col. 4—for 'Store' read 'Stores'.
- Page 70, Serial No. 32 (contd.), line 4—for 'deficiencies' read 'deficiencies'.
- Page 71, Serial No. 41, line 3—for 'Februray' read 'February'.
- Page 72, Serial No. 45, Col. 3—read the figure as '6,566'.
- Page 73, Serial No. 46, line 2—delete 'to' at the end of the line.
- Serial No. 47, line 3—for 'responsibile' read 'responsible'.
- Serial No. 48, line 3—for 'responsible' read 'responsible'.
- Page 76, Serial No. 4, line 7—for 'attributed' read 'attributed'.
- Serial No. 8, Col. 3—read the figure as '15,715'.
- Page 82, Serial No. 37, line 5—for 'in sufficient' read 'insufficient'.
- Page 83, Serial No. 44, line 5—for 'ageing' read 'aging'.
- Serial No. 45, line 2—for 'Under-Pants-woolen' read 'Under-Pants woollen'.
- Page 85, Serial No. 57, line 1—insert ', ' after 'buildings'.
- Page 86, Serial No. 66, line 2—for 'equip ent' read 'equipment'.
- Page 89, Serial No. 86, line 2—for 'has' read 'had'.
- Serial No. 88, line 2—for ' t an' read 'at an'.
- Page 91, Serial No. 2, heading—for 'STAEF' read 'STAFF'.
- Serial No. 3, Heading—for 'CHIFF' read 'CHIEF'.
- Serial No. 3, line 3 from below—for the first word 'were' substitute 'was'.
- Page 93, Serial No. 1, last line—for 'infractuious' read 'infructuous'.
- Page 94, Serial No. 2, Heading—insert 'OF' after 'GENERAL'.
- Page 95, Heading, line 1—insert 'of' after 'Statement'.
- Serial No. 1, line 23—for 'breech' read 'breach'.
- Page 96, Serial No. 2 (contd.), line 5—for 'perjod' read 'period'.
- Page 97, under Col. 11—for '5,69,163' read '5,68,163'.
- Page 98, Heading Credit side—for 'Credit' read 'Credits'.
- Debit side—delete bracket after 'column'.
- Credit item 4 under Details, line 2—for 'contrators' read 'contractors'.
- Page 99, Col. 1 of the statement, line 2—for 'pre-partition' read 'pre-partition'.
- Page 100, Serial No. 2, Col. 6, item 2—for '83,20' read '83,200'.
- Page 103, Serial No. 12, Col. 6, item (2), line 4—read the word ' ork' as 'work'.
- Page 105, Serial No. 22, Col. 6, item (1)—for 'runing' read 'running'.
- Item (4), line 2—for 'equipment' read 'equipment'.
- Serial No. 25, Col. 6, line 4—delete 'a' after 'to'.
- Page 109, Serial No. 57, Col. 6, item (3)—for 'freigh' read 'freight'.
- Page 111, Serial No. 1, line 1—for 'Vehicles' before 'Depots' read 'Vehicle'.
- Serial No. 3, line 4—insert 'and' after 'Receipts'.
- Page 112, Serial No. 22, line 2—for 'Workshops' read 'Workshop'.
- Serial No. 23, line 1—for 'Cetrified' read 'Certified'.
- Page 113, Serial No. 30, line 1—for 'Agust' read 'August'.
- Page 114, Serial No. 35, line 6—for 'Jamadar' read 'Jemadar'.
- Page 117, Serial No. 76, item (ii), line 1—delete the word 'less' after 'Payment'.
- Page 124, Serial No. 167, line 2—for 'item' read 'items'.
- Page 126, Para 3, line 1—insert ', ' after 'all'.
- Para 6, line 1—insert ', ' after 'all'.
- Page 129, Para 22, sub-para (a), line 4—delete full-stop after 'Stores'.
- Page 139, Para 4, line 4—insert 'at' after 'bread'.



- Page 140-41, Top Heading—*for* '195 ' *read* '1958'.
- Page 142, To cost of dairy produce transferred between Military Farms, Col. 3—*read* '18,30,836'.
- By Sale of dairy produce, Col. 6—*read* '2,34,83,580'.
- Page 143, Average Purchase Rate—*for* '3-4' *read* '3-74'.
- Footnote\* line 1—*for* 'trooys' *read* 'troops'.
- line 2—*for* 'six gaoups' *read* 'six groups'.
- Page 146, Col. 3, line 8—*for* 'Live-stoc ' *read* 'Live-stock'.
- Certificate—*for* 'Frams' *read* 'Farms'.
- Page 147, Para 3, item (v), line 1—*for* 'adjustmetn' *read* 'adjustment'.
- item (x), line 1—*for* 'has' *substitute* 'have'.
- Page 150, under 'Liabilities', item 2—*for* 'Goodssupplied' *read* 'Goods supplied'.
- Page 151, under 'Stock in Trade', item 4—*read* the figure under 1956-57 as '8,635'.
- Page 152, Certificate, line 9—*insert* ', ' *after* 'Station' in the beginning of the line.
- line 14—*for* 'Rorkee' *read* 'Roorkee'.
- Page 155, under 'Stock in Trade' item 4—*for* 'Depreciaion' *read* 'Depreciation'.
- Page 156, top—*insert* 'Dr.'.
- item 5—*for* 'St. tionery' *read* 'Stationery'.
- Page 157, top—*insert* 'Cr.'.

THE UNIVERSITY OF CHICAGO

1. The first part of the paper is devoted to a general discussion of the problem. It is shown that the problem is equivalent to a problem in the theory of differential equations. The second part of the paper is devoted to a detailed study of the problem. It is shown that the problem is solvable in closed form. The third part of the paper is devoted to a study of the properties of the solutions. It is shown that the solutions are unique and that they depend continuously on the data. The fourth part of the paper is devoted to a study of the asymptotic behavior of the solutions. It is shown that the solutions approach a certain limit as the independent variable goes to infinity. The fifth part of the paper is devoted to a study of the numerical solution of the problem. It is shown that the problem can be solved numerically with high accuracy. The sixth part of the paper is devoted to a study of the applications of the problem. It is shown that the problem has many important applications in physics and engineering. The seventh part of the paper is devoted to a study of the history of the problem. It is shown that the problem has been studied by many mathematicians since the time of Laplace. The eighth part of the paper is devoted to a study of the future of the problem. It is shown that the problem is still an active area of research.

1954

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## APPROPRIATION ACCOUNTS OF THE DEFENCE SERVICES 1957-58

(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 1957-58 stood at Rs. 288.59 crores (Original Voted Grant Rs. 271.12 crores *plus* Supplementary Voted Grant Rs. 16.56 crores *plus* Original *Charged* Appropriation Rs. 0.91 crore as against the actual expenditure of Rs. 280.58 crores (Voted expenditure Rs. 279.66 crores and *Charged* expenditure Rs. 0.92 crore). The Sanctioned Grant as well as the Appropriation under Defence Capital Outlay were Rs. 27.96 crores (Original Voted Grant Rs. 25.00 crores *plus* Supplementary Voted Grant Rs. 2.92 crores *plus* *Charged* Supplementary Appropriation Rs. 0.04 crore against an actual expenditure of Rs. 25.95 crores (Voted expenditure Rs. 25.89 crores *plus* *Charged* expenditure Rs. 0.06 crore).

2. *Supplementary Grants.*—Supplementary Grants of Rs. 16.56 crores on Revenue Account were voted by the Parliament during February 1958 under Grant No. 9—Defence Services, Effective,—Army (Rs. 7.73 crores), Grant No. 11—Defence Services, Effective,—Air Force (Rs. 8.34 crores) and Grant No. 12—Defence Services, Non-Effective (Rs. 0.49 crore).

The Supplementary Grant for the Army was obtained mainly for the following reasons :—

- (a) to meet payments of increased rates of leave ration allowance sanctioned to Junior Commissioned Officers and Other Ranks;
- (b) to pay the additional dearness allowance sanctioned to personnel drawing pay upto Rs. 300 on the basis of the Interim Report of the Pay Commission, 1957 ;
- (c) larger expenditure than originally anticipated on hired transport, additional expenditure on the turnover of military personnel with the United Nations Emergency Force in Egypt and for the air-lifting of supplies in certain areas; and
- (d) to meet additional payments on account of increase in prices and larger supply of stores.

In the case of Air Force, the Supplementary Grant was obtained mainly for certain additional purchases decided upon during the course of the year. A small part of the Supplementary Grant was obtained for the reasons mentioned in (a) and (b) above and also to meet additional works expenditure.

The Supplementary Grant under Grant No. 12—Defence Services, Non-Effective was obtained because on the basis of actual drawals, pension payments were expected to be more than the provision made in the budget.

Out of the total Supplementary Grant of Rs. 16.56 crores on Revenue Account, a sum of Rs. 6.18 crores was eventually found unnecessary. The bulk of this shortfall in expenditure was under Grant No. 11—Defence Services,—Effective —Air Force and was mainly due to expenditure on the purchase of stores abroad having fallen short of earlier expectations.



A Supplementary Grant of Rs. 2.92 crores was also voted by the Parliament in February 1958, under Grant No. 106—Defence Capital Outlay. This Supplementary Grant was obtained to meet expenditure additional to that originally anticipated on ships already ordered and under construction in the U. K. after taking into account the net savings expected under other heads. Ultimately, it transpired that the savings were under-estimated, particularly in the case of payments for land acquisition. To some extent, larger savings also occurred in the estimate of expenditure on works as well as on plant and machinery for the Ordnance Factories. The result was that out of the Supplementary Grant of Rs. 2.92 crores, a sum of Rs. 2.03 crores eventually proved unnecessary.

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

3. *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 cash reimbursement system in consequence thereof, a substantial volume of payments which, under the old procedure of exchange accounts, would have been adjusted in the Defence books in the March Final and Supplementary accounts remained unadjusted on 31st March 1958. A sum of Rs. 1.43 crores (mainly on account of cost of supply of imported rice and wheat) representing reimbursements made during 1958-59 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 1957-58, was adjusted in the Accounts for the year 1957-58 as a special case with the concurrence of the Comptroller and Auditor General.

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

No. and Name of Grant	(In crores of rupees)			
	Sanctioned Grant or Appropriation (including supplementary)	Revised Estimate	Final Estimate	Actual Expenditure
<i>Expenditure met from Revenue</i>				
9—Defence Services, Effective—				
Army	O 172.38 } S 7.73 }	180.11	177.20	179.48
Voted . . . . .				
Charged . . . . .	..	..	..	0.01
10—Defence Services, Effective—Navy				
Voted . . . . .	O 16.01	15.32	14.06	14.17
11—Defence Services, Effective—				
Air Force	O 69.82 } S 8.34 }	78.16	72.00	72.75
Voted . . . . .				
12—Defence Services, Non-Effective				
Voted . . . . .	O 12.91 } S 0.49 }	13.40	13.40	13.26
Charged . . . . .				
	O ..	0.91	0.91	0.91
<b>TOTAL ON REVENUE ACCOUNT</b>				
Voted . . . . .	O 271.12 } S 16.56 }	286.99	276.66	279.66
Charged . . . . .				
	O 0.91	0.91	0.91	0.92

No. and Name of Grant	Sanctioned Grant or Appropriation (including supplementary)	Revised Estimate	Final Estimate	Actual Expenditure	
<i>Capital Expenditure</i>					
106—Defence Capital Outlay . . . . .					
Voted . . . . .	{ O S	25.00 2.92	27.92	26.72	25.89
Charged . . . . .	S	0.04	0.04	0.04	0.06
<b>GRAND TOTAL ON REVENUE AND CAPITAL ACCOUNT . . . . .</b>					
Voted . . . . .	..	315.60	314.91	303.38	305.55
Charged . . . . .	..	0.95	0.95	0.95	0.98
<b>TOTAL . . . . .</b>	..	<b>316.55</b>	<b>315.86</b>	<b>304.33</b>	<b>306.53</b>

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

It will be seen from the above that taking the Revenue and Capital expenditure together, there was a saving of about Rs. 10 crores, compared with the Sanctioned Grant. This works out to about 3.2 per cent as against the saving of 8 per cent in the year 1956-57. Compared with the Revised Estimates, the saving is Rs. 9.33 crores which works out to 2.9% as against 3.9% in the previous year. As compared to the Final Estimates there has been an excess of Rs. 2.2 crores and this excess works out, in terms of percentage, to 0.7 as against the saving of 0.1% in the previous year.

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 changes 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. However, all possible efforts are being made to arrest the trend of large scale surrenders. It will be seen that whereas the savings compared with the Sanctioned Grants, taking Revenue and Capital expenditure together, during the years 1955-56 and 1956-57 were 12.5% and 8% respectively, the corresponding figure for the year 1957-58 is, as already stated, 3.2% only. The position continues to be kept under constant watch.

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

5. 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.



6. 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.

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

NEW DELHI ;  
Dated the 24 JUN 1959

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

NEW DELHI ;  
Dated the 24 JUN 1959



## SECTION II.—CHANGES IN FORM AND CLASSIFICATION

7. No important change was made during the year 1957-58 in the form of the accounts. The following important changes in the classification of the expenditure were, however, made during the year :—

- (i) Consequent on the transfer of the administrative control of the office of the Director, Military Regulations and Forms to Ministry of Defence, the expenditure relating to that office has ceased to be met out of the Defence Services Estimates with effect from 13th March 1957.
- (ii) Expenditure on the maintenance and operation of Engineer Store Depots and on procurement of stores and machinery in respect of these depots, which used to be compiled to Main Head 7—Expenditure on works (other than Capital projects), maintenance, etc.—of Major Head 58, is being compiled with effect from 1957-58 as follows:—

Pay and allowances of Industrial Establishment	Main Head 3—Pay and Allowances of Civilians employed with (or for) the Army.
--	--

Miscellaneous	Main Head 4—Transportation and Miscellaneous.
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Procurement of stores and machinery	Main Head 6—Purchase and sale of stores [other than for Manufacturing Establishments and Military Engineer Services (excluding Engineer Store Depots)] and Main Head 8—Charges in England.
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- (iii) Conservancy allowance admissible to Junior Commissioned Officers, Other Ranks and Non-Combatants (Enrolled) of the Army, hitherto booked under Main Head 1-B (b) and 1-C(b) of Major Head 58 is being adjusted under Main Head 4-B(a)—Conservancy Charges of Major Head 58, with effect from 1st April 1957.

### SECTION III.—MISCELLANEOUS OBSERVATIONS

8. *Excesses over Charged Appropriations.*—The following statement shows the excesses over the individual *charged* Appropriations requiring regularisation :—

Serial No.	No. and Name of Appropriation	Sanctioned Appropriation	Actual Expenditure	Excess
1	2	3	4	5
		Rs.	Rs.	Rs.
1.	9—Defence Services, Effective—Army . . . . .	43,000	1,02,147	59,147
2.	11—Defence Services, Effective—Air Force . . . . .	..	7	7
3.	106—Defence Capital Outlay . . . . .	3,58,000	6,09,100	2,51,100

9. Advances amounting to Rs. 17,874 taken from the Contingency Fund of India in February 1958 to meet certain *charged* expenditure in satisfaction of court decree/arbitration awards remained unrecouped at the close of the year 1957-58. Supplementary Appropriations for Rs. 4,000 under Demand No. 9—Defence Services, Effective—Army and Rs. 14,000 under Demand No. 108—Defence Capital Outlay have since been obtained from the Parliament in September 1958 to recoup these advances.

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

The financial limits for exhibition of items of budgeted works in Appendices 'G' and 'H' have been raised from Rs. 1 lakh or more to Rs. 5 lakhs or more irrespective of the amount of variation between the Original Allotment/Estimate and the Actual Expenditure.

11. The Commercial Appendix to the Appropriation Accounts has also been incorporated in these Accounts. The annual reports of the Directors to the Shareholders and the accounts of the Hindustan Aircraft (Private) Ltd. and the Bharat Electronics (Private) Ltd. have not been included in the Commercial Appendix as, in accordance with Section 639 of the Companies Act, 1956, these are required to be presented to the Parliament separately.

NOTE.—In the Appropriation Accounts exhibited at pages 22 to 35.

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

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

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

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

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



## SECTION IV.—APPROPRIATION ACCOUNTS

## 12. Grand Summary of Appropriation Accounts by Grants and Appropriations, 1957-58.

No. and Name of Grant		Original Grant or Appropriation	Final Grant or Appropriation	Actual Expenditure	Actual Expenditure more (+) less(—) than the		
					Original Grant or Appropriation	Final Grant or Appropriation	
I		2	3	4	5	6	
9.—Defence Services, Effective—Army	{ Voted. Charged. Charged.	1,72,38,28	1,80,10,84	1,79,48,28	+7,10,00	—62,56	
Met from Contingency Fund		..	43	1,02	+1,02	+59	
					4		
10.—Defence Services, Effective—Navy . . . . .		16,01,41	16,01,41	14,16,80	—1,84,61	—1,84,61	
11.—Defence Services, Effective—Air Force . . . . .	{ Voted. Charged. Voted :	69,81,49	78,16,38	72,74,69	+2,93,20	—5,41,69	
12.—Defence Services, Non-Effective . . . . .		..	..	..*	..	..	..
		{ Voted : Charged.	12,90,85	13,39,49	13,26,26	+35,41	—13,23
		91,04	91,04	90,82	—22	—22	
Total Expenditure met from Revenue . . . . .	{ Voted. Charged. Charged.	2,71,12,03	2,87,68,12	2,79,66,03	+8,54,00	—8,02,09	
Met from Contingency Fund		91,04	91,47	91,84	+80	+37	
				4			
106.—Defence Capital Outlay . . . . .	{ Voted. Charged. Charged.	25,00,00	27,91,94	25,88,77	+88,77	—2,03,17	
Met from Contingency Fund		..	3,58	6,09	+6,09	+2,51	
				14			
GRAND TOTAL { Met from Consolidated Fund . . . . .	{ Voted. Charged. Charged.	2,96,12,03	3,15,60,06	3,05,54,80	+9,42,77	—10,05,26	
{ Met from Contingency Fund		91,04	96,05	97,93	+6,89	+2,88	
				18			

\*An expenditure of Rs. 7 was incurred under *charged* Appropriation.

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

Revenue . . . . .	6,55,16
Capital . . . . .	3,01,64
TOTAL . . . . .	<u>9,56,80</u>

CONTROLLER GENERAL OF DEFENCE ACCOUNTS' CERTIFICATE,  
1957-58

13. I certify that, to the best of my knowledge and belief, no part of the expenditure contained in these (1957-58) Appropriation Accounts 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 the annexure to this certificate.

I also certify that a test check of the Defence Services store accounts for the year 1957-58 has been carried out under my direction. The store accounts of units and formations in the Jammu & Kashmir area continued to be subject to a reduced scope of test check during the year as in the previous years. There have been some cases in which certain store accounts and/or connected documents were either incomplete or not maintained at all or were not produced for check in some units/formations. Certain irregularities were also noticed in a few cases of ration accounts, etc.

Cases of unauthorised use of Government transport continued to be noticed.

Stock verification revealed surpluses and deficiencies of some magnitude in some Ordnance Depots. Stock verification was carried out in all the factories and surpluses/deficiencies of some magnitude were revealed in the case of four factories only. Stock verification in the Ships, Establishments and Depots of the Navy revealed surpluses and deficiencies of some magnitude in the case of I.N. Ships. The biennial stock-taking for the period 1957-59 is in progress in the Equipment Depots and Maintenance Units of the Air Force. The stock verification for 1955-57 revealed surpluses and deficiencies of considerable magnitude in the case of three Equipment Depots. There were some cases in which stock verification was not carried out, or was partially carried out in Army (including Military Engineer Services) formations.

Cases continued to occur in which certain Army Depots, Naval Establishments, Equipment Depots, of the Air Force and some units and formations could not link the vouchers on which the stores were actually brought on charge by them with the particular issue vouchers/packing accounts in which consignments were notified as having been issued to them. It was not, therefore, possible in a number of cases to verify with reference to the available copies of consignors' issue vouchers/invoices that the stores indicated therein had been fully brought to account in the books of the respective consignees. There were also cases in which stores stated to have been issued have not been brought to account by the consignees. In a number of cases, vouchers have also not been produced to audit.

In many cases the cost of stores issued on payment to States, Government Departments, private bodies could not be debited to/recovered from them for want of receipted copies of issue vouchers. The position regarding recovery of rent and allied charges requires improvement.

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



A complete check of pension payments made during the year in respect of certain military pensioners could not be conducted due to the non-receipt of some pension payment accounts from the Pension Disbursing Officers and for certain other reasons. The irregularities in the pension payments in three treasuries reported in the previous year are still under investigation.

A considerable number of audit objections remained outstanding. Special steps have been taken by Service Headquarters to expedite their settlement and the progress is being watched.

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 1957-58, which is audited by the Director of Audit, Indian Accounts in the United Kingdom on behalf of the Comptroller and Auditor General of India.

NEW DELHI ;

*Dated, the 20th December, 1958.*

PHUL CHAND,

*Controller General of Defence Accounts.*

Countersigned.

NEW DELHI ;

*Dated, the 23rd December, 1958.*

S. JAYASANKAR,

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

### AUDIT CERTIFICATE

14. The account at page 8 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, subject to an error of classification which could not be rectified as the accounts of the year had already been closed, and subject to the observations in the Audit Report, the account above is correct.

NEW DELHI ;

A. K. CHANDA,

Dated the 6 JUL 1959 Comptroller and Auditor General of India.

## ANNEXURE TO THE FIRST SUB-PARAGRAPH OF PARAGRAPH 13

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

Serial No.	Brief particulars	Amount involved	Head of account	Circumstances in which expenditure was incurred without sanction of the 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. <u>Month and year in which the case was first reported to higher authorities /Service Headquarters.</u>
			<i>Major Head 58</i>		
I Payments of rent by Garrison Engineers for hired bungalows without execution of lease agreements with the landlords, during 1957-58, as follows :—		2,57,369	Main Head 7	Payment was made to avoid eviction.	
		Rs.			
	(i) .	5,526			(i) April 1950 . March 1957.
	(ii) .	7,536			(ii) July 1954. March 1957.
	(iii) .	6,684			(iii) October 1954. February 1956.
	(iv) .	5,842			(iv) 1956-57. . January 1958.
	(v) .	2,31,781			(v) February 1958.
					The first four cases were also reported in the Appropriation Accounts, 1956-57.

2 Expenditure incurred during 1957-58 by Garrison Engineers without proper sanction, as under :—

(i) On a major work . . . .	6,55,857	Major Head 86 Sub Head C	The expenditure was incurred in anticipation of Government sanction due to operational necessity.	May 1957.	May 1957.
(ii) On a work at a military station	2,958	Major Head 59 Sub Head F	The expenditure was incurred in anticipation of Government sanction.	February 1958.	March 1958.
(iii) On payment of municipal taxes in respect of a building	2,446	Major Head 58	Do.	December 1957.	December 1958.
(iv) On 541 wooden chairs, supplied to a Sadium.	2,375	Major Head 58 Main Head 7		July 1957.	December 1958.

3 Expenditure incurred by Garrison Engineers for supply of water/ electric energy without the execution of agreements or memoranda of terms with supply companies/administrations, as follows :—

	Rs.				
(i) 1953-54 . . . . .	10,759	92,426	Do.	Agreement could not be finalised due to certain legal issues.	June 1954. December 1958.
1954-55 . . . . .	6,150				
1955-56 . . . . .	21,656				



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.

	1956-57 .	26,682				
	1957-58 .	27,179				
(ii) upto 31-3-1954	60,806	2,59,750	Major Head 60 Sub Head F	The Public Works Department authorities expressed their unwillingness to conclude agreement.	January 1954.	December 1958.
	1954-55 .	44,700				
	1955-56 .	54,480				
	1956-57 .	50,981				
	1957-58 .	48,783				
(iii)	1949-50 .	2,807	53,096	Major Head 58 Main Head 7	Government sanction is awaited.	March 1954.
	1950-51 .	5,088				December 1958.
	1951-52 .	4,469				
	1952-53 .	7,188				
	1953-54 .	4,786				
	1954-55 .	5,657				
	1955-56 .	6,732				
	1956-57 .	5,519				
	1957-58 .	10,850				
4	Irregular employment of certain establishment in excess of the authorised strength in a factory during 1957-58.	4,650	Main Head 3	Payment was made, as the individuals were actually employed though their employment was not covered by Government sanction.	April 1957.	January 1958. Also reported in the Appropriation Accounts, 1956-57.
5	Unauthorised issue of free rations to civilian personnel attending courses of instructions during 1957-58.	9,494	Main Head 6	The expenditure was authorised as a 'Joint Measure' during the last war. In view of the termination of the financial agreement between the United Kingdom Government and Government of India with effect from 1st April 1947, fresh Government sanction for	April 1954.	June 1956. Also reported in the Appropriation Accounts, 1956-57.



incurring the expenditure is necessary as the original Government sanction has become inoperative from that date in view of the change in incidence.

6	Expenditure incurred on sea passage for despatch of Army personnel during December 1957.	43,535	Major Head 58 Main Head 4	The expenditure was incurred in anticipation of Government sanction.	December 1957.	December 1957.
7	Expenditure incurred on advance collection of stores for a works project without obtaining administrative approval during 1955-56 and 1956-57.	1,11,120	Major Head 86	The expenditure was incurred in anticipation of administrative approval.	1955.	December 1958.
	Rs.					
	1955-56 . . .	+22,189				
	1956-57 . . .	+1,04,744				
	1957-58 . . .	-8,200				
	TOTAL . . .	1,18,733				
	Less amount of administrative approval . . .	7,613				
		1,11,120				
8	Expenditure incurred on account of transport in connection with a ceremonial parade held on 28th February 1958, on the eve of transfer of a Brigade Commander and on the rehearsals during the period 14th to 18th February 1958. In addition to the expenditure shown in col. 3 an undeterminable amount on account of pay and allowances of personnel who participated in the parade was also spent.	36,218	Major Head 58	The expenditure involved was placed under objection on its detection by the internal audit.	June 1958.	August 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.	
9	Irregular use of Government transport by an Ammunition Depot during the period April to September 1957.	8,178	Major Head 58	The vehicles (3 ton) were used for conveyance of food and bedding of guards in excess of two trips authorised under the existing orders.	August 1956.	January 1958. Also reported in the Appropriation Accounts 1956-57.
10	Irregular drawal by a Transit Camp during 1957-58 of half rations in respect of leave details for the day from which leave commences for which ration allowance is admissible.	15,139	<i>Major Head 58</i> Main Head 6	Irregular drawal of half rations upto August 1951 was regularised by Government in June 1952. The unit continued to draw half rations for leave details on the plea that these were admissible.	June 1953.	January 1956. Also reported in the Appropriation Accounts 1956-57.
11	Expenditure incurred on the local purchase of certain Army Service Corps stores, during the period 1st August to 30th September 1956. The main irregularities are purchase of cheaper variety of fire-wood and purchase of quantities far in excess of that provided for in the contract.	29,288	Major Head 58	The payment was made provisionally to avoid hardship to the contractor.	November 1956.	December 1956.
12	Payment of licence fee by a Supply Depot for import of rum during 1957-58.	9,252	<i>Major Head 58</i> Main Head 6	Prepayment of licence fee was made to obtain permit from the Excise authorities.		December 1958.

	9,88,789 Major Head 59 Sub Head E	Such excesses are usual and have been attributed to a variety of reasons, <i>viz.</i> , abnormal rise in rates fixed for pricing the stores, increase in prices, short life of certain stores, increased commitments in transport and maintenance of additional equipments due to expansion of establishment, frequent visits of V.I.Ps. etc. The expenditure was incurred in anticipation of covering Government sanction.	Between April and August 1958.	Between April and December 1958.
13 Expenditure due to consumption of stores in excess of monetary allotment or without any allotment by 36 Naval formations during 1957-58.	9,88,789 Major Head 59 Sub Head E	Such excesses are usual and have been attributed to a variety of reasons, <i>viz.</i> , abnormal rise in rates fixed for pricing the stores, increase in prices, short life of certain stores, increased commitments in transport and maintenance of additional equipments due to expansion of establishment, frequent visits of V.I.Ps. etc. The expenditure was incurred in anticipation of covering Government sanction.	Between April and August 1958.	Between April and December 1958.
14 Expenditure incurred by a Naval formation on works in excess of sanction during April to June 1957.	8,228 Sub Head E	The expenditure was incurred in anticipation of Government sanction.	October 1957.	July 1958.
15 Expenditure incurred by a Naval Dockyard in excess of sanction on construction of a motor pinnace for a naval ship, as under :—	18,365 Sub Heads C and E		September 1957.	December 1958.
Rs. 1956-57 . . . 1,466 1957-58 . . . 16,899				
16 Expenditure incurred by a Naval Dockyard on the installation of water coolers during 3rd August 1954 to October 1957.	9,109 Major Head 59	The water coolers were repaired and installed on the instructions from the Naval Headquarters and the Government had accepted their installation in principle.	February 1957.	February 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.

17 Expenditure incurred by Air Force units/formations on pay and allowances as under :—

*Major Head 60*

- |  |        |            |   |  |                                       |
|--|--------|------------|---|--|---------------------------------------|
| (i) Due to the transfer of three Air Force Officers, who were rendered unfit for flying duties on account of service conditions from General Duty Branch to Ground Duty Branch on various dates during 3rd December 1956 to 25th May 1957 without Government sanction. | 16,981 | Sub Head A | The payment was made as the individuals were actually employed. | July 1957 in two cases and September 1957 in the third case. | December 1957.                        |
| (ii) Due to employment of four non-matriculates as Equipment Assistants during the period 15th July 1953 to 31st March 1958.   | 27,975 | Sub Head C | Do.   | March 1958.  | December 1958.                        |
| (iii) Due to retention during November 1956 to March 1958 in service of an Air Force Officer after being declared as unfit for flying duties.  | 24,257 | Sub Head A | The payment was made as the officer was actually employed.      | June 1957.   | February 1958.                        |
| (iv) Due to retention in service of five Air Force Officers beyond the period of engagement as follows :—  | 52,246 | Do.        | Payment was made as the officers were actually employed.        | Between July 1957 and May 1958.                              | Between September 1956 and June 1958. |

	Rs.
1956-57 . . .	13,667
1957-58 . . .	38,579

	(v) Due to re-employment of 14 military pensioners as civilians in 8 Air Force formations during the period 1951 to 1958.	Not assessable.	Sub Head C	With reference to the existing rules, the pay of re-employed military pensioners is required to be fixed by Government after taking into account their pensions. The pay in these cases has not yet been fixed by Government.	Various dates.	Various dates. Nine of these cases were also reported in the Appropriation Accounts, 1956-57.
18	Expenditure on provision of transport to officers/airmen of an Air Force formation arriving/proceeding on temporary duty from November 1956 onwards.	Not assessable	Sub Head E	The expenditure was incurred as the Mail/Express trains did not stop at the station where the unit was located.	April 1957.	June 1957.
19	Unauthorised use of Service transport by an Air Force formation in connection with the move of a section during October 1956.	£ 2,794	Sub Head D	The expenditure was inescapable.	June 1957.	July 1958.
20	Employment of the following staff in excess of the authorised establishment by Air Force units—					
	(i) Mess servants during 1st January to 20th May 1957.	17,000	Sub Head C	Payment had to be made as the individuals were employed.	February 1957.	August 1958.
	(ii) Class IV civilians, during 15th November 1957 to 28th February 1958.	8,600	Do.	Do.	January 1958.	December 1958.
21	Unauthorised employment of one clerk each in three Air Force units with effect from 15th July 1955.	Not assessable	Do.	The payment was made as the individuals were actually employed.	August 1956 in one case, December 1956, in the other two.	May and July 1957.
22	Expenditure on flying hours performed in excess of those authorised by a Wing and a Squadron of the Air Force during 1957-58.	Do.	Sub Head D	The expenditure was incurred in anticipation of Government sanction.	March and June 1958.	December 1958.

1	2	3	4	5	6	
					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
23	Fifty-eight cases of unauthorised provision of conveyance by Air to civilians, Service Officers, foreign V.I.Ps, etc. and for the lift of certain stores and equipment, during 1956-57 and 1957-58	Rs. Not assessable	Major Head 60	Flights were undertaken in anticipation of Government sanction.	Between June 1957 and March 1958.	Between June 1957 and December 1958.
			<i>Major Head 58</i>			
24	Expenditure incurred on dismantling and re-erecting 45 Nissen Huts by troop labour in 1955-56	Do.	Main Head 7	The expenditure was incurred in anticipation of Government sanction.	November 1956.	December 1958.
25	Expenditure on rent of hired lands retained for a period beyond 10 years.	Do.	Major Heads 58, 59 and 60 Main Head 7 and Sub Head F respectively <i>Major Head 58</i>	The lands were initially hired for a period less than 10 years.	October 1956.	September 1958.
26	Expenditure on rent of a hired building during 1953-54 to 1956-57.	8,510	Main Head 7	Payment was made as the building was in occupation.	September 1957.	April 1958.
		Rs.				
	1953-54 . . .	1,510				
	1954-55 . . .	2,400				
	1955-56 . . .	2,400				
	1956-57 . . .	2,200				
27	Irregular use of Service transport by two Army units for conveyance of furniture during 1955-56.	3,548	Do.	The expenditure was incurred in anticipation of Government sanction.	June 1956.	January 1958.



*Major Head 58*

28 Expenditure incurred in excess of sanction for manufacture of machine for Winding Cable during 1954-55 to 1956-57.

11,580

Sub-Heads  
E and G

Government had agreed to the revised expenditure for manufacture of machine at the enhanced cost of Rs. 21,135. February 1958. September 1958.

Rs.

1954-55 . . .	8,614
1955-56 . . .	6,367
1956-57 . . .	10,599

TOTAL . . . 25,580

Less—authorised amount . . . 14,000

11,580

*Major Head 60*

29 Expenditure incurred on the use of Service transport by an Air Force Detachment for collection of ice from a factory during April to September 1951.

2,745  
(Approx.)

Sub Head D

Even though it was the responsibility of the contractor to supply ice at the unit ration stand, Government transport was utilised for the purpose. December 1957. March 1958.

30 Expenditure incurred by an Air Force formation on conservancy arrangements during May 1952 to July 1956.

18,643

Do.

Instead of entering into contracts for conservancy arrangements sweepers were employed for the purpose and Government transport was also utilised. January 1957. March 1958.

31 Expenditure incurred by an Air Force formation on unauthorised issue of rations, clothing, railway warrants and provision of transport to one Defence Security Corps platoon during January to March 1957, when it was not attached to the Air Force formation.

Not assessable.

Major Head 60

The expenditure was incurred on the ground that the platoon was under the administrative control of the advance party of the Air Force formation. April 1957. November 1957.

32 Unauthorised issue of 'C' diet by a Military Hospital to officers' wives admitted as sick attendants during the period upto 1954-55.

Not assessable.

*Major Head 60*  
Main Head 6

Only 'O' diets were authorised. The expenditure incurred requires regularisation under Government orders. May 1955. July 1958.

33 Expenditure incurred by a Garrison Engineer on minor works without obtaining revised administrative approval during 1955-56.

16,576

Major Head 86

The expenditure was incurred in anticipation of the revised administrative approval for the main project. August 1956. May 1957 and July 1958.

## APPROPRIATION ACCOUNTS

## 15.—GRANT No. 9 —DEFENCE SERVICES, EFFECTIVE—ARMY

Sub-Heads		Final Grant or Appropriation	Actual Expendi- ture	Excess + Saving—
		2	3	4
MAJOR HEAD 58				
A. Pay and Allowances of the Army				
Voted	{ O. 46,99,91 S. 2,47,89 R. 30,80 }	49,17,00	49,06,89	—10,11
B. Pay and Allowances and Miscellaneous Expenses of Territorial Army, etc.				
Voted	{ O. 1,99,56 R. —38,39 }	1,61,17	1,54,22	—6,95
C. Pay and Allowances of Civilians employed with (or for) the Army				
Voted	{ O. 23,68,78 S. 91,29 R. 6,21 }	24,66,28	24,63,43	—2,85
Charged	{ S. 3 R. —1 }	2	2	..
Met from Contingency Fund			4	
Charged				
D. Transportation and Miscellaneous				
Voted	{ O. 14,54,03 S. 21,88 R. —85,61 }	13,90,30	14,03,33*	+13,03
Charged	{ S. 7 R. —4 }	3	3	..
E. Expenditure on Manufacturing Establishment (including Stores and Works)				
Voted	{ O. 17,00,05 S. 21,10 R. 24,88 }	17,46,03	17,78,15	+32,12
Charged	{ S. 13 R. —13 }	..	..	..

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

## EXPLANATIONS

*Sub-Head A.*—The saving is mainly due to less expenditure on account of Ration Allowance due to less “Other Ranks” proceeding on leave in the last quarter of the year than anticipated.

*Sub-Head B.*—The saving is due to less number of trainees turning up for training in the Lok Sahayak Sena and the Territorial Army than anticipated (Rs. 10 lakhs) partly set off by excess expenditure on National Cadet Corps resulting from the adjustment of arrear transactions relating to clothing for the years 1954-55 and 1955-56 (Rs. 3 lakhs).

*Sub-Head D.*—The excess is mainly due to larger expenditure under rail charges owing to increase of railway fares on the telescopic system with effect from 15th September 1957 for which better approximation could not be made.

*Sub-Head E.*—The excess is mainly due to :—

	(In lakhs of rupees)
(i) Larger expenditure on transportation charges consequent on the increase in Military Tariff rates with effect from the 1st June 1959 (Rs. 8·10 lakhs) and payment of customs duty which could not be accurately assessed (Rs. 3·90 lakhs)	12
(ii) More expenditure on purchase of material in the Ordnance and Clothing factories due mainly to heavier adjustments than anticipated during the closing months of the accounts	17
(iii) Increased expenditure on Production charges due to more purchases of concentrates and milk, higher rates of grains and adjustment of cost of skimmed milk powder (Rs. 9 lakhs) partly set off by the saving in other items of expenditure (Rs. 6 lakhs)	3
	32



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

Sub-heads	Final Grant or Appropriations	Actual Expenditure	Excess + Saving—
1	2	3	4
F. Purchase and sale of Stores other than for manufacturing Establishments & Military Engineer Services (excluding Engineer Stores Depots)			
Voted	{ O. 32,15,75 S. 3,27,01 R. 59,04 }	36,01,80	37,96,65 +1,94,85
Charged	{ S. 9 R. 15 }	24	40 +16
G. Expenditure on works (other than Capital Projects), Maintenance etc.			
Voted	{ O. 11,41,50 R. —2,89 }	11,38,61	11,53,50 +14,89
Charged	{ S. 11 R. 3 }	14	57 +43
H. Charges in England			
Voted	{ O. 24,58,70 S. 63,39 R. —2,27,13 }	22,94,96	22,88,06** —6,90
I. Loss or Gain by Exchange			
Voted	R. 3,99	3,99	4,05 +6
Surrenders or withdrawals within Grant or Appropriation	R. 2,90,70	2,90,70	—2,90,70
Total met from Consolidated Fund.			
Voted		1,80,10,84	1,79,48,28 —62,56
Charged		43	1,02 +59
Total met from Contingency Fund.			
Charged			4

\*Includes 3 on account of payment of the annual membership dues of the Indian Soldiers', Sailors' and Airmen's Board to the World Veterans Federation for the years 1956 and 1957 and 4.90 on account of purchase of spare parts which should have been correctly debited to Sub-Head F of this Grant.

\*\*Includes 5.27 on a account of contributions for 1957-58 to the Imperial War Graves Commission.

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

*Sub-Head F.* The excess under “voted” is mainly due to:—

	(In lakhs of rupees)
(i) Heavier adjustment of customs duty in respect of Mechanical Transport Vehicles and stores . . . . .	98
(ii) Larger supplies of Mechanical Transport Stores . . . . .	52
(iii) Larger supplies of clothing stores, and . . . . .	22
(iv) Less issue of POL to the Navy and Air Force . . . . .	20
	192

*Sub-Heads F and G—“Charged”*—The excess is due to payments in satisfaction of arbitration awards/court decrees, initially classified erroneously as ‘Voted’ expenditure, having been correctly reclassified subsequently as ‘Charged’.

*Sub-Head G.-Voted*—The excess is mainly due to :—

- (i) larger expenditure on procurement of stores, *viz.*, cement and steel and
- (ii) heavier adjustments on account of transportation charges.

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-Head	Budget Estimate	Revised Estimate	Actual Recoveries	Actual more (+)	Recoveries less (-) than the
					Budget Estimate	Revised Estimate
I	2	3	4	5	6	7
Pay and Allowances of Civilians	C	94,30	97,10	98,40	+4,10	+1,30
Ordnance and Clothing factories	E	3,20,00	3,26,00	3,52,42	+32,42	+26,42
Military Farms	F	2,07	2,07	1,16	-91	-91
Tools, Plant and Machinery	} G	11,30	11,70	11,73	+43	+3
Stores		G	1,54,00	1,71,00	1,87,71	+33,71
<b>TOTAL</b>		5,81,67	6,07,87	6,51,42	+69,75	+43,55



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

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EXPLANATIONS—*contd.*

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

Sub-Heads			Final Grant	Actual Expenditure	Excess(+) Saving(-)
I			2	3	4
<i>Major Head 59</i>					
A—Pay and Allowances of the Navy.	{ O. R. }	{ 3,05,67 11,65 }	3,17,32	3,21,44	+4,12
B—Pay and Allowances of Reservists.	{ O. R. }	{ 83 13 }			
C—Pay and Allowances of Civilians	{ O. R. }	{ 2,79,00 3,68 }	2,82,68	2,84,90	+2,22
D—Transportation and Miscellaneous.	{ O. R. }	{ 72,59 -2,42 }	70,17	72,15	+1,98
E—Expenditure on Stores.	{ O. R. }	{ 4,21,01 -82,18 }	3,38,83	3,46,68	+7,85
F—Expenditure on Works (other than Capital projects), Maintenance etc.	{ O. R. }	{ 1,06,90 -13,31 }	93,59	88,12	-5,47
G—Charges in England.	{ O. R. }	{ 4,15,41 -1,13,06 }	3,02,35	3,01,99*	-36
H—Loss or Gain by Exchange.	R.	53	53	52	-1
Surrenders or withdrawals within Grant	R.	1,94,98	1,94,98		-1,94,98
<b>TOTAL</b>			<b>16,01,41</b>	<b>14,16,80</b>	<b>-1,84,61</b>

\*Includes 14 on account of contribution for 1957 to the International Hydrographic Bureau/Monaco.

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 Recoveries More(+) Less(-) than	
					Budget Estimate	Revised Estimate
I	2	3	4	5	6	7
Pay and Allowances of Civilians	C	3,60	3,60	3,74	+14	+14

## GRANT No. 10—DEFENCE SERVICE, EFFECTIVE—NAVY

## EXPLANATIONS

*Sub-Head A.*—The excess is mainly due to :—

- (i) The increase in the strength of ratings on account of the commissioning of a Naval Ship and
- (ii) Adjustment of increase in dearness allowance sanctioned in implementation of the interim recommendation of the Pay Commission and late payment of arrears on account of promotions, increments, etc., the effect of which could not be estimated accurately.

*Sub-Head D.*—The excess is mainly due to larger expenditure on passages and conveyance of personnel (Rs. 4·19 lakhs) partly set-off by less expenditure on repairs and refits to ships, unit allowance, hire of vessels, etc.

*Sub-Head E.*—The excess is mainly due to larger expenditure on (i) Naval stores including payment of customs duty (Rs. 5 lakhs), (ii) Provisions and water owing to the increase in or prices of certain major items of Naval rations (Rs. 6 lakhs), (iii) Clothing stores due to unexpected materialisation of supplies (Rs. 5 lakhs) and (iv) oil fuel arising out of unanticipated adjustment of debits (Rs. 11 lakhs) partly set off by saving due to less supplies of Armament stores (Rs. 17 lakhs.)

*Sub-Head F.*—The saving is under the following heads :—

	(In lakhs of rupees)
(i) <i>Major and Minor Works :</i>	
Due to various causes, e.g., non-payment of bills, non-receipt of debit vouchers, etc.	0·74
(ii) <i>Maintenance of Buildings, etc. :</i>	
Due to non-receipt of Inter Departmental schedules, non-payment of final bills of contractors, etc.	0·60
(iii) <i>Maintenance and operation of Installations :</i>	
Due to non-payment of Bombay Municipal Corporation bills for water supply . . . . .	0·77
(iv) <i>General Charges :</i>	
Mainly due to non-receipt of bills from the P.W.D. . . . .	1·92
(v) <i>Departmental Charges on Naval Works carried out by the M.E.S. :</i>	
Due to reduction in expenditure on works . . . . .	1·45
	5·48



## 17.—GRANT No. II—DEFENCE SERVICES, EFFECTIVE—AIR FORCE

Sub-Heads		Final Grant	Actual Expendi- ture	Excess(+) Saving(-)
1		2	3	4
<i>Major Head 60</i>				
A—Pay and Allowances of the Air Force.	{ O. 7,19,31 S. 6,75 R. -12,16 }	7,13,90	7,25,38	+11,48
B—Pay and Allowances of Reserve and Auxiliary Services.	{ O. 5,60 R. -3,90 }	1,70	1,68	-2
C—Pay and Allowances of Civilians.	{ O. 2,35,84. R. -9,07 }	2,26,77	2,30,75	+3,98
D—Transportation and Miscellaneous.	{ O. 1,76,94 R. 9,5 }	1,86,44	2,03,32	+16,88
E—Expenditure on Stores.	{ O. 14,57,08 S. 1,22,95 R. -2,18,99 }	13,61,04	13,98,15	+37,11
F—Expenditure on Works (other than Capital projects), Maintenance etc.,				
<i>Voted</i>	{ O. 2,29,12 S. 23,42 R. -7,97 }	2,44,57	2,48,75	+4,18
<i>Charged</i>	..	..	..*	..
G—Charges in England.	{ O. 41,57,60 S. 6,77,89 R. -3,77,28 }	44,58,21	44,58,90	+69
H—Loss or gain by Exchange.	{ S. 3,88 R. 3,87 }	7,75	7,76	+1
Surrenders or withdrawals within Grant	R. 6,16,00	6,16,00	..	-6,16,00
TOTAL	{ Voted Charged }	78,16,38 ..	72,74,69 ..*	-5,41,69 ..

\*An expenditure of Rs. 7 was incurred under *Charged* Appropriation.

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

**EXPLANATIONS**

*Sub-Head A.*—The excess is due to belated payments of arrear claims of pay and allowances, which could not be anticipated.

*Sub-Head C.*—The excess is mainly due to larger expenditure on pay and allowances of civilian personnel on account of increase in the dearness allowance with effect from 1-7-1957, the effect of which could not be estimated accurately.

*Sub-Head D.*—The excess is mainly due to :—

- (i) heavier adjustment of debits in respect of payments made to Air Force personnel in Embassies abroad (Rs. 5 lakhs) and
- (ii) larger expenditure on account of Rail charges consequent on increase in tariff rates with effect from 1-6-57, the effect of which could not be estimated accurately, (Rs. 11 lakhs).

*Sub-Head E.*—The excess is mainly due to :—

- (i) larger supplies of Ordnance and Clothing Stores (Rs. 27 lakhs);
- (ii) Miscellaneous stores (Rs. 9 lakhs) ;
- (iii) Mechanical Transport and Aviation stores (Rs. 9 lakhs) and
- (iv) heavier adjustments of customs duty (Rs. 9 lakhs) partly set off by savings due to less expenditure on P.O.L. due to reduced flying efforts (Rs. 17 lakhs).

*Sub-Head F.*—The excess is mainly due to the omission to estimate correctly the departmental charges on Air Force works carried out by the Military Engineer Services.

## 18. —GRANT No. 12—DEFENCE SERVICES. NON-EFFECTIVE

Sub-Heads			Final Grant or Appropriation	Actual Expendi- ture	Excess(+) Saving(-)	
1			2	3	4	
<i>Major Head 60-A</i>						
A—Army	{	Voted	{ O. 12,58,18 S. 47,34 R. 56 }	13,06,08	12,93,49	-12,59
		Charged	{ O. 88,64 R. -21 }			
B—Navy	{	Voted	{ O. 21,15 R. 82 }	20,33	20,05	-28
		Charged	{ O. 2,33 }			
C—Air Force	{	Voted	{ O. 9,37 S. 1,30 R. -26 }	10,41	9,96	-45
		Charged	{ O. 7 R. -1 }			
D--Charges in England	{	Voted	{ O. 2,15 R. 52 }	2,67	2,76	+9
E—Loss or Gain by Ex- change.				..	..	..
Surrenders or with- drawals within Grant or Appro- priation.	Char g ed	R.	22	22	..	-22
TOTAL	{	Voted:		13,39,49	13,26,26	-13,23
		Charged:		91,04	90,82	-22



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

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## EXPLANATIONS

*Sub Head A.*—The saving is mainly due lesser expenditure in respect of 'Pensions and Gratuities to Indians and their families' than anticipated.

## 19. GRANT No. 106—DEFENCE CAPITAL OUTLAY

Sub-Heads		Final Grant or Appropriation	Actual Expenditure	Excess(+) Saving(-)
I		2	3	4
<i>Major Head 86</i>				
A. 1.—Army	{ Voted { O. 8,23,00 } { R. -1,32,10 } { Charged S. 3,58 }	6,90,90	6,18,30	-72,60
		3,58	4,80	+1,22
Met from Contingency Fund	<i>Charged</i> ..	..	14	..
A. 2.—Navy	{ O. 9,25,00 } { S. 2,91,94 } { R. 1,20,63 }	13,37,57	13,31,85	-5,72
A. 3.—Air Force	{ Voted { O. 3,77,00 } { R. 59,91 } { Charged .. }	4,36,91	4,32,27	-4,64
		..	1,29	+1,29
A. 4.—Industrial Development	{ O. 3,75,00 } { R. -1,68,66 }	2,06,34	2,06,35	+1
Surrenders or withdrawals within Grant or Appropriation.	R. 1,20,22	1,20,22	..	-1,20,22
TOTAL	{ Met from Consolidated Fund { Voted 27,91,94 } { Charged 3,58 } { Met from Contingency Fund <i>Charged</i> .. }	27,91,94 3,58	25,88,77 6,09	-2,03,17 +2,51
			14	

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	Actual Recoveries more(+) less(-) than the	
				Budget Estimate	Revised Estimate
I	2	3	4	5	6
Recoveries on Capital Account	1,45,50	3,03,00	3,01,64	+1,56,14	-1,36

## GRANT No. 106—DEFENCE CAPITAL OUTLAY.

## EXPLANATIONS

*Sub-Head A. 1.—Voted*—The saving is mainly under the following heads :—

(In lakhs of rupees)

(a) Works . . . . .		32
(i) Due to non-receipt/non-adjustment of debits etc. . . . .	10	
(ii) Non-payment of final bills . . . . .	3	
(iii) Non-receipt of stores, non-adjustment of the cost of stores issued from stock etc. . . . .	4	
(iv) Slow progress of Factory Works, and less expenditure on Plant and Machinery . . . . .	7	
(v) Non-commencement of works in certain Farms and in some cases actual expenditure being less than sanctioned . . . . .	8	
(b) Land Acquisition . . . . .		49
(i) Non-payment in respect of land for Artillery ranges on account of arbitration in certain cases and non-arrival of claimants to receive payments in respect of others . . . . .	6	
(ii) Non-adjustment of debits (Rs. 10 lakhs) and non-finalisation of assessments (Rs. 33 lakhs) in respect of land acquired in certain States . . . . .	43	
		81

The above saving was partly set off by less withdrawal from stock pile for steel, (Rs. 10 lakhs), leaving a saving of Rs. 71 lakhs.

*Sub-Heads A. 1 and A. 3.—“Charged”*.—The excess is due to payments in satisfaction of arbitration awards/court decrees initially classified erroneously as ‘Voted’ expenditure, having been correctly reclassified as ‘Charged’.



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

20. The total expenditure incurred by the Military Engineer Services on Capital projects and on Revenue Account during the year 1957-58 was Rs. 25.49 crores. A comparison of the figure with the Original Grant and Final Estimates is given below :—

(In crores of rupees)

	Original Grant	Final Estimate	Actual Expenditure	Actual Expenditure more(+) less (—) than the	
				Original Grant	Final Estimate
Expenditure met from Revenue	14.64	14.96	14.78	+0.14	—0.18
Expenditure met from Capital	11.41	11.08	10.71	—0.70	—0.37
<b>GRAND TOTAL</b>	<b>26.05</b>	<b>26.04</b>	<b>25.49</b>	<b>—0.56</b>	<b>—0.55</b>

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 Actual Expenditure for the year under Review was 2.15 % and 2.11% respectively. The saving under Revenue Account is small. The saving under Capital Account is due mainly to deferment of certain works with a view to conserving cement and steel and due to non-receipt of debits for stores and non-payment of final bills.

21. A statement showing the amounts originally allotted to certain important works during the year and the actual expenditure incurred against these allotments is given in Appendix 'G'. The reasons for the variations between the original allotment and actual expenditure in respect of each work are also indicated in the Appendix. The main reasons for under-spending were late conclusion/non-conclusion of contracts (partly owing to the review of works under taken as a result of a general directive to postpone construction works), non-payment/non-finalization of final bills, changes in scope of work, non-procurement of stores/ equipment in time and defective planning of works. In cases of over-spending the variations were attributable to short provision of funds in the first instance and accelerated progress of work.

22. A statement showing the total cost of works completed during the year and original estimated cost is given in Appendix 'H'. The savings were attributable to reduction in scope of work, low tendered percentage and non-utilization of the provision for contingencies.

23. The prescribed works procedure was generally complied with by the executive authorities.



The table given in Annexure II to this Section will show the position in regard to the amount of expenditure objected to by the internal audit authorities due to non-compliance with the basic rules governing works expenditure.

24. The statistics relating to flow of cash expenditure have been examined. The expenditure during the first six months was 3.59%, 6.6%, 7.7%, 7.3%, 7.1% and 7.8% respectively of the total expenditure of the year. The expenditure during March 1958 was about 2.94 times the average expenditure of the first eleven months, 2.54 times the average expenditure of the year and 2.43 times the expenditure incurred during February 1958. Although there has been slight improvement in the position as compared with that of the preceding year, it cannot yet be regarded as satisfactory. The rush of expenditure in the month of March 1958 was due mainly to greater "on account" payments, and delays in the completion of works, in the finalisation of bills, in the submission of bills by contractors, in sanctioning minor works and in the conclusion of contracts.

25. The position in regard to recoveries of rent and allied charges, as indicated in the Controllers' reports, though slightly improved as compared with the last year's position, still continues to be unsatisfactory. As against the sum of Rs. 2.41 crores and Rs. 3.18 crores respectively reported as outstanding at the end of the years 1955-56 and 1956-57, the amount outstanding at the end of the year under review was Rs. 2.95 crores. As already reported in last year's review, the bulk of the amount outstanding is against State Government and Central Ministries.

26. In regard to conclusion and operation of contracts by the Military Engineer Services, the Controllers' reports mainly indicate that there has been a large number of cases in which extension of time has been allowed. Moreover, the extensions of time granted are reported to be disproportionately long when compared with the period of contracts specified at the tender stage. The Controllers have also reported a number of cases in which deviation orders were issued, contrary to the existing rules, long after the work was done.

27. The total book value of furniture held on charge in all the Commands at the beginning of the year, was Rs. 10.34 crores. The total expenditure incurred during the year on maintenance, repairs and renewals of the above furniture was Rs. 68.55 lakhs, as against the authorised limit of Rs. 82.52 lakhs, based on prescribed percentages of maintenance expenditure for the various types of furniture. The expenditure during the year under review works out to 6.63% as compared with 6.49% during 1956-57.

28. The system of maintenance of store accounts in Engineer Store Depots and Engineer Parks was generally satisfactory. The correct procedure for stock holding and stock disposal was followed. Stock verification was carried out in the usual manner.

As regards Military Engineer Services formations, the Controllers' reports indicate that in twelve formations, stock verification was partially carried out while in five formations, the stock verification conducted was not satisfactory.

The Divisional stocks were generally within quantitative limits prescribed except in 14 formations. Stock book rates had been properly worked out except in 4 formations and the expenditure on maintenance of stores was found to be reasonable.

29. The reports of the Controllers on the working of the Standard Schedule of Rates indicate that in a majority of cases the rates quoted by the tenderers during the year under review continued to range between 20% above to 10% below the rates in this Schedule.

30. The total expenditure on Establishment during the year amounted to Rs. 2.95 crores against a total works load of Rs. 21.68 crores. This works out to 13.62% as against 13.09% for the year 1956-57 and 13.03% for the year 1955-56. 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.

31. 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 II to this Section.



**ANNEXURE I TO SECTION V**

(Referred to in paragraph 23)

Serial No.	Nature of objection	Amount outstanding on 31-3-1957	Amount objected to during the year 1957-58	Amount settled during the year 1957-58		Amount outstanding on 31-3-1958
				Objections pertaining to the previous year	Objections pertaining to the current year	
I	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Want of Administrative Approval	13,23,708	15,56,763	4,26,406	66,194	23,87,871
2	Want of Technical Sanction	15,65,236	7,31,041	11,15,798	1,47,755	10,32,724
3	Want of Allotment of Funds	..	30,59,713 (- ) 1,09,584	..	24,92,450 (- ) 29,580	5,67,263 (- ) 80,004
4	Excess over Administrative Approval	6,57,352	1,09,928	2,63,576	15,699	4,88,005
5	Excess over Technical Sanction	42,84,860	12,00,662	10,94,096	1,67,838	42,23,588
6	Excess over allotment	..	83,14,171 (- ) 2,55,991	..	44,64,413 (- ) 1,13,351	38,49,758 (- ) 1,42,640

NOTE.—The figures indicated against item 2 above do not include such cases of want of technical sanction as have also been included under item 1 for want of Administrative Approval.

ANNEXURE II TO SECTION V

(Referred to in paragraph 31)

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 1957-58.

Serial No.	Name of work	Estimated cost	Expenditure incurred		Amount of departmental charges remitted/reduced	
			During 1957-58	To end of 1957-58	During 1957-58	To end of 1957-58
1	2	3	4	5	6	7
		Rs.	Rs.	Rs.	Rs.	Rs.
1	Dinapore— Construction of flush type group latrine in Sadar Bazar area .	18,822	(—)17	15,500	(—) 2	1,550
2	Dinapore—Construction of a rest house for ex-service-men, sailors and airmen	31,600	509	30,196	125	7,398
3	St. Thomas Mount, Madras—Construction of a drain next to a church .	4,287	1,936	3,433	193	343
4	St. Thomas Mount, Madras—Construction of sweepers' quarters .	14,989	4,077	12,778	408	1,278
5	St. Thomas Mount, Madras—Construction of a school building .	58,542	4,798	4,798	480	480
6	Amritsar—Construction of one additional room in a primary school in the Cantonment area .	4,037	3,444	3,444	344	344
7	Amritsar—Construction of additional room in a Cantonment dispensary building .	1,464	1,427	1,427	143	143
8	Ferozepore—Provision of additional street lights in Cantonment area .	5,000	852	852	85	85
9	Bakloh—Construction of fly proof latrines . . . . .	22,930	15,000	15,000	1,500	1,500
10	Khas Yol—Construction of latrines and urinals . . . . .	9,000	2,265	2,265	226	226
11	Yol—Provision of street lights in Cantonment area . . . . .	3,706	3,244	3,244	324	324

12 Kasauli—					
(i) Provision of drainage . . . . .	7,988	5,493	5,493	549	549
(ii) Provision of drinking water tanks and troughs in Cantonment area . . . . .	4,216	1,327	1,327	133	133
13 Dagshai—					
(i) Construction of sullage water drain . . . . .	9,372	2,066	2,066	206	206
(ii) Paving of Roads . . . . .	4,638	3,593	3,593	359	359
(iii) Construction of fly-proof latrines . . . . .	2,418	2,157	2,157	215	215
(iv) Provision of three water-stand posts . . . . .	1,172	1,210	1,210	121	121
14 Sabathu—					
(i) Special repairs to General Hospital in Cantonment area . . . . .	2,000	1,716	1,716	171	171
(ii) Construction of two quarters for Harijans . . . . .	6,700	3,979	3,979	398	398
(iii) Construction of a reading room for Cantonment Board . . . . .	4,236	871	871	87	87
(iv) Repairs to a nullah. . . . .	1,771	1,540	1,540	154	154
(v) Construction of fly-proof latrines . . . . .	11,071	2,061	2,061	206	206
15 Lajpatnagar—(Kilokri Scheme)—Phase II—Earth works and bridges . . . . .	3,90,000	87	2,97,986	14	49,167
Phase III—Construction of culverts storm water and side road drains . . . . .	4,70,000	1,124	4,11,594	185	67,913
16 Jammu and Kashmir Area—Construction of dispensary buildings and fly-proof latrines . . . . .	24,500	10,000	10,000	1,000	1,000



17 Jalahalli—Construction of Bharat Electronics Factory—

(a) Phase I . . . . .	1,02,96,370	2,08,839	56,69,174	.30,281	7,85,780
(b) Phase III-B . . . . .	26,24,577	2,31,941	18,55,671	33,632	2,69,072
(c) Air-conditioning of workshop . . . . .	3,89,747	37,111	2,92,185	5,381	42,367

## APPENDIX A

*Statement of losses of cash, overpayments, etc. pertaining to the post-partition period, finally dealt with during the year 1957-58.*

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>	
	MASTER GENERAL OF ORDNANCE BRANCH	
1	<p>Loss due to embezzlement of cash by a Cash Officer (since deceased) of a Vehicle Depot during January 1951 to February 1952 by falsification of accounts. A Court of Inquiry held to investigate the case attributed the loss to the Cash Officer and an Upper Division Clerk. It also held that a Commissioned Officer incharge administration and the Commanding Officer of the unit were negligent in their duties. The family pension of the deceased Cash Officer was reduced by 10% and a sum of Rs. 1,000 was deducted from his gratuity. The Upper Division Clerk, with whose connivance the fraud was perpetrated, was removed from service. The Commanding Officer and a Junior Commissioned Officer, found negligent in their duties, were awarded the severe displeasure of the General Officer Commanding-in-Chief and Sub Area Commander respectively. The charge against the officer incharge administration was dropped as evidence recorded did not disclose any neglect on his part. The severe displeasure of the General Officer Commanding-in-Chief was also conveyed (not to be recorded) to three member officers of the Audit Board. Remedial measures have been adopted by the Unit.</p>	13,902
	LANDS, HIRINGS AND DISPOSALS DIRECTORATE	
2	<p>Loss due to misappropriation during 1948-49 of a sum of Rs. 9,065 representing the value of four security deposits paid by the purchaser of the assets of certain projects. The amount in each case was stated to have been entrusted to a clerk of the office of the Deputy Assistant Director of the Lands, Hirings and Disposals Directorate for deposit in the Reserve Bank who, however, misappropriated it and produced forged receipts therefor. The misappropriation came to light when no credit for the amounts was afforded by the Accountant General concerned. The clerk who</p>	7,565

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

Rs.

was prosecuted was, however, given the benefit of doubt and acquitted by the Court. A departmental enquiry was held and as a result thereof a sum of Rs. 1,500 was recovered from the Deputy Assistant Director. As a remedial measure clerks are not now allowed to handle cash and cash received is deposited in the treasury personally by an officer.

QUARTERMASTER GENERAL'S BRANCH

- |   |   |       |
|---|---|-------|
| 3 | <p>Loss on account of irrecoverable dues from a contractor as a result of double payments by an Accounts Officer in April 1948 of claims which had been paid once before in August 1946. The second payment was made to an appointed receiver on the original supply orders. The amount could not be recovered despite a court decree obtained by Government due to a restraining decree obtained by a third party. The overpayment was detected by the Accounts Officer in August 1949. Legal costs including the absconding contractor's share and the amount paid twice came to Rs. 16,319. Against this a sum of Rs. 9,900 representing security deposit was set off. The balance had to be written off. The individual responsible for not following the prescribed checks before payment which resulted in double payment was given a recorded warning. Remedial measures have been instituted.</p> | 6,419 |
| 4 | <p>Loss representing the difference between the amount paid as rent to the land-lord and the amount recovered from a military officer who was allotted accommodation out of class, at a military station during 22nd February 1948 to 31st March 1951 and unauthorised retention of the same bungalow by the same officer for the period 1st April 1951 to 14th March 1952. The officer was entitled to only 'C' Class accommodation whereas the bungalow was classified as 'B'. A departmental investigation revealed that three officers were responsible for the irregularities. No disciplinary action could be taken against them as one of them expired, the second was released from the Army and the third had been repatriated to the United Kingdom in May 1948.</p>  | 2,639 |



Serial No.	Nature of losses written off with particulars	Amount
ADJUTANT GENERAL'S BRANCH		Rs.
5	Loss due to misappropriation of public money by the administrative officer of a Training Centre in April 1951, in that he submitted acquittance rolls for advances signed by some Other Ranks but did not actually make the payments. The practice of obtaining signatures before payment in vogue then, has been stopped with effect from 31st May 1951. The Officer was tried by General Court Martial and was sentenced to be cashiered and to undergo six months' rigorous imprisonment in 1951.	5,631
GENERAL STAFF BRANCH		
6	Loss due to appropriation to private funds of an amount of Rs. 58,820 realised from a wrestling show conducted on Government land and non-realisation of the licence fee of Rs. 2,000 from an individual to whom permission was accorded by a Station Staff Officer to conduct the wrestling show during November 1953. A major part of the sum of Rs. 58,820 realised from the wrestling show was spent on incidental expenditure for organization of the show, a part of it was paid to the staff of the Station Staff Office and the Military Engineer Services who were asked to work at odd hours, another portion was spent by way of donation to various units to meet expenditure towards welfare activities for troops and the balance of Rs. 893 credited to Government. The Station Staff Officer was held responsible for the irregularity. The Officer had already been tried by Court Martial on 24th November 1955 in another case and was sentenced to three years' rigorous imprisonment and cashiered out of service.	59,927
7	Loss due to non-recovery of the cost of ration issued on payment for the period March to May 1950 in one case and August 1950 in another in a Signal Regiment. The objection in the first case was raised on 29th June 1950 and in the other on 7th October 1950. The irregularity happened due to improper maintenance of accounts and lack of supervision. No Court of Inquiry was held, as the officer responsible who was also the Officer Commanding the Unit had already been tried by Court Martial for misappropriation of Government money and stores and was dismissed from service on 9th July 1951.	7,958

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

Rs.

## ENGINEER-IN-CHIEF'S BRANCH

- |   |   |       |
|---|---|-------|
| 8 | Loss due to defalcation of cash by a member on the establishment of a Garrison Engineer on 8th March 1951. The amount of Rs. 4,000 deposited by a contractor in a private bank and Rs. 45 accrued as interest thereon was encashed by the official but was neither credited into the cash book nor in the bank. The irregularity was detected in internal audit in November 1952. The individual was tried and convicted by a Civil Court who awarded him one year's rigorous imprisonment and a fine of Rs. 4,045 or 6 months' further imprisonment in lieu of fine. Remedial measures, to avoid the recurrence of such cases have been taken.   | 4,045 |
| 9 | Loss due to misappropriation of the amounts of undelivered money orders by a civilian clerk of a Record Office during the years 1952 to 1954 by producing forged letters of authority to the Postal authorities. The fraud was noticed in May 1954. The clerk concerned admitted his guilt and voluntarily paid Rs. 1,400. He was also tried by a Civil Court, sentenced to various terms of rigorous imprisonment and dismissed from service on 21st October 1955. Displeasure of the General Officer Commanding was conveyed to a Commissioned Officer (Captain) and a Junior Commissioned Officer was warned. Remedial measures have been taken to prevent such occurrences in future. | 3,076 |

## FACTORIES

- |    |  |       |
|----|--|-------|
| 10 | Loss representing overpayment of freight charges to the Railways due to an error in calculation of the weight of a consignment of filled ammunition despatched from a railway siding to an Air Force formation on 4th September 1954. The weight of the consignment was inadvertently given as 1,075 maunds and 11 seers as against 530 maunds and 33 seers. The Railways refused to reweigh the consignment at destination and also refused to accept the claim for the refund. | 2,955 |
|----|--|-------|

## NAVAL HEADQUARTERS

- |    |  |       |
|----|--|-------|
| 11 | Loss due to non-recovery of charges on account of ground rent from a firm for storage of Armoured Shield Plates and labour and material charges incurred in cutting these Shield Plates into smaller sizes in a Naval Store Depot during | 8,781 |
|----|--|-------|



Serial No.	Nature of losses written off with particulars	Amount
	<p>the period 24th August to 15th December 1955. The stores which were auctioned on 3rd August 1955 were to be removed within 3 weeks but were actually removed by the purchasing firm after 113 days. In addition, on the verbal request of the firms' representative the Armoured Shield Plates were cut into pieces but the authorities failed to recover these charges before the removal of the stores. The Officer responsible was censured and a sum of Rs. 1,000 was also recovered from him.</p>	Rs.
	Losses exceeding Rs. 10 but not exceeding Rs. 2,500 in each case.	44,347
	TOTAL	<u>1,67,245</u>

*II. Cash losses, overpayments, irrecoverable claims, etc. due to other causes.*

QUARTERMASTER GENERAL'S BRANCH

1	<p>Loss due to expenditure caused to the State as a result of arbitrator's award of compensation in October 1954 in favour of a contractor whose contract for supply of milk during 1st April 1948 to 31st March 1949 was terminated (instead of being rescinded) due to unsatisfactory supply. The contractor contended that termination under the contract was applicable only in an emergency of which there was none and that his loss amounted to Rs. 63,724. Steps have been taken to ensure that such improper termination, when rescission of contracts is the right course of contracts does not recur.</p>	8,000
2	<p>Loss due to the adoption of a lower issue rate for the retail issue of Rum by a Supply Depot during the period 1st April to 7th October 1948 owing to non-receipt of a letter revising the rate already issued by the Deputy Commissioner concerned. Due to lapse of time, the basis of the lower issue rate could not be ascertained. It was not possible to make recoveries from the individuals concerned since, before the irregularity came to light, the persons concerned had left the station on transfer or had been released or migrated to Pakistan. Excise duty due to State Government has, however, not been paid.</p>	6,701



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

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|----|--|--------|
| 9  | Loss representing the repair charges of certain stores incurred during 1952-53 and 1953-54 by an Ordnance Factory. At the time of the drawal of the stores from stock for utilisation it was noticed that slight reconditioning, painting, repairs, etc. to some of them were necessary although the stores had been classified as serviceable when originally brought to stock. No blame was attributable to any body.  | 48,025 |
| 10 | Loss due to non-recovery of the amount overpaid to seven Senior Nurses as a result of their reclassification as Junior Nurses for the period 1st September 1953 to 20th June 1956 in case of four and from 1st September 1953 to 11th July 1956 in the case of the other three. Orders laying down the qualifications, experience, etc. required of Senior Nurses were issued by Government on 9th August 1954. These Nurses who did not possess the requisite qualification for appointment as Senior Nurses could not be reverted as Junior Nurses earlier as the question of relaxing the prescribed qualifications was under examination. As a final decision in this regard could not be reached earlier than 18th May 1956, their reversion was effected in two batches with effect from 20th June and 11th July 1956, the dates of issue of Director General of Ordnance Factories' orders in this respect. | 14,956 |

## ENGINEER-IN-CHIEF'S BRANCH

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| 11 | Loss representing the extra expenditure incurred in getting a portion of work done by Directly Employed Labour on account of the failure of the contractor in executing the work in an Engineer formation during the period 19th September 1949 to 20th April 1950. The contractor quoted 30% above the Military Engineer Services Schedule rates. After the acceptance the contractor on 2nd September 1949 sought to increase the tendered percentage from 30% to 130% which was not accepted by the Engineer authorities. The contractor failed to receive the first work order and the Garrison Engineer on 13th September 1949 issued a warning to the contractor that the work would be executed through another agency and the extra cost recovered from him. The work was entrusted to the Directly Employed Labour | 24,718 |
|----|---|--------|

Serial No.	Nature of losses written off with particulars	Amount
	<p>on 19th September 1949 and this arrangement continued till 20th April 1950 when alternative arrangements were made to carry out the work. A sum of Rs. 13,403 which was due to the contractor under other contracts was withheld towards adjustment of the extra cost incurred. This was disputed by him and the case was referred to arbitrators on 28th August 1951 and 23rd October 1951. The arbitrators' award was given on 14th May 1952 to the effect that the extra expenditure was not to be reimbursed by the contractor.</p>	Rs.
12	<p>Loss due to non-recovery of the amount of Rs. 8,010 due from a bidder for one lot of stores purchased by him in a public auction held on 29th May 1954. As the bidder failed to remove the stores, they were sold to another bidder for an amount of Rs. 4,100 at a subsequent auction held in December 1954. An earnest money of Rs. 2,005 deposited by the original bidder was forfeited. The balance of the amount due from him including ground rent could not be recovered, as his whereabouts were not traceable. The fact came to notice when a registered letter containing a claim of Rs. 16,885 was addressed to the bidder but he was not found in that address. Attempts through the police authorities and the auctioneer also failed. No disciplinary action was contemplated against any individual, as no element of theft, fraud or neglect was involved.</p>	16,885
13	<p>Loss due to an overpayment made to a Military Engineer Services contractor, discovered during technical examination of the paid final bill in 1953, subsequent to the publication of arbitration award on 5th May 1952 in the same contract. The overpayment was caused due to a difference of opinion on the interpretation of certain items of Military Engineer Services Schedule of rates. According to the terms of the contract, it was not possible to take legal action against the contractor for the recovery of overpayment, detected in the final bill. The form of contract has since been amended to cater for such contingency. As there was no lapse on the part of any individual, the question of disciplinary action did not arise.</p>	6,281
14	<p>Loss representing the difference between nominal rent of Rs. 1-8-0 per annum, charged from a Flying Club as per agreement executed between the Garrison Engineer and a representative</p>	8,390



Serial No.	Nature of losses written off with particulars	Amount
	<p>of the Flying Club and the market rent recoverable from it for the period 1st September 1947 to 31st August 1954, by a Military Engineer Services Division. The irregularity was pointed out by the Test Audit only in May 1955. As the building had been vacated by the Club on 31st August 1954 and since it had fulfilled its contractual obligation, no further action was possible.</p>	Rs.
15	<p>Loss on account of non-recovery of barrack damages in respect of buildings taken over by the Military Engineer Services in December 1953 from the Director of Supplies and Disposals (United States Troops). The Directorate refused to accept the charges on the plea that there was no proper handing/ taking over at the time when they took over the buildings from United States Air Force.</p>	19,112
16	<p>Loss due to non-recovery of barrack damages from different units located in a division during the period 1945/49. A sum of Rs. 5,259 said to have been recovered could not also be verified because of the loss of the Register of Barrack Damages and in the absence of the Register it is also not possible to split up the amount into post-partition and pre-partition periods. A departmental Court of Inquiry held to investigate the case could not hold any one responsible for the loss of the Register.</p>	10,222
ADJUTANT GENERAL'S BRANCH		
17	<p>Loss due to overpayment made to civilian Dhobies employed by a unit in an operational area during the period November 1948 to March 1950. Due to an oversight, the Dhobies continued to be paid at the old rate of Rs. 190 per month notified on 3rd August 1948 in a Station Order, instead of at the revised rate of Rs. 65 plus material for washing and drying. The non-supply of the material for washing and drying during the period may be considered to have off-set the overpayment to some extent. The overpayment came to notice when the Station Headquarters were asked by the unit on 26th March 1950 to state the rates of pay fixed for Civilian Dhobies at the station. No Court of Inquiry was held due to lapse of time. As such pay bills are now subject to pre-audit, such irregularities are not likely to recur.</p>	12,120



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
18	Loss representing the difference between the trade pay already paid to 89 Non-Combatants (Enrolled) of the late General Service Corps (now Pioneer Corps) prior to trade testing and the trade pay subsequently sanctioned. The irregular payment continued upto 23rd October 1952. This was occasioned by a genuine misapprehension of the orders on the subject.	56,103
19	Loss representing the irrecoverable amount of mess servants' charges for the period from 1st January 1950 to 31st December 1952 from certain officers who have since become non-effective. Due to time lag and non-availability of records, it was not possible to determine the loss pertaining to the period prior to 1st January 1950.	6,795
20	Loss representing extra expenditure incurred as a result of over-issue of milk to weak recruits during July 1950 to Apr 1954 by a Regimental Centre. The over-issue was due to a wrong interpretation of the orders. Even though a Court of Inquiry was convened on 6th December 1955, its work could not be completed due to non-availability of witnesses and hence no one could be held responsible.	5,834
GENERAL STAFF BRANCH		
21	Loss due to over-payment of parachute pay to 115 personnel of a Field Regiment Signal Section during the period 12th June 1943 to 23rd March 1955.	57,462

Serial No.	Nature of losses written off with particulars	Amount
Rs.		
AIR HEADQUARTERS		
22	Loss due to short recovery of charges for services rendered in March/April 1951 to a foreign Government for the overhaul of their Dakota which forced-landed at an airfield. In May 1951 a bill for Rs. 16,053 was preferred on the foreign Government and this amount was paid by them. In October 1956 the internal check authorities reported that the actual repair charges were Rs. 19,635 excluding certain other charges amounting to Rs. 1,599. In view of the time lag involved Government decided not to prefer any additional claim.	5,181
NAVAL HEADQUARTERS		
23	Loss on account of extra expenditure incurred in respect of a Military Credit Note on which proper description of certain Air Force stores was not given while transporting them from one station to another by a Naval Armament Supply Officer during June 1951. No Board of Inquiry/departmental investigation was held, as the loss was not due to theft, fraud or neglect.	6,155
24	Loss due to short recoveries made for the works carried out for private parties on repayment basis at a Naval Dockyard prior to 1st April 1952. This was due to lack of good estimating section, increase in labour costs due to lower productivity and/or incorrect booking of cost, increase in the cost of material due to either price variation or the use of substitutes.	36,003
25	Loss due to overpayment of pay and allowances to certain Cadet Entry Officers who were in service or under training on 1st July 1947 consequent on the fixation of their pay under the New Pay Code on the basis that they were deemed to have completed three years' service for pay on promotion to the rank of Lieutenant. The total overpayment is Rs. 6,066 of which Rs. 29 pertain to the pre-partition period.	6,037
26	Loss representing the difference between the actual cost incurred by a Naval Dockyard on the conversion of a Naval Ship into a Pilot Vessel and the amount recovered from Port Trust authorities. The Port Trust authorities did not pay the full amount of the claim, viz.,	29,653



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	Rs. 3,20,153, as they felt that the same was far in excess of the original estimate of Rs. 1.5 lakhs intimated to them and that the charges were very high.	
27	Loss due to non-recovery of charges for Service transport used for home-to-duty trips and for recreational purposes by the United Kingdom Admiralty civilian staff who were on loan to the Government of India and employed in a Naval Armament Depot during the period 1st June 1949 to 31st December 1951. The question of recovery of the charges was taken up with the Admiralty through the High Commissioner for India in the United Kingdom. The Admiralty, however, expressed the view that since the staff had not been apprised of the rates in advance, they were justified in holding that the transport was free of charge and that it would be an undue burden on them if they were called upon to pay these charges. On reconsideration, it was decided to waive the recovery.	11,634
	Losses exceeding Rs. 10 but not exceeding Rs. 5,000 in each case. . . . .	4,31,492
	TOTAL II . . . . .	<u>9,73,301</u>
	GRAND TOTAL I AND II	<u>11,40,546</u>

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

QUARTERMASTER GENERAL'S BRANCH

- 1 Loss of one Railway Warrant form, the exact date of which is not known. It is believed that the loss occurred between 1944 and 1951. Action was, however, taken to notify the loss in the Railway Gazette.
- 2 Loss of revenue due to non-recovery of water charges at correct rates from the staff of a Military Farm for the period prior to 1st November 1951, on account of non-maintenance of occupation returns.
- 3 Loss of six blank Railway Warrant forms from a book belonging to a Petroleum Platoon, discovered in April 1953. The loss was intimated



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Serial No.	Nature of losses written off with particulars
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to the Railway authorities for publication in the Railway Gazette. The Court of Inquiry convened on 29th May 1953 to investigate the loss held the Officer Commanding the unit responsible. The Officer Commanding the unit was severely reprimanded by the Sub Area Commander.

- 4 Loss of a blank form of Railway Warrant at a Military Farm noticed on 8th May 1953. The Officer-in-Charge of the Farm was warned to be more careful in future.
  - 5 Loss of two Military Credit Notes from the custody of a Camp Commandant in May 1955 stated to have been burnt by accident along with waste. The Camp Commandant was warned to be more careful in future.
  - 6 Loss of two blank forms of Military Credit Notes held on charge of a unit detected on 3rd October 1955. A Court of Inquiry was held on 8th October 1955 under orders of Sub Area Commander. Disciplinary action was taken against the Officer Commanding the depot and a Junior Commissioned Officer who were awarded reprimand.
  - 7 Loss of a Military Credit Note belonging to an Army Service Corps Platoon during 1948. A Court of Inquiry was held on 5th September 1956 but it was not able to fix responsibility on any individual.
  - 8 Loss of a Railway Warrant form held on charge of an Army Service Corps Platoon found missing on 26th August 1956. The Officer Commanding and a Junior Commissioned Officer who were held responsible were reprimanded.
  - 9 Loss of six Military Credit Note/Railway Warrant forms belonging to a Movement Control Detachment during the period prior to 1950, detected in July 1955. A Court of Inquiry held in November 1955 opined that responsibility for the loss could not be fixed on any individual.
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Serial  
No.

Nature of losses written off with particulars

- 10 Loss of one blank Military Credit Note by a Petroleum Platoon on 30th January 1957. A Jemadar Clerk was held responsible for the loss and was warned. It was also ordered that any loss to Government coming to light due to the misuse of the lost Military Credit Note should be recovered from the Jemadar Clerk.

GENERAL STAFF BRANCH

- 11 Loss of about 178 Railway Warrant and Credit Note etc. forms belonging to a Signal Regiment, discovered in December 1954. These discrepancies relate to the period as early as 1944 but the exact period of the loss could not be ascertained due to lapse of time. A Court of Inquiry was held on 4th January 1955 and according to the recommendations of the court, displeasure of the General Officer Commanding-in-Chief was conveyed to the Commanding Officer of the unit.
- 12 Loss of a Railway Warrant form prior to April 1950 in a unit, detected in October 1953.
- 13 Loss of 11 Railway Warrant forms from the custody of a Station Headquarters, detected at the time of handing/taking over of duties between two officers in June 1952. The fraudulent use of one of the missing forms was later on detected and the cost of the warrant, *viz.*, Rs. 92 was recovered from the officer responsible. The officer was also warned for gross negligence of duty.
- 14 Loss of 55 Railway Warrant forms from the custody of a Regiment, detected in July 1950. The circumstances in which the loss occurred could not be ascertained as the unit concerned had reverted to a foreign Government.
- 15 Loss of a Railway Warrant form issued to a Prisoner of War Camp, detected in December 1954. The Commanding Officer and the Headclerk were warned.
- 16 Loss of a Railway Warrant book containing 100 forms transferred to another unit. No issue voucher in respect of transfer of the book was made. The irregularity came to notice when audit authorities objected on 17th July 1951 to the non-production of the issue voucher in support of the transfer of the



Serial No.	Nature of losses written off with particulars
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above book to the other unit during May 1950 to March 1951. This happened because the State Force's staff, then employed in the Headquarters, was not conversant with the Indian Army rules and regulations. No Court of Inquiry was held, as the unit to which the forms were transferred had since been disbanded and no records were available. No individual could be blamed. There are no chances of its repetition.

- 17 Loss of counterfoil of a Railway Warrant form issued on a date between 16th and 21st September 1953 which was objected to by audit authorities after October 1953. The counterfoil appeared to have been intact in the book till 31st October 1953 when audit took place. No one could be held responsible. Loss in terms of money cannot be assessed until any case of fraudulent use of the form comes to light. A Court of Inquiry was held but no responsibility could be pin-pointed on any individual. There is no likelihood of its repetition, as all concerned have been made fully aware of the importance of proper accounting of Railway Warrants.
- 18 Loss of two Railway Warrant forms and one Credit Note from the custody of the Quartermaster of a Battalion during October 1948 to August 1950. A Court of Inquiry was held on 4th April 1953. The Quartermaster (a Captain) and clerks concerned were held responsible but no action could be taken against them, as the officer died on 30th August 1950 and the clerks were released from service.
- 19 Loss of 2 Railway Warrant forms by a Regiment during the period 11th January to 6th March 1953. One military officer was held responsible for the loss and it was decided that any loss coming to light due to the misuse of the forms should be recovered from that officer.
- 20 Loss of a Railway Warrant by a Field Regiment Signal Section, detected on 9th November 1955. The Court of Inquiry held a Lieutenant responsible for the loss. The displeasure of the Commander was communicated to the officer.

MASTER GENERAL OF ORDNANCE BRANCH

- 21 Loss of four Railway Warrant forms from a Headquarters formation prior to April 1949. Due to destruction of old records, the circumstances in which the loss of forms occurred could not be ascertained.



Serial  
No.

Nature of losses written off with particulars

ADJUTANT GENERAL'S BRANCH

- \*22 Loss due to non-recovery of over-payments made to certain individuals paid at higher rates of pay although they were reverted to lower posts. Their pay was to be refixed on their reversion and recovery was to be effected but to avoid hardship it was decided not to recover the over-paid amounts.
- 23 Loss due to payment of higher rates of clothing allowance to the personnel of a Battalion during July and August, 1951 on its move from a permanent location to a concessional area. The Statutory Audit objected on 11th February 1953 to the payment of this high rate to those who stayed behind at Training Camp/Rear Headquarters but since no records about the frequent moves of individuals from Headquarters to concessional area and *vice versa* were maintained by the unit, the actual amount could not be worked out and also recovery could not be effected. A Court of Inquiry was not considered necessary, as no one was to be blamed for the over-payment.
- 24 Loss due to the non-recovery of mess servants' charges from officers of a unit for the period from 15th August 1947 to 18th July 1948. The irregularity was detected by the Accounts authorities only in January 1951. In the absence of the records showing particulars of officers who served with the unit it was, however, not possible to assess the exact amount of loss and to recover the amounts.

ENGINEER-IN-CHIEF'S BRANCH

- 25 Loss representing the cost of medical treatment given to the contractors' employees (other than workmen) and family members of workmen at the Medical Inspection Room established in connection with a project during the period 11th December 1951 to 31st January 1954. As private medical facilities were not available at the project site and as there was no place nearby where personnel in question could have medical treatment, they were allowed this facility, although they were not entitled for the same. The cost of medical expenses incurred in the treatment of these non-entitled patients could not be assessed and could not also be recovered from the contractor, as there was no such stipulation in the agreement entered into with the contractors.

Serial  
No.

Nature of losses written off with particulars

- 26 Loss of the last page of a Civil Credit Note Book in an Engineer Division during 1947 to 1953 due to misplacement of records while shifting from one place to another. The Court of Inquiry held in July 1955 could not be finalised for want of sufficient information and witnesses. No one was held responsible.
- 27 Loss of three Railway Warrants by an Engineer formation during the period October 1948 to March 1949. A Court of Inquiry was held in March 1950 but in the absence of any evidence it was not able to say how the loss occurred.
- 28 Loss of a Leave Travel Concession form after April 1951 but detected in June 1952. The Court of Inquiry convened to investigate the loss came to the conclusion that the form might have got detached during transit.
- 29 Non-recovery of hire charges from the Central Public Works Department for three 10 ton road rollers issued to them on loan during the war. The road rollers were finally returned sometime in 1948. No records to throw light on the terms and conditions of hire and date of issue are available. The extent of loss could not be established.
- 30<sup>as</sup> Loss arising out of non-recovery of charges for electricity consumed by Junior Commissioned Officers and Other Ranks in excess of the prescribed maximum. The individuals could not be billed for separately and the amounts due recovered, as the buildings were not provided with separate meters. The amount due for the period 23rd February 1949 to 31st August 1950 amounted to Rs. 8, 582. The amount involved for the period 1st September 1950 to 31st March 1955 could not be worked out.
- 31 Loss of a Railway Warrant form in an Engineer Plant Company during 1950. As the book containing the form was destroyed in September 1952, the case could not be investigated further.
- 32 Loss due to non-recovery of rent from visiting officers for the period of their stay in a Military Engineer Services Inspection Bungalow prior to 1st September 1950. No record of the visiting officers was kept and hence no recovery was possible.



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Serial  
No.

Nature of losses written off with particulars

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- 33 Loss due to non-recovery of conservancy charges from non-entitled personnel prior to 1st April 1953 by an Engineer Division. No rate of recovery was also fixed prior to that date.
- 34 Loss of certain pages of two Civil Credit Note Books in an Engineer Division were objected to by internal audit during 1949. The circumstances in which the loss occurred could not be investigated, as the Division was closed in 1950. Remedial measures have been taken to avoid such losses in future.
- 35 Loss due to non-recovery of conservancy charges from non-entitled personnel occupying Government accommodation in a cantonment area for the period prior to April 1955. The financial effect of the irregularity could not be worked out because of the indefinite period involved and transfers and discharges of individuals prior to April 1955.
- 36 Loss of a Railway Warrant form dated 11th November 1953, issued to a clerk for journey from one station to another. He is stated to have travelled at his own expense. The fact came to notice when internal audit pointed out that the class of accommodation to which the individual was entitled was not entered on the railway warrant issued to him. On enquiry the Railway confirmed that the Railway Warrant in question had not been exchanged. No individual was held responsible, as the probable mis-use or misplacement of the form could not be ascertained.
- 37 Non-fixing and consequent loss due to non-recovery of General Services Tax from Service Officers and other non-entitled personnel by an Engineer Division prior to 1st January 1954.
- 38 Loss of a Railway Warrant form issued by an Engineer Centre to a Sapper at the time of his transfer to reserve establishment in 1953. On being called up for training in the Centre in July 1956 the Sapper reported that the form was lost when the house in which he was living had collapsed as a result of unprecedented floods in October 1955. As the loss was not due to his negligence and could not be avoided, the individual could not be blamed.
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Serial No.	Nature of losses written off with particulars
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## NATIONAL CADET CORPS DIRECTORATE

- 39 Loss of two Railway Warrants held by a National Cadet Corps Battalion in 1951, attributed to a clerk who was discharged from the unit. Use of one warrant came to notice later and the cost thereof recovered from the Officer Commanding who was found negligent by the Brigade Commander in allowing access to the clerk.
- AIR HEADQUARTERS
- 40 Loss on account of an unauthorised despatch of a musical instrument, not belonging to Government, from one station to another in a Service aircraft plying on an authorised flight. This fact came to light when some discrepancy in the completeness of the instrument was being investigated. No Court of Inquiry was held, as there was no question of any malpractice in the transaction.
- 41 Loss due to issue of inter class warrants instead of third class warrants to certain civilian mechanical transport drivers. The extra expenditure incurred thereby was objected to by internal audit for the reasons that in the absence of an indication in orders issued in 1945 that civilian mechanical transport drivers would be treated as Non Commissioned Officers, they were entitled to third class warrants only. No Court of Inquiry was instituted in this case, as it was decided that the issue of inter class warrants to the civilian mechanical transport drivers could not be viewed as a lapse on the part of any individual. The orders have since been clarified in 1955 and there is no likelihood of its repetition.
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**APPENDIX B**

*Statement showing by various categories the total amount of store losses pertaining to the Defence Services relating to post-partition period finally dealt with during the year 1957-58*

(In rupees)

Categories of losses	Food and forage	Petrol, oil, lubricants and aviation spirit	Other Army Service Corps Store	Mechanical Transport vehicles and connected stores	Other Ordnance and clothing stores	Medical stores	Military Engineer stores and buildings	Miscellaneous stores	Aviation stores	Naval stores	Total
I. Actual losses due to theft, fraud or neglect .	3,861	100	13,873	2,62,325	3,86,659	1,81,516	2,65,272	10,308	23,32,810	2,331	34,59,055
II. Actual losses due to other causes :											
(a) Fire . . . . .	3,518	..	..	15,000	17,124	..	91,867	3,648	580	133	1,31,870
(b) Deficiencies in actual balances .	16,853	3,94,913	1,056	22,74,075	14,53,999	439	50,674	21,273	14,68,966	1,26,386	58,08,634
(c) Deterioration . . . . .	37,197	19,551	472	27,829	12,55,134	569	74,923	13,783	28,362	26,969	14,84,789
(d) Defective storage . . . . .	2,085	45,475	1,172	1,21,248	19,953	1,496	13,671	377	..	4,942	2,10,419
(e) In transit . . . . .	1,21,042	4,45,214	98,177	5,55,279	4,69,518	12,296	1,44,551	38,144	1,75,668	44,237	21,04,126
(f) Miscellaneous causes . . . . .	45,346	4,77,577	48,756	9,01,706	40,19,470	5,898	12,49,652	2,79,931	1,04,845	28,338	71,61,519
TOTAL II . . . . .	2,26,041	13,82,730	1,49,633	38,95,137	72,35,198	20,698	16,25,338	3,57,156	17,78,421	2,31,005	1,69,01,357
GRAND TOTAL I AND II	2,29,902	13,82,830	1,63,506	41,57,462	76,21,857	2,02,214	18,90,610	3,67,464	41,11,231	2,33,336	2,03,60,412

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

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



## ANNEXURE TO APPENDIX B

Serial No.	Nature of losses written off with particulars	Amount
I.—Losses due to theft, fraud or neglect exceeding Rs. 5,000 in each case		Rs.
MASTER GENERAL OF ORDNANCE BRANCH		
1	Loss representing damage caused to a vehicle due to an accident on 29th April 1953. The driver was held partially to be blamed for driving at more than the prescribed speed limit and was awarded 29 days' rigorous imprisonment.	11,669
2	Loss representing the value of stores found deficient and in damaged condition in an Ordnance Depot, in August 1952. The deficiency was attributed to (1) inaccuracy of the previous stock checks held in May 1950 and December 1951 when surpluses were recorded whereas there were no surpluses (2) non-posting of issue vouchers (3) mix-up of similar stores (4) change in condition of stores and (5) acceptance of stores as per markings on the packages. A Court of Inquiry was held and an individual was censured and another was awarded severe reprimand.	8,444
3	Loss representing damages caused to a tractor in an accident on 31st May 1950. One supervisor and two fitters were held responsible for the accident by a Staff Court of Inquiry. One month's pay amounting in all to Rs. 230 was recovered from them as penalty.	31,698
4	Loss representing the value of certain stores found deficient in an Ordnance Depot at the time of stock taking held on 16th March 1951. The loss was attributed to incorrect accounting of surpluses revealed in the previous stock taking. A Court of Inquiry which investigated the deficiency held an individual responsible for the incorrect accounting. No disciplinary action could, however, be taken against him, as he had already been discharged from service.	1,38,397
5	Loss representing the value of stores found deficient in an Electrical and Mechanical Engineer Unit in March 1954. The loss was investigated by a Staff Court of Inquiry on 14th April 1954 which held six individuals responsible. Two of them were awarded rigorous imprisonment for 45 and 25 days respectively; two others were severely reprimanded and the fifth individual was reprimanded. In the case of the sixth individual increment was stopped for one year.	15,814



Serial No.	Nature of losses written off with particulars	Amount
		<b>Rs.</b>
6	Loss representing the value of certain stores found deficient at an Ordnance Depot during stock-taking held on 11th February 1952. A Staff Court of Inquiry which investigated the case on 3rd February 1956 opined that the deficiencies were attributable to error in counting and short receipts which could not be detected as the packages were accepted on a percentage check basis. A clerk and a storeman who were held responsible for the errors in counting were warned for their neglect.	20,193
7	Loss representing the value of stores borne on 21 consignor's issue vouchers pertaining to the period 1949-1951, the credit for which could not be traced in the accounts of a Salvage Unit.	5,576
QUARTER MASTER GENERAL'S BRANCH		
8	Loss arising out of damage caused to a vehicle as a result of collision with another vehicle coming from the opposite direction on 1st November 1954. A Court of Inquiry investigated the case on 19th November 1954 and recommended disciplinary action against both the drivers. One driver was awarded 28 days' rigorous imprisonment. A penal recovery of Rs. 50 was made from the other driver.	7,789
9	Loss on account of articles of packing material received short by a Supply Depot from a Supply Point during May 1955. The Court of Inquiry held to investigate the case opined that wagons could not have been really loaded with the actual number of containers shown to have been loaded for want of floor space. A commissioned Officer and a Junior Commissioned Officer in charge of the Supply Point were held responsible by the Area Headquarters and were ordered to make good 2½% and 5% respectively of the total loss of Rs. 12,098. The Commissioned Officer in whose presence the wagons were loaded was also warned to be careful in future.	11,191
10	Loss representing value of deficiency of 230 cwts. of leather scrap pertaining to the period 1951 but discovered in November 1952. No disciplinary action could be taken as the Officer Commanding of the depot who was held responsible had been released from service in June 1951.	10,200

Serial No.	Nature of losses written off with particulars	Amount
11	Loss representing the value of clothing items not accounted for by a Supply Platoon. These were fraudulently shown by the Quarter-master Havildar as having been issued to a dependent unit in October and December 1950. The fraud came to notice when the internal audit authorities placed certain vouchers under objection in March 1951. As a disciplinary measure severe displeasure of the General Officer Commanding-in-Chief to be recorded was conveyed to the Officer Commanding the unit and his Second in Command. A sum of Rs. 1,000 was also recovered from the former. The Quartermaster Havildar concerned was handed over to the police and a case registered against him. He was, however, acquitted by the Court. Another Havildar who was suspected to be in league with the Quartermaster Havildar was discharged from service.	Rs. 5,215
12	Loss representing damages to a vehicle of an Army Service Corps Company as a result of an accident on 8th December 1956. A Court of Inquiry convened on 9th January 1957 to investigate the loss held the driver responsible. The driver was awarded 28 days' rigorous imprisonment and 14 days' confinement to lines. A penal deduction of Rs. 100 towards the cost of damages to the vehicle was also effected from his pay.	8,253
13	Loss representing damages caused to a vehicle of an Army Service Corps Company as a result of an accident on 8th March 1956. A Court of Inquiry held on 24th March 1956 partially blamed the driver for the accident. A sum of Rs. 150 has been recovered from the driver as ordered by the Area Commander.	11,878
14	Loss representing the value of damages to a vehicle resulting from collision with another Army vehicle on 5th October 1956. A Court of Inquiry which investigated the loss held the driver of the vehicle responsible for the accident. The driver was fined Rs. 37.	10,470
15	Loss representing the value of damages caused to a vehicle resulting from an accident on 27th July 1955. The accident was investigated by a Court of Inquiry on the 10th August 1955. The Court was of the opinion that the loss was due to negligence on the part of the driver. He was awarded three months' rigorous imprisonment.	14,888



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
16	Loss representing the value of 35 gallons of petrol and damages caused to a vehicle which met with an accident on 12th January 1956. A Court of Inquiry held on 6th April 1956 to investigate the accident opined that the accident was due to failure on the part of the driver and the second driver. The driver and the second driver were fined Rs. 75 and Rs. 35 respectively.	8,312
17	Loss due to damage caused to a vehicle in an accident on 18th December 1956. A Court of Inquiry was held on 27th December 1956 to investigate the matter. The Court was of the opinion that the accident occurred as a result of negligent driving. The driver was fined Rs. 30.	5,970
18	Loss on account of articles of packing materials returned by various units during the period March 1954 to March 1955 but not accounted for by a Supply Depot. A Court of Inquiry was convened on 4th November 1955 and as per its recommendations a sum of Rs. 280 was recovered from four individuals. A Junior Commissioned Officer was severely reprimanded. Two Non-Commissioned Officers were deprived of their paid acting rank in addition to forfeiture of seniority for three months and one Other Rank was awarded 28 days' casual labour and 4 extra guard duties.	9,241
19	Loss representing the value of 584 gallons approximately of rum out of a consignment of 36,956 gallons despatched to an Advance Base Depot during the period March to August 1948. A Court of Inquiry held in June 1955 to investigate the loss, attributed it to insufficient packing, loss in storage due to evaporation and leakage from the broken bottles. No action to fix responsibility was feasible due to disbandment of the consignor unit and non-availability of ledgers and the connected records.	7,596
GENERAL STAFF BRANCH		
20	Loss due to damages caused to a vehicle on 16th October 1955, due to collision against the side of a hill. The Court of Inquiry held to investigate the case blamed the driver. The driver was awarded 14 days' confinement to the lines and a fine of 10 days' pay and allowances amounting to Rs. 8 was also recovered from him.	6,522



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
21	Loss arising out of damages caused to a vehicle attached to a Field Battery due to an accident which took place on 3rd June 1954. At the time of the accident the vehicle was being driven by a Non-Commissioned Officer not in possession of a proper driving licence at the request of the driver. Disciplinary action was taken against both and Rs. 75 and Rs. 25 respectively were recovered from them.	9,162
22	Loss arising out of damages caused to a vehicle and to the arms carried by its occupants as a result of an accident on 28th October 1955. The driver was tried by a Summary Court martial and was awarded 2 months' rigorous imprisonment in military custody and a sum of Rs. 50 was also recovered from him.	8,844
23	Loss arising out of damages caused to a vehicle due to an accident in July 1955. The driver was awarded 28 days' rigorous imprisonment and fined Rs. 50 towards the cost of the damage.	9,634
24	Loss representing the cost of certain items of stores in an Academy during the period 11th May to November 1951. A Court of Inquiry which investigated the loss attributed it to culpable neglect of duty by the Quartermaster and a Junior Commissioned Officer who were tried by General Court Martial. The former was convicted of the offence and dismissed from service while the sentence in the case of the other, although found guilty, was set aside.	6,622
ADJUTANT GENERAL'S BRANCH		
25	Loss representing the value of damages to a vehicle which met with an accident on 20th July 1954. A Court of Inquiry which investigated the loss on 29th July 1954 opined that the accident was due to the fault of the driver. The driver was warned and his driving licence was withdrawn. In addition, a sum of Rs. 230 was recovered from him towards the cost of the damages.	7,488
ENGINEER-IN-CHIEF'S BRANCH		
26	Loss representing cost of damages caused to a vehicle on charge of a Field Company due to an accident in October 1954. The driver who was blamed was	7,676

Serial No.	Nature of losses written off with particulars	Amount
	severely reprimanded and a sum of Rs. 50 was recovered from him.	Rs.
27	Loss arising out of damages caused to a vehicle due to an accident on 6th November 1954. The driver was blamed and was awarded 14 days' rigorous imprisonment and was made to pay Rs. 150 towards the cost of the loss.	8,800
28	Losses attributed to defective maintenance of store records, deterioration, and actual deficiencies of stores discovered at the time of handing/taking over between two store keepers in March 1953 at an Engineering Depot. A sum of Rs. 179 was recovered from one of the store keepers.	24,260
29	Loss representing damages caused to a jeep on charge of an Engineer Works Section as a result of an accident on 27th March 1955 while it was parked by a hill side. A Court of Inquiry convened on 12th April 1955 opined that the accident occurred due to strong breeze playing upon the jeep which released the parking brake and set it in motion across the road and plunged it into the river bed. As ordered by the General Officer Commanding-in-Chief, a sum of Rs. 120 was recovered from the officer who parked the vehicle by the hill side.	7,310
30	Loss representing deficiencies in furniture discovered in March 1952 at the time of handing/taking over between two supervisors in an Engineer Division. The Staff Court of Inquiry held in January 1953 opined that the deficiencies occurred during the period October 1950 to March 1952 and were mainly attributable to the carelessness of a supervisor. The payment of a sum of Rs. 403 due to the individual was withheld.	6,864
31	Loss representing damage to a vehicle and certain equipment carried in it when it met with an accident on 16th March 1954. A Court of Inquiry held on 29th March 1954 opined that the accident occurred due to excessive speed and that the driver was to be blamed for the accident. The driver was tried by District Court Martial and awarded three months' rigorous imprisonment.	7,651
32	Loss representing deficiencies of furniture items held by an Engineer formation. At the time of transfer of a supervisor in January 1952 certain discrepancies	48,873



Serial No.	Nature of losses written off with particulars	Amount
	<p>were revealed. As a result of stock taking carried out subsequently deficiencies valued at Rs. 48,873 and surpluses amounting to Rs. 1,42,536 were found. Surpluses were taken on charge and deficiencies regularised. The deficiencies were attributed by a Court of Inquiry held in December 1952 to improper handing/taking over, improper accounting and laxity of control. Disciplinary action was taken against two officials for laxity in the discharge of their duties. One was warned and the other censured.</p>	<b>Rs.</b>
33	<p>Loss representing the value of furniture due to (i) failure to recover an amount of Rs. 2,815 from the bidder on account of furniture alleged to have been looted after sale during 1948 and (ii) shortage in stock. A Court of Inquiry held in July 1950 to investigate the loss held one Superintendent and a Supervisor responsible. The charges against the former were, however, dropped, while a penal recovery of Rs. 300 was ordered against the latter and his promotion withheld for a period of two years.</p>	<b>11,543</b>
34	<p>Loss representing the cost of damage to a Crawler Tractor belonging to an Engineer Company as a result of an accident on 24th July 1954. A Court of Inquiry which investigated the matter held the view that the accident was due to mechanical defect in the machine and that no one was responsible for it. The Corps Commander, however, did not agree with the opinion of the Court and opined that the accident was due to careless handling on the part of an individual and that disciplinary action should be taken against him. The individual was accordingly awarded 28 days' rigorous imprisonment.</p>	<b>20,400</b>
35	<p>Loss representing the value of damage caused to a Compressor belonging to a Field Park Company on 8th April 1955, when it rolled into a Khud and was smashed to pieces. A Havildar was partly blamed by a Court of Inquiry held on 2nd May 1955 and a sum of Rs. 109 was recovered from him.</p>	<b>10,771</b>
36	<p>Loss representing the value of stores/furniture found unserviceable/deficient in an Engineer Park detected during October/November 1952 at the time of handing/taking over between two Store-keepers. A Court of Inquiry convened on 3rd January 1955 to investigate the case held a storekeeper responsible for a part of the loss. The individual was censured for improper maintenance of ledgers and a penal recovery of Rs. 268 was also made from him.</p>	<b>[29,527</b>



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
37	Loss representing the deficiencies in rations and items of clothing in a Railway Operating Company during the year 1953. The circumstances under which the loss took place could not be ascertained due to various changes in staff. A Court of Inquiry held to investigate the loss attributed it to lack of appropriate procedure in the unit regarding supervision, custody, issue and receipt of stores. The 2nd in Command who was held responsible was awarded severe reprimand, in addition to stoppage of pay and allowances amounting to Rs. 800 and a Non-Commissioned Officer who was also held responsible was reduced in rank in addition to sentence of rigorous imprisonment for two months and stoppage of pay amounting to Rs. 300.	5,991
FACTORIES		
38	Theft of metal stores from a depot shed which was detected on 18th June 1952. The police who handled the case laid a trap and caught red handed two thieves on the night of 11/12th July 1952. The court which tried them convicted them to 9 months' rigorous imprisonment.	5,575
39	Loss of Shellac from the godown of an Ordnance Factory discovered on the 18th July 1955. The stock had been verified and found correct on the 16th November 1954. Two godown keepers to whose neglect the loss was attributed were punished by stoppage of increments for two years with cumulative effect. The case was handed over to the police but without success.	11,020
40	Loss representing the value of 2,299 steel sheets found deficient at an Ordnance Factory during stock verification in June 1954. A Board of Inquiry was constituted in August 1954 and as a result of their findings penalties of censure/warning/stoppage of increment/reduction of pay by one/two stages were imposed on eight individuals.	14,135
41	Loss representing value of 4,10,166 lbs. of mild steel scrap found deficient at an Ordnance Factory during February 1954. A Board of Inquiry held in March 1954 attributed the loss to defective store keeping, accounting and belated documentation. The Assistant Store Holder who was held guilty of laxity in the performance of his duty was censured.	46,673

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
42	Loss of metal scraps in an Ordnance Factory discovered during stock verification held in 1954. The loss was ascribed to certain irregularities in documentation. A Board of Inquiry held in December 1954 to investigate the circumstances of the loss held that the responsibility could not be pinned down on any individual. Two Supervisors, one Godown Keeper and a Clerk whose negligence has contributed to the loss were, however, warned to be more careful in future and displeasure of the Director General of Ordnance Factories was conveyed to the Factory Management for all round laxity in the proper maintenance of records.	10,451
43	Loss representing the value of materials spoilt during manufacture at a factory on 2nd December 1954. A Board of Inquiry which investigated the loss held that it was due to gross inefficiency on the part of an individual. This charge of inefficiency having been refuted, a Court of Inquiry was convened. The Court confirmed the charge of inefficiency against the person concerned who was issued a severe warning in writing by the Director General of Ordnance Factories. Two other persons were also warned. Stoppage of increment for one year without cumulative effect was imposed on another.	5,102
MEDICAL DIRECTORATE		
44	Loss of stores, equipment and building due to fire in a Medical Stores Depot on 16th May 1952. The shed which caught fire contained various types of stores like packing materials, books and forms, Ordnance stores and medical stores awaiting despatch. A Court of Inquiry convened on 21st May 1952 to investigate the case opined that the outbreak of fire was due to spontaneous combustion. A sum of Rs. 1,250 was recovered from four officers for not taking proper fire precautionary measures. Remedial measures have been taken to prevent a recurrence of such accidents.	2,22,558
45	Loss of certain hospital stores despatched by a Military Hospital on its disbandment on 31st March 1951 to another Military Hospital, the credit for which could not be located in the consignee's ledgers. The details of the despatch of stores were not available due to disbandment of the consignor hospital	6,560



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

and release of staff responsible from service. The loss was attributed to neglect. The case was considered by the Central *Ad hoc* Committee which recommended the write off of the loss under Government orders.

## AIR HEADQUARTERS

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|----|---|--------|
| 46 | Loss of equipments from a depot detected as a result of special stock check carried out during April to November 1953. Theft by outside parties was suspected. A Court of Inquiry which was convened on 22nd May 1954 opined that the evidence was not conclusive to establish theft beyond doubt. No one was held responsible for the loss as negligence on the part of the depot personnel could not be established. Additional safety measures were adopted. | 17,949 |
| 47 | Loss representing cost of repairs to an aircraft damaged in a flying accident on 22nd January 1956. The pilot who was held responsible was reprimanded and a sum of Rs. 150 was also recovered from him.  | 34,850 |
| 48 | Loss arising out of an accident to an aircraft while participating in an exercise on 12th September 1956. The pilot was held responsible by a Court of Inquiry. The pilot was made to lose his seniority by seven places, and was also put under stoppage of pay and allowances to the extent of Rs. 1,000.   | 69,000 |
| 49 | Loss of clothing and other equipment from an Equipment Depot due to theft by some intruders noticed on 24th July 1952. A trap was laid on 29th July 1952 and five outsiders were caught red handed and handed over to the civil police. The unit personnel could not be blamed for the theft. A special guard post has since been installed to prevent recurrence of such cases.  | 36,117 |
| 50 | Loss on account of damage to a vehicle in an accident on 9th September 1952, in which medicines and petrol were also lost. The driver who did not check the brakes of the vehicle before taking it over was reprimanded. A penal deduction of Rs. 75 was also imposed on him.   | 15,452 |



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
51	Loss on account of damages caused to an aircraft as a result of an accident on 29th October 1956. The pilot who was held responsible was reprimanded and placed under stoppage of pay and allowances to the extent of Rs. 100.	17,900
52	Loss representing damage to an aircraft as a result of an accident on 20th December 1955. A Court of Inquiry which investigated the case held that the accident was due to the failure on the part of the pilot to carry out vital actions before landing. A sum of Rs. 700 was recovered from the pilot who was also severely reprimanded. Of the two other officers who were blamed for not carrying out their duties efficiently, one was reprimanded, and the other reprimanded.	59,300
53	Loss due to damages caused to an aircraft as a result of crash landing on 25th August 1956. The accident was investigated by a Court of Inquiry which attributed it to faulty airmanship on the part of the pilot. The pilot was severely reprimanded.	4,50,000
54	Loss representing the value of an aircraft including flying equipment destroyed as a result of an accident on 6th January 1954. The pilot was blamed by the Court of Inquiry which investigated the matter. He was reprimanded.	3,46,142
55	Loss on account of damage caused to an aircraft in an accident on 2nd September 1954. The pilot and two airmen were held guilty of bad airmanship and faulty servicing respectively. The pilot was reprimanded and of the airmen, one was warned and the other reprimanded.	6,000
56	Loss due to damages caused to an aircraft in an accident on 28th December 1956. An airman was blamed and was awarded one month detention.	25,000
57	Loss due to damages caused to an aircraft which met with an accident on 16th January 1957. According to the Court of Inquiry which investigated the matter the accident was due to faulty navigation and bad airmanship on the part of the pilot. The displeasure of the Chief of the Air Staff was conveyed to the pilot. In addition, he was denied all leave during the year.	60,015

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

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|----|---|-----------|
| 58 | Loss representing the value of two aircraft damaged in an accident on 27th July 1955. The Court of Inquiry held to investigate the loss attributed it to negligence, bad leadership and poor airmanship on the part of the leader of the formation. Another pilot was also partially blamed for the accident. The former was awarded severe reprimand and loss of 4 months' seniority. No action was taken against the other.   | 10,01,900 |
| 59 | Loss representing the value of an aircraft damaged as a result of an accident on 21st April 1955. A Court of Inquiry which investigated the accident held that the accident was due to faulty airmanship and navigation on the part of the pilot and neglect of duty on the part of an Air Traffic Control Officer and a Navigation Officer. The pilot was severely reprimanded and a penal recovery of Rs. 200 was made from him. The Air Traffic Control Officer and the Navigation Officer were reprovred. | 1,47,800  |

## NAVAL HEADQUARTERS

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| 60 | Loss representing the value of stores found deficient during the annual stock verification for 1954-55 in a Naval Store Depot. The deficiencies which were investigated by a Board of Officers, were attributed to wrong accounting of stores. The individual concerned was censured for negligence. | 8,029 |
|----|--|-------|

## II. Losses due to other causes, exceeding Rs. 15,000 in each case.

## QUARTERMASTER GENERAL'S BRANCH

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|---|---|--------|
| 1 | Loss representing value of a vehicle which met with an accident on 26th November 1955. A Court of Inquiry held on 27th November 1955 attributed the loss to circumstances beyond human control.   | 17,510 |
| 2 | Loss arising out of an accident to a vehicle on 17th January 1956. A Court of Inquiry held on 20th January 1956 to investigate the case opined that the accident took place due to circumstances beyond the control of the driver and that he was not to be blamed. | 33,040 |



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
3	Loss of skimmed milk powder purchased from a foreign country during 1950-51, found unfit for human consumption in April 1951 during the currency of warranty period expiring on 7th August 1951. The question of initiation of legal proceedings against the suppliers was considered but was dropped on legal advice. The case was finally settled out of Court on payment of Rs. 4,970 by suppliers. The stores were destroyed in January 1955.	21,136
4	Loss representing the cost of deficient tools and equipment of 35 trucks that were buried under snow during certain operations in 1948. The vehicles were recovered in June 1949. A Survey Board was held in October 1951 to assess the condition of the trucks and to ascertain the deficiencies of the tools. The deficiencies were attributed to natural causes.	1,25,237
5	Losses of 10,219 and 11,420 gallons of mechanical transport gasoline at a Petroleum Depot during June and December 1956 respectively. The losses were attributed to evaporation by breathing and during pumping and filling operations. The percentages of losses in these cases were 0.14 and 0.17 respectively which are within the average limit of 1% fixed for such losses.	42,639
6	Loss representing damage caused to a vehicle and vehicle tools lost in an accident on 18th July 1954. A Court of Inquiry held on 28th July 1954 attributed it to the driver's carelessness. The driver was tried by District Court Martial in June 1955 but was acquitted.	17,979
7	Loss due to evaporation of 16,390 gallons of mechanical transport gasoline at a Petroleum Depot during January 1957. The loss was attributed to evaporation during pumping and filling operations. The percentage of loss is 0.28 which is well within the average percentage of 1% for such losses.	33,804
8	Loss on account of damages to a vehicle including cost of vehicle tools, utensils, and 15 gallons of petrol which were lost when the vehicle met with an accident on 6th November 1956 and fell down into a khud. A Court of Inquiry was convened on 8th November 1956 and they held that no one was to be blamed.	15,71



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
9	Loss arising out of downgradation of a vehicle as a result of an accident on 18th February 1956 including the cost of 30 gallons of petrol and vehicle tools lost when the vehicle fell down into a khud. A Court of Inquiry convened on 22nd February 1956 held that no one could be held responsible for the accident.	34,507
10	Loss representing the value of certain stores not credited in the books by a Platoon during the period 15th August 1947 to October 1948 detected during the course of audit in October 1947 and October 1948. The records of the Platoon were lost during its move from one station to another at the time of partition. The non-accounting of the stores was attributed to the extraordinary circumstances then prevailing. As the Officer Commanding the Platoon had left for Pakistan and the records could not be traced and in the case of certain stores, the original voucher could not be obtained from the consignor, the case could not be progressed further.	1,40,453
11	Loss of furniture purchased/manufactured for the residence of an Army Commander. No separate account in respect of this furniture was maintained during 1947 to 1953. A Board of Officers held in March 1953 found that the furniture had undergone several changes in nomenclature, lost their identity and indistinguishably merged with the normal barrack and hospital furniture. Disciplinary aspect of the case could not be pursued as individual responsibility could not be pin pointed.	29,243
12	Loss representing the value of 4,41,971 empty water sterilizing containers rendered unserviceable and subsequently destroyed by a Supply Depot during July 1954 and April 1955. Attempts to dispose of the stock by auction or private negotiation made in early 1953 did not succeed.	27,623
13	Loss representing the value of 30,112 gallons of mechanical transport gasoline lost in store due to evaporation by breathing, pumping and filling at a Petroleum Depot and its detachment during the period February to April 1957. The loss was discovered by taking verification/transaction dip s.	60,459

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	The percentage of the loss is within the normal limit of 1 per cent. All possible precautions have been taken to reduce such losses to the minimum.	
14	Loss representing the cost of deficiencies in tools and fittings of vehicles discovered during the first quarter of 1950. At the time of taking over the vehicles from the units which moved to Pakistan, no proper handing and taking over was done. A Court of Inquiry to investigate the loss was held on 12th September 1951 but the proceedings could not be finalized. A fresh Court of Inquiry was not considered economical after a lapse of ten years. No body was held responsible for the loss.	18,449
GENERAL STAFF BRANCH		
15	Loss on account of damage to a vehicle which was washed away while crossing a Nullah on the 8th September 1955 due to sudden floods.	15,724
MASTER GENERAL OF ORDNANCE BRANCH		
16	Loss representing the value of components and kits of vehicles evacuated to a Depot by various units and found deficient on receipt prior to March 1954, detected during the course of audit check. A large percentage of these losses was ascribed to normal deterioration. Nobody could be held responsible and no theft, fraud or neglect was involved.	28,817
17	Two losses amounting to Rs. 8,402 and Rs. 7,386 representing the value of stores found in repairable/unserviceable condition in an Ordnance Depot at the time of first stock taking held on 17th November 1951 after reorganisation. The loss in the former case was attributed to scarcity of suitable storage accommodation during war time, heavy commitments and shortage of staff. No theft, fraud or neglect was involved and nobody could be held responsible for the losses.	15,788
18	Loss due to deficiency of 76,517 Nos. of a clothing store revealed at stock taking on 26th July 1950 in an Ordnance Depot. A Court of Inquiry convened to investigate the loss attributed it to bad accounting of stores due to after effects of war,	80,732



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	retrenchment of staff, partition of the country, mix-up of stores and incorrect surpluses arrived at in previous years. The reorganization and complete overhauling of this item of store has since been carried out.	
19	Loss on account of 7,280 Nos. of a clothing store found unserviceable in the course of disinfection during August 1950 to May 1951 in an Ordnance Depot. The deterioration was attributed to infestation due to inadequate disinfection in another Depot where the store had been stocked during 1946 to 1948. The loss was investigated by a Staff Court of Inquiry convened on 4th May 1954 which opined that no one could be held responsible for the loss.	86,814
20	Loss on account of 202 Nos. of tentage stores found in repairable/unserviceable condition in an Ordnance Depot at the time of 100% conditioning and checking in October 1954. The deterioration occurred due to inadequate overhauling, storage in open, lack of proper care and preservation due to shortage of manpower in the past. A Court of Inquiry convened on 6th January 1956 to investigate the loss opined that no one could be held responsible.	19,158
21	Loss representing the value of certain stores found deficient in an Ordnance Depot during the course of stock taking held on 22nd August 1951. The deficiencies were attributed to incorrect stock taking in the past. A Court of Inquiry which investigated the loss on 21st January 1956 could not hold any one responsible for the same.	32,916
22	Loss representing the value of deficiencies in fittings/tools of vehicles which were revealed on check of the vehicles at the time of receipt in an Ordnance Field Depot from various units during the period from 1st January 1951 to 31st December 1953. The deficiencies were pointed out to the consignor units but to no purpose. Some of the units have since been disbanded.	50,510
23	Loss representing the value of certain stores found deficient/in changed condition in an Ordnance Depot at the time of stock taking held during January to March 1952. A Court of Inquiry	41,606



Serial No.	Nature of losses written off with particulars	Amount
	which investigated the loss attributed the deficiencies to incorrect stock taking in the past. No one could be held responsible for the same.	Rs.
24	Loss representing the value of stores found deficient in an Ordnance Depot at the time of stock taking held in July 1950. The Court of Inquiry which investigated the loss in February 1956 opined that the loss was due to incorrect stock taking and mix-up of stores in the past. No one could be held responsible for the loss.	2,05,175
25	Loss representing the value of stores found deficient at the time of stock taking in December 1950 in an Ordnance Depot. The loss was considered to be due to incorrect stock taking and mixup of stores in the past. The loss was investigated by a Court of Inquiry in 1956 which held the view that responsibility could not be fixed on any particular individual.	28,478
26	Loss representing the value of stores found deficient in an Ordnance Depot at the time of stock raking held on 25th February 1954. The deficiencies were attributed to wrong accounting of stores. No one was held responsible.	25,168
27	Loss representing the value of certain stores found deficient in an Ordnance Depot at the time of stock taking held on 23rd September 1952. The Loss was attributed to the stores having been taken on charge on the basis of incorrect markings on the packages.	15,760
28	Loss representing the value of certain stores found deficient in an Ordnance Depot at the time of stock taking on 29th June 1950. The loss was attributed to incorrect identification and conditioning at the time of receipt in the past. The Court of Inquiry which investigated the loss could not pinpoint responsibility on any one.	61,380
29	Loss representing the value of certain items of clothing found deficient in an Ordnance Depot at the time of stock taking on 26th March 1952. The loss was attributed partly to short receipt and partly to mix-up of stores. The loss was investigated by a staff Court of Inquiry held in February 1956. But the Court could not hold any one responsible.	2,62,446

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
30	Loss representing the value of components of vehicles found deficient as a result of pre-issue checks/periodical inspections carried out between 1st April 1950 and 31st March 1955 at a Vehicle Depot. The loss was attributed to short receipt and wrong accounting in the past.	1,11,486
31	Loss representing the value of components of vehicles found deficient during special inspection carried out in 1953 in a Vehicle Depot. The deficiencies were attributed to heavy receipts of vehicles from operational areas and disbanded units during war days and after the cessation of hostilities, absence of guide list to check the components fitted to the vehicles and improper inspection during those days.	69,543
32	Loss representing the value of certain Ordnance Stores found deficient/in changed condition in an Ordnance Depot at the time of stock taking held on 18th December 1953. The loss was partly attributed to incorrect stock taking and mix-up of stores and partly to short receipt from the consignors in the past.	2,16,415
33	Loss representing the value of tentage stores found deficient at the time of stock taking held on 17th September 1953 in a Central Ordnance Depot. The loss was attributed to mix-up of stores/incorrect stock-taking in the past. The loss was investigated by a Court of Inquiry which opined that no theft, fraud or neglect was suspected. Nobody could be held responsible for the loss.	20,860
34	Loss of stores found deficient/deteriorated in an Ordnance Depot at the time of first stock taking held after re-organisation which was completed in June 1952. The deficiencies were attributed to mix-up of stores and incorrect surpluses having been taken on charge in the previous stock taking and the deterioration to inadequate turnover on account of shortage of staff and heavy commitments in the past.	24,565
35	Loss representing value of stores found in unserviceable condition in an Ordnance Depot at the time of cent per cent checking and conditioning in May	34,850



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	1954. A Court of Inquiry held to investigate the loss opined that it was due to conditions beyond control and all possible efforts had been made to preserve the stores consistent with the manpower available.	
36	Loss representing value of 1,710 fire extinguishers found deteriorated while in stock during 1953-54. The deterioration was attributed to long storage in the open on account of lack of covered accommodation.	26,738
37	Loss representing the value of stores found deteriorated in stock at the time of re-organisation of the item during the months of October to November 1951 at an Ordnance Depot. The change in condition was attributed to insufficient overhauling and adverse climatic effect on account of storage in the open.	2,64,484
38	Loss representing the value of stores found deficient in an Ordnance Depot at the time of stock taking held on 18th December 1953. No one was held responsible.	17,201
39	Loss representing the value of stores found deficient in an Ordnance Depot at the time of stock taking held on 17th March 1954. The loss was attributed to short receipt of stores in the past.	74,046
40	Loss representing the value of stores found deficient in an Ordnance Depot at the time of stock taking held on 5th March 1954. No one could be held responsible.	17,000
41	Loss representing the value of boots received during 1945 and found in unserviceable condition in an Ordnance Depot during the course of stock taking held on 16th September 1953. The deterioration has been attributed to long storage under adverse climatic conditions. The stock constituted abnormal sizes for which the demands were few. Suitable remedial measures have been taken to avoid such losses in future.	29,079
42	Loss representing the value of certain stores found in unserviceable condition in an Ordnance Depot in December 1954. A Court of Inquiry which investigated the loss held that it was due to extreme	27,692



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
	climatic effect caused by want of suitable accommodation. Storage condition has since been improved to the maximum extent locally possible.	
43	Loss due to deficiencies revealed in certain vehicles which were evacuated from a Field Depot during the years 1949-51 to an Ordnance Depot. The deficiencies were detected on receipt of the vehicles in the Ordnance Depot. No one could be held responsible.	64,301
44	Loss representing the value of stores found deficient and in repairable and unserviceable condition in an Ordnance Depot at the time of stock taking in April 1953. The loss was attributed to deterioration of stock due to ageing and to short receipt of stores in the past when they were accepted on receipt on a percentage check basis.	20,428
45	Loss arising out of incorrect identification of 4,747 Under-Pants-woolen in an Ordnance Depot during 1954. Investigations revealed that the store received, was not correctly identified and was taken on charge under another nomenclature. The irregularity was detected at the time of conditioning of the stores. Instructions have been issued for the strict observance of the correct procedure.	18,276
46	Loss representing the value of stores found in unserviceable condition in March 1954 in a Central Ordnance Depot. The stores had been lying in the open for about 9 years on account of shortage of covered accommodation and proper care, preservation and turnover could not be ensured due to shortage of staff.	31,882
47	Loss due to change in condition of 57,600 sand bags received in an Ordnance Depot in February 1955. The stock was vouchered by the consignor depot as part worn serviceable but on inspection at the consignee's end was found to be unserviceable. No one could be held responsible for the loss as the consignor depot did not accept responsibility for the change in condition.	19,258
48	Loss representing the value of stores despatched by an Ordnance Depot to a State Militia unit during 1949 to 1951. In the absence of receipted copies of the issue vouchers from the consignee unit the case could not be progressed further.	26,039

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
49	Loss representing the value of stores found deficient/in changed condition in an Ordnance Depot at the time of stock taking held in December 1953. The loss was attributed partly to incorrect counting and partly to short receipt of stores from the consignor in the past.	29,795
50	Loss arising out of damages caused to a vehicle as a result of an accident on 30th July 1956. The matter was investigated by a Court of Inquiry on 2nd August 1956. The Court held the view that the accident could largely be attributed to mechanical defect in the vehicle and that the accident was of such a nature that no one could be blamed for it.	15,904
51	Loss representing the value of Trousers Drill Blue, found deficient and in changed condition during stock taking held on 13th February 1953 in an Ordnance Depot. The loss had occurred due to storage in the open for want of suitable covered accommodation, inadequate overhauling and recording of fictitious surpluses during previous stock takings.	32,091
52	Loss representing the value of stores found deficient in an Ordnance Depot during the course of stock taking held on 23rd March 1955. The loss was attributed to incorrect stock taking in the past.	28,475
53	Loss representing the value of stores found deficient in an Ordnance Depot during stock taking held on 31st January 1955. The loss was attributed to incorrect accounting of stores in the past.	54,434
54	Loss of 80 covers water proof issued on loan by an Ordnance Depot to two Workshop companies during July 1947 and March 1948 respectively. The stores in question were not returned and due to passage of time and movement of units to operational areas the stores could not be traced.	48,000
ENGINEER-IN-CHIEF'S BRANCH		
55	Loss representing the value of 45 items of tools and plant detected in June 1950. A Court of Inquiry was convened on 3rd July 1953 to investigate the discrepancies. But they could not trace the whereabouts of the tools and plant. They, however, opined that any attempt to obtain receipted	4,55,299



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
70	Loss due to deterioration of/damage to stores held in an Engineer Stores Depot discovered in May 1954 when a survey was carried out. The stores had been backloaded to the depot from various formations some time in 1946. The loss was attributed to long storage in the open due to paucity of covered accommodation.	17,808
71	Loss on account of damages to buildings, furniture and stores at a station as a result of heavy storm on 21st/22nd June 1952.	16,842
FACTORIES		
72	Loss in transit of 5,002 and 5,413 gallons of Benzol during 1954-55 and 1955-56 respectively attributed to normal evaporation, difference in temperature and in methods of accounting at the despatching government plant and the receiving oil company to whom supply was made.	18,652
73	Loss representing the value of 9,26,962 Nos. of Glass filled with Sulphuric Acid destroyed by burying it in a factory during December 1954. The store which was received in 1943 could not be utilised in production and was declared surplus in September 1954 and subsequently destroyed.	2,23,224
74	Loss representing the value of non-ferrous scrap found deficient at an Ordnance Factory at the time of stock verification during the years 1951 and 1952. Surpluses corresponding to the deficiencies were also located later on in most cases and brought on charge. Boards of Inquiry were held on 9th December 1952 and 17th July 1953. The proceedings of the Boards of Inquiry revealed that the prime causes for the discrepancies were lack of proper weighing facilities, lack of adequate and proper storage accommodation, non-location of stores during stock verification etc. Necessary remedial measures have since been taken to avoid recurrence.	5,41,022
75	Loss representing shortage of 4,238.28 cwt. of stores booked by a contractor to a Factory during 1950-51 for which payment was made on the basis of weights shown in the Railway Receipts. The Station Master's Certificate for the quantity booked by the contractor was not accepted by the Railways as reliable. Departmental action was	30,976



Serial No.	Nature of losses written off with particulars	Amount
	<p>taken against him by the Railways. In view of the Station Master's Certificate the legal opinion was that the firm could not be held responsible for the deficiencies. There was also no evidence of collusion between him and the Station Master as to warrant successful legal action being taken against him.</p>	
	<p>AIR HEADQUARTERS</p>	
76	<p>Loss of buildings, fittings and equipments damaged by storm on 7th May 1955 at an Air Force Station.</p>	1,05,472
77	<p>Loss representing cost of buildings and some Air Force equipments at an airfield damaged/lost due to floods in October 1955.</p>	30,640
78	<p>Loss representing deficiencies in stores revealed during the first stock taking after partition carried out during 1953-55 at an Air Force Equipment Depot. A Court of Inquiry which investigated into the circumstances of the loss were of the opinion that the deficiencies have arisen mainly due to the disposal of stocks by the Royal Air Force without proper voucher action and that no Indian Air Force personnel were to be blamed for the deficiencies. Due to paucity of staff, unsettled conditions then prevailing and the sudden repatriation of Royal Air Force personnel the stock could not be verified earlier.</p>	4,60,997
79	<p>Loss representing deficiencies of Air Force stores and equipments which remained in the care of a private firm until taken over by the Air Force in August 1949. The reasons for the shortage could not be established due to inadequate documents, irregular accounting and erroneous identification of equipments etc., responsibility for which could not be pin-pointed on any particular individual(s).</p>	39,937
80	<p>Loss of buildings, fittings, furniture, technical and signal equipments etc. damaged by thunder storms on 4th and 11th June 1954 at a station.</p>	59,162
81	<p>Loss representing the cost of buildings, furniture and Air Force equipment etc. damaged/lost during the period 3rd to 6th October 1955 due to floods at an Air Force Station.</p>	1,03,647

Serial No.	Nature of losses written off with particulars	Amount
		Rs.
82	Loss representing damages caused to Military Engineer Services and Air Force property as a result of storm on the night of 6th/7th July 1955 at an Air Force station.	30,340
83	Loss representing the value of 7,910 running feet of soft wood struck off charge by an Air Force formation during the period July to September 1951. The wood which had been supplied by contractors against an order of August 1949 was found defective and deteriorated. The circumstances in which the defective supplies were accepted could not be fully investigated, as the officer-in-charge was no longer in service and the Inspection Notes were not traceable.	15,820
84	Loss due to deterioration of explosive stores at a unit during the period prior to March 1955. These stores consisted of war time surpluses left over by the Royal Air Force. Lack of adequate storage facilities, abnormal heat, variation in temperature and heavy percentage of humidity in the atmosphere were the chief causes of deterioration. No attempt to improve the storage accommodation was made as the unit was under disbandment.	4,49,076
85	Loss due to decategorisation in 1956 of stores left over by the Royal Air Force brought on charge by a unit in 1947 without proper inspection. The possibility of stores having been damaged/deteriorated prior to their being taken over by the Air Force cannot altogether be ruled out. The categorisation was delayed due to non-availability of technical personnel.	1,66,014
86	Loss representing the value of an aero engine which has been reduced to spares in March 1955 as overhaul of the same was considered uneconomical.	17,500
87	Loss representing the cost of damage to the engine and airframe of an aircraft as a result of an accident on 21st November 1956. The Court of Inquiry held to investigate the loss was of the opinion that the accident was caused due to negligence and an error of judgment on the part of the Instructor and the Flight Cadet concerned. No disciplinary action was, however, taken against them as they were not found guilty of culpable neglect.	70,000
88	Loss representing damages to Air Force property caused by floods during October 1956 at an Air Force Station.	15,140



Serial No.	Nature of losses written off with particulars	Amount
		Rs.
89	Loss representing the value of deficiencies of serviceable items of explosive stores discovered in an Air Force unit during December 1952. Surpluses were noticed in certain other categories of explosive stores. The loss would have been avoided had prior inspection of the explosives been carried out before snap check for their categorisation.	54,891
90	Loss representing the cost of stores found deficient in a Disposal Section of an Air Force Equipment Depot during 1950. The Court of Inquiry convened after the lapse of a period of 4 years opined that the loss might have been due to the transfer of stores on paper to Disposal Section without the physical movement of stores from another site where large surpluses were discovered.	4,35,893
NAVAL HEADQUARTERS		
91	Loss due to change in condition of stores discovered during stock verification in 1954. The stores which were war surpluses deteriorated while in storage at a Naval Depot during 1951 to 1954.	16,823
92	Loss representing the cost of seven steel plates despatched by a Resident Naval Officer during January 1953, which were found to differ from the description given by the consignor at the time of check on arrival at the consignee's end. The loss was considered to be due to error in identification. The actual loss, taking into account the value of steel plates received in lieu, would amount to Rs. 850 only. Greater care is now exercised while taking stores on charge.	26,450
93	Loss representing wastage involved in the conversion of timber at a Naval Dockyard during 1951-52. The logs had deteriorated to some extent on account of storage in the open under adverse weather conditions, for want of adequate storage facilities, resulting in a higher percentage of wastage. At present supplies are obtained to meet normal requirements only.	18,330



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

MASTER GENERAL OF ORDNANCE BRANCH

- 1 Loss representing the value of certain stores stated to have been despatched by certain units during the period prior to June 1951 to an Infantry formation, credit for which was not traceable in the accounts of the latter. Due to non-availability of vouchers the case could not be progressed nor the monetary value could be assessed. The disciplinary aspect of case was fully considered but the responsibility for the loss of vouchers by internal audit could not be fixed on any individual due to transfer of staff and lapse of time.

GENERAL STAEF BRANCH

- 2 Loss on account of stores stated to have been issued by a consignor unit in June 1951 to another unit but not received by the consignee unit. The loss was detected in December 1951 at the time of audit of the accounts of the consignor unit on its disbandment. It has been stated that as the consignor unit did not exist at the time of detection of loss, the case could not be referred to them.

ENGINEER-IN-CHIEF'S BRANCH

- 3 Loss resulting from improper maintenance of store accounts by an Engineer formation during the period 30th August to 31st December 1948 which facilitated the theft of stores from the formation. The irregularities came to light on 11th September 1948 when two lorry loads of stores belonging to the formation were intercepted by the police. A Departmental Court of Inquiry which investigated the matter on 16th September 1948 held the view that an organised team of dishonest men consisting of the Officer Commanding and other Gazetted and non-Gazetted officers were in the habit of not accounting the surpluses, issuing stores outside without issue vouchers and preparing false convoy notes and gate passes. The Officer Commanding along with two other gazetted officers were prosecuted and they were sentenced to various terms of rigorous imprisonment and fines ranging from Rs. 200 to Rs. 500. The convictions in
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Serial  
No

Nature of losses written off with particulars

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the case of the Officer Commanding and one gazetted officer were, however, set aside on appeal to the Supreme Court.

#### FACTORIES

- 4 Loss due to irregular issue of milk to non-entitled factory personnel by an Ordnance Factory from 15th August 1947 to 31st March 1953, the exact value of which could not be split up from the total expenditure incurred on both entitled and non-entitled workmen. The irregularity dates back to 1938 and was objected to in September 1951. The circumstances in which the issue came into vogue could not be ascertained. However, it is believed that the issue of free milk to certain categories of workmen was made on the recommendations of Heads of Sections, Divisional Officers and Medical Officers of the factory. The long standing practice had to be withdrawn only gradually to avoid labour trouble.

#### AIR HEADQUARTERS

- 5 Loss arising out of non-return of three items of clothing by airmen of an Air Force College which were to be withdrawn from them. Due to the fact that there were no records showing the actual issues made and the date(s) of such issues etc., recovery was not considered justified. In all other cases where issues could be established, the items were withdrawn from individuals.
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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 1957-58.*

Serial No.	Particulars	Amount
		Rs.
	ENGINEER-IN-CHIEF'S BRANCH	
I	Necessity for a Universal Equipment Depot and an Air Observation Post Flight at an Air Force Station was accepted by the Government in the year 1949, at an estimated cost of Rs. 3,33,34,000 and Rs. 64,56,000 respectively. Both these projects were accorded high priority and with a view to facilitating the speedy execution of the projects, it was considered desirable to have at least 60 per cent of the stores at site reasonably well in advance and stores worth Rs. 26,99,081 were collected. Subsequently, owing to financial stringency and economy drive during 1949-50 both the projects were temporarily suspended. The stores collected had, therefore, to be transferred to other projects where those were required and back-loaded to Engineer Stores Depots/Parks. Certain stores were also disposed of through the Director General of Supplies and Disposals. An expenditure of Rs. 64,931 was incurred on the transportation, handling and back-loading of these stores as under :—	64,931
		Rs.
	Transportation from out stations	54,000
	Local handling charges	5,231
	Preservation charges for stores	1,700
	Back-loading	4,000
		64,931
	The collection of stores in excess of allotment/without allotment of funds was held to be irregular and the expenditure on transportation, handling, back-loading, etc. of stores to the extent of Rs. 64,931 was declared infructuous and regularised.	

Serial No.	Particulars	Amount
Rs.		
MASTER GENERAL ORDNANCE BRANCH		
2	<p>Amount paid to a State Government as excise duty for the alcohol used in 1951 for conditioning 30,550 gallons of buffer oil by a private firm. The cost of reconditioning together with the amount of excise duty comes to Rs. 1,88,788 which does not compare favourably with the procurement cost of Rs. 1,52,750. Even though the state Government was requested to exempt the alcohol from excise duty, they did not agree to it on the ground that the alcohol was used for industrial purposes and that there was no supervision by the Excise authorities. They further stated that had the military authorities represented at the time of release of the alcohol, arrangement could have been made for supervision by the Excise authorities. The arrangement for conditioning the buffer oil was made due to urgent military requirement in 1950-51 and action by all concerned in the matter was held to be bonafide. No disciplinary action was, therefore, taken against any one.</p>	1,32,270
QUARTERMASTER GENERAL'S BRANCH		
3	<p>Two cases of infructuous expenditure (Rs. 36,489 and Rs. 53,558) representing loss of rent/payment of rent to landlords and chowkidaring charges in respect of certain Government owned/hired buildings, which remained vacant at two stations during 1st January 1951 to 31st March 1955 and 1947-1949 respectively. Due to lapse of time the exact circumstances in which the buildings remained vacant could not be ascertained in the first case and in the second the hired buildings could not be released due to the impending move of a Division to that station.</p>	90,047



APPENDIX D

Statement ex-gratia payments exceeding Rs. 20,000 in each case made during the year 1957-58.

Serial No.	Particulars	Amount
		Rs.
	QUARTER MASTER GENERAL'S BRANCH	
1	<p>Amount representing <i>ex-gratia</i> payment made to a contractor on the basis of a compromise arrived at by the Government with the contractor. The contractor had entered into a contract with Government for supply by 30th November 1948 of 40,000 maunds of hay. The contractor alleged that the officer administering the contract increased the quantity from 40,000 maunds to 60,000 maunds and that the period of the contract was extended indefinitely, that the stocks brought by him were not accepted and that purchases beyond 23rd December 1948 were stopped without notice. He accordingly claimed compensation amounting to Rs. 2,50,000. The allegations of the contractor were investigated by a Court of Inquiry which found that they were not true. However, on the basis of the reserve stock with the contractor <i>viz.</i>, 6,000 maunds of hay which on examination was considered unfit for animal consumption, it was decided to pay Rs. 30,000 as compensation. This was not acceptable to the contractor who filed a suit in the High Court. The Court held Government responsible for breach of contract and awarded Rs. 1,82,000 to the contractor. On the strength of legal advice it was decided not to file an appeal against the court decree. A compromise was, however, struck whereby it was agreed that Government would pay Rs. 1,45,000 to the contractor. Disciplinary aspect of the case was examined as a result of which severe displeasure of the Chief of the Army Staff was communicated to the Commander of the Army Service Corps concerned.</p>	1,45,000
	LANDS, HIRINGS AND DISPOSALS DIRECTORATE	
2	<p><i>Ex-gratia</i> payment made to ninety-one house boat owners at the rate of Rs. 600 per boat. The houseboats were hired by the Army authorities</p>	54,600

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Serial  
No.

Particulars

Amount

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for the accommodation of troops during the period 1st November 1956 to 31st March 1957, but due to unseasonal heavy rains the boats could not be released on the due date, viz., 31st March 1957 and had to be retained for a further period of 15 days. Thereafter, due to floods, the boat owners could not ply the boats to the station at which the boats were in demand. As a result the boat owners had to suffer loss of earnings as they could not mobilise their boats for the tourist season. In order to make up for their loss of business this payment was made.

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APPENDIX E

Balances outstanding under the Head "Suspense" on 31st March 1958 and their clearance in the accounts for the subsequent year

(In Rupees)

Upto 1950-51		1951-52		1952-53		1953-54		1954-55		1955-56		1956-57		1957-58		Total to end of 1957-58		Cleared in 1958-59		Balance outstanding	
Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	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	16	17	18	19	20	21	22
71	..	..	..	20,08,95,000	..	..	..	22,17,032	39,12,469	5,69,163	..	3,07,500	18,201	1,90,03,090	30,69,867	22,29,90,856	70,00,537	1,90,33,165	33,60,801	20,39,57,691	36,39,736

Analysis by years of the amounts outstanding in columns 21 and 22 and the explanations of the items outstanding are as follows:—

Credits (Column 21)				Debits (Column 22)			
Year	Item No.	Amount Rs.	Details	Year	Item No.	Amount Rs.	Details
1952-53	1	20,08,95,000	Represents the balance of amount kept out of the sale proceeds of surplus and obsolete stores to meet storage and custodial charges.	1954-55	1	35,93,173	Represents balance of the amount outstanding in the Exchange Accounts with the late Deputy Accountants General (Industry and Supply) and (Food and Rehabilitation) at the end of 1954-55 which was withdrawn in accordance with the instructions contained in para. 22 of the Annexure to the Comptroller & Auditor General's letter No. 76-SAA/2-54/Pt. V, dated the 28th March 1955.
1954-55	2	22,17,000	Ditto,	1956-57	2	18,021	Represents Expenditure incurred by Defence Services on behalf of Ministry of Rehabilitation in connection with Army Assistance

## APPENDIX G

Statement showing variations between the year's original grant and expenditure in respect of works carried out during the year 1957-58.

Serial No.	Description of work	Original Grant	Actual Expenditure	Variation	Remarks
1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
INSTANCES OF UNDER-SPENDING THE ALLOTMENTS					
1	Provision of covered accommodation and ancillaries for A and B vehicles at a Vehicle Depot.	5,00,000	99,258	4,00,742	Due to :— (1) Non-conclusion of contract . . . . . 4,00,000 (2) Non-receipt of stores . . . . . 742 <u>4,00,742</u>
2	Provision of runways, taxi tracks and hard-standings at an airfield.	14,00,000	8,86,363	5,13,637	Due to :— (1) Work having been carried out by troop labour instead of by contract . . . . . 3,16,400 (2) Non-receipt of debit for cost of land . . . . . 83,20 (3) Non-receipt of debit for cost of railway warrants and credit notes . . . . . 37,000 (4) Non-utilisation of the provision for contingencies . . . . . 55,400 (5) Credit to the project on account of re-ricing of stores . . . . . 11,515 (6) Non-receipt of debits on account of transportation of troops . . . . . 7,574 (7) Non-receipt of debits on account of transportation and hire charges of cranes . . . . . 2,548 <u>5,13,637</u>



22	Naval Dockyard Expansion Scheme	75,00,000	56,60,582	18,39,418	Due to :—	
					(1) Non- payment of runing account payment.	4,86,000
					(2) Late conclusion of contracts.	10,63,015
					(3) Non-payment of expenses /fees to the consultants during the year.	1,14,000
					(4) Non-availability and non-procurement of equipment during the year.	1,76,403
						<u>18,39,418</u>
23	Construction of Naval Stores Depot	21,00,000	16,69,362	4,30,638	Due to defective planning.	
24	Construction of permanent accommodation at a Naval station, Phase I.	5,00,000	3,27,000	1,73,000	Due to :—	
					(1) Defective planning	1,50,000
					(2) Receipt of high tender necessitating retendering	23,000
						<u>1,73,000</u>
25	Provision of additional works services for permanent domestic and technical accommodation for a Communication and Transportation Flight at an Air Force station.	5,00,000	2,66,074	2,33,926	Due to high percentage quoted by the contractor and consequent need for revision of administrative approval leading to a non-conclusion of contract for part of the work.	
26	Provision of permanent domestic and technical accommodation for a Fighter Wing and a Single Engined Squadron at an Air Force station, Phases I and II.	45,00,000	36,74,052	8,25,948	Due to :—	
					(1) Late conclusion of contracts	89,000
					(2) Non-conclusion of contracts	38,000
					(3) Excess provision of funds for final bills	1,11,640
					(4) Non-receipt of equipment required for the project	3,90,000
					(5) Non-availability of steel for the work	1,26,000
					(6) Defective planning	71,308
						<u>8,25,948</u>

x	2	3	4	5	6	Rs.
		Rs.	Rs.	Rs.		Rs.
27	Provision of permanent accommodation for the Headquarters of a Training Command at an Air Force station.	20,00,000	18,54,624	1,45,376	Due to excess provision of funds for final bills which were not expected to be paid.	
28	Provision of works services for permanent domestic accommodation for Equipment Depot at an Air Force station.	6,00,000	1,71,635	4,28,365	Due to :—	
					(1) Excess provision of funds . . . . .	3,94,000
					(2) Less payment to contractor on account of slow progress of works . . . . .	6,300
					(3) Non-receipt of debit for stores . . . . .	8,200
					(4) Non-receipt of stores . . . . .	11,662
					(5) Over-estimation . . . . .	8,203
						4,28,365
29	Provision of sleeping platforms/charpoys at a military station.	5,16,000	85,276	4,30,724	Due to :—	
					(1) Late conclusion of contract . . . . .	3,21,000
					(2) Slow progress of work by contractor . . . . .	1,09,724
						4,30,724

#### INSTANCES OF OVER-SPENDING THE ALLOTMENTS

30	Construction of 128 Chief Petty Officers' and 288 Petty Officers' married quarters at a Naval station.	15,00,000	16,98,831	1,98,831	Due to non-receipt of credit for surplus stores disposed of to another Division.
31	Provision of Spare Parts Distribution Centre at a Naval station.	12,00,000	14,95,780	2,95,780	Due to adjustment of debits for stores received which was not anticipated initially.
32	Ratings' married quarters at a Naval station, Phase IV.	4,00,000	6,74,791	2,74,791	Due to non-receipt of credit for surplus stores disposed of to another Division.
33	Construction of 48 'E-I' type officers' quarters at a Naval station, Phase II.	8,90,000	9,02,023	12,023	Due to non-adjustment of credits arising out of disposal of surplus stores.
34	Construction of a permanent Armament Depot at a Naval station.	25,00,000	26,67,131	1,67,131	Due to short provision of funds for payment of an advance.
35	Provision of storage accommodation for explosives at an Air Force unit.	5,00,000	6,51,689	1,51,689	Due to short provision of funds in the first instance.

36	Construction of 50 class 'E-I' quarters for officers at a military station.	10,50,000	10,79,996	29,996	Due to receipt of more stores than expected.	
37	Construction of a new parallel runway at an Air Force station.	25,00,000	64,19,466	39,19,466	Due to :—	
					(1) Receipt of debit for cost of and compensation for land, not expected . . . . .	6,03,846
					(2) Execution of items of work not originally contemplated . . . . .	2,35,222
					(3) Accelerated progress of works . . . . .	27,54,538
					(4) Advance procurement of stores not originally planned . . . . .	3,25,860
						<hr/> 39,19,466 <hr/>
38	Making good deficiencies in accommodation for married and single Officers and Other Ranks of an Infantry Brigade.	13,50,000	16,01,723	2,51,723	Due to receipt of large quantities of stores not expected.	
39	Provision of permanent domestic accommodation for a Wing Headquarters at an Air Force station.	7,50,000	15,81,003	8,31,003	Due to accelerated progress of work.	
40	Provision of permanent domestic accommodation for a Wing at an Air Force station.	7,50,000	12,24,443	4,74,443	Due to :—	
					(1) Short provision of funds . . . . .	3,54,443
					(2) Accelerated progress of work . . . . .	1,20,000
						<hr/> 4,74,443 <hr/>
41	Provision of permanent accommodation for a Defence Accounts Office.	6,00,000	8,30,000	2,30,000	Due to accelerated progress of work.	
42	Provision of covered accommodation for vehicles and married accommodation for Junior Commissioned Officers and Other Ranks at a military station.	6,00,000	7,39,968	1,39,968	Due to short provision of funds and accelerated progress of work.	
43	Construction of 101 single officers' quarters and officers' mess at a military station.	5,50,000	7,08,980	1,58,980	Due to short provision of funds.	
44	Provision of permanent accommodation for single officers at a military station.	4,00,000	5,09,566	1,09,566	Due to short provision of funds.	



1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
45 Provision of permanent accommodation for Engineer Group at a military station.	₹14,84,100	15,83,677	99,567	Due to accelerated progress of work.	
46 Provision of permanent accommodation for Artillery Centre and Records at a military station, Phase I.	₹12,00,000	13,61,102	1,61,102	Due to accelerated progress of work.	
47 Provision of permanent accommodation for Artillery Centre and Records (Supplementary works) at a military station Phase I.	4,00,000	7,99,952	3,99,952	Due to accelerated progress of work.	
48 Provision of Naval Training School, Phase III-A.	₹6,80,000	₹6,89,597	₹9,597	Due to adjustment of cost of imported steel not expected originally.	
49 Provision of special repairs to runways at a Naval Air station, Phase III.	4,00,000	5,09,647	1,09,647	Due to short provision of funds in the first instance.	
50 Provision of Blast Pens for aircraft at an Air Force station.	2,50,000	7,03,158	4,53,158	Due to short provision of funds in the first instance.	
51 Provision of additional domestic and technical accommodation at an Air Force station.	8,42,000	19,98,484	11,56,484	Due to short provision of funds and accelerated progress of work.	
52 Provision of permanent technical accommodation at an Air Force station.	12,00,000	14,87,677	2,87,677	Due to accelerated progress of work.	
53 Strengthening of main runways at an Air Force station.	8,00,000	8,11,843	11,843	Due to accelerated progress of work.	
54 Provision of minimum works requirements for a Conversion and Training Squadron.	7,00,000	11,79,581	4,79,581	Due to short provision of funds and accelerated progress of work.	
55 Provision of permanent accommodation at an Air Force station.	25,00,000	37,99,884	12,99,884	Due to short provision of funds in the first instance.	

56	Provision of permanent domestic and technical accommodation at an Air Force station.	10,00,000	13,50,320	3,50,320	Due to short provision of funds in the first instance.	
57	Provision of permanent domestic and technical accommodation at an Air Force station.	18,00,000	18,21,616	21,616	Due to:—	
					(1) Adjustment of cost of land.	16,400
					(2) Accelerated progress of work	3,717
					(3) Adjustment of freight charges	1,499
						<u>21,616</u>
58	Construction of 288 'J' type quarters at a Factory estate.	6,00,000	7,25,296	1,25,296	Due to accelerated progress of work.	
59	Provision of accommodation for a Command Headquarters, Phase II.	16,75,000	19,41,246	2,66,246	Due to short provision of funds in the first instance and accelerated progress of work during the year.	

APPENDIX H

Statement showing variations between the original estimates and actual final costs in respect of works completed during the year 1957-58.

Serial No.	Description of work	Amount of original estimate	Final cost	Variation	Remarks
1	2	3	4	5	6
		Rs.	Rs.	Rs.	Rs.
EXAMPLES OF SAVINGS					
1	Provision of covered accommodation for vehicles in an Army Service Corps Centre.	7,47,000	5,27,434	2,19,566	Due to :— (1) Low tendered percentage, <i>i.e.</i> 80% against 175% provided in the estimate (2) Reduction in the scope of works
					22,500 1,97,066 <hr/> 2,19,566
2	Provision of essential and inescapable works required for an Engineer Group at a military station.	9,64,900	8,20,598	1,44,302	Due to reduction in the scope of work.
3	Construction of married/single accommodation for two Defence Security Corps platoons including ancillary buildings at a Factory estate.	5,36,300	5,09,090	27,210	Due to low tendered percentage
4	Improvement to existing water supply at a military station.	12,93,500	12,38,176	55,324	Due to :— (1) Non-utilisation of contingencies (2) Reduction in the scope of work
					41,324 14,000 <hr/> 55,324



## APPENDIX I

*Statement showing cases of non-maintenance or irregular maintenance of accounts condoned by Government of India during 1957-58.*

Serial No.	Nature of irregularity
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### MASTER GENERAL OF ORDNANCE BRANCH

- |   |   |
|---|---|
| 1 | Non-accounting of fitment items of vehicles by two Vehicles Depots during the periods prior to 31st March 1951 and prior to 1st April 1955 respectively.  |
| 2 | Improper maintenance of accounts for certain items of salvage stores by an Ordnance Field Depot during the period June to September 1953.   |
| 3 | Non-production of Regular Issue and Exchange Vouchers, Expense Vouchers, Old Ledger pages and Certified Receipt Vouchers, Job Cards, Day Books of Vehicles, Telecoms, Instruments and Ancillary, Old Ledgers, Received Copies of Issue Vouchers, Receipts Issue Control Registers, Vouchers in support of stores charged off from the ledgers, Transfer/Expense Vouchers, Register of Losses, and Ledgers to support credit of stores worth Rs. 55,344, non-maintenance and improper maintenance of Stock Tally Sheets for various periods between May 1947 to October 1952 by an Infantry Workshop Company and its Detachment.   |
| 4 | Non-production of Job Cards and Day Books of a Detachment for the period June to August 1951 by an Infantry Workshop Company. The loss of the documents was attributed to the sudden closing down of the Detachment which had been on operational duty.   |
| 5 | Non-production of (i) ration accounts for the period December 1951 to July 1952, (ii) Received Copies of Issue Vouchers pertaining to September 1951 to July 1952, (iii) auditable documents of Quartermaster Stores for the period prior to 1st August 1952, (iv) Kit Shortage Certificates to support the issue of Quartermaster Stores to Other Ranks, (v) Local Purchase Vouchers pertaining to April 1952 and (vi) Ration Return, Payment Issue Register, Clothing Ledger etc. pertaining to the period prior to 1st August 1952 which were destroyed in a fire on the night of 30/31st July 1952. The Quartermaster Havildar of the unit was severely reprimanded and fined Rs. 20. |
| 6 | Improper maintenance of store accounts by a Technical Development Establishment prior to January 1955.  |
| 7 | Improper/non-maintenance of accounts of certain stores by a Workshop for the period prior to November 1953.   |
| 8 | Improper maintenance of Petrol, Oil and Lubricants Accounts during the period January to June 1950 by a Workshop.   |

Serial No.	Nature of irregularity
9	Improper maintenance of Vehicle Stock Summary and Vehicle Register by an Ordnance Depot during 1946-1949.
10	Non-production of additional copies of an Issue Voucher dated the 3rd December 1950 pertaining to issue of tents to a Sub-Area Headquarters by a Supply Depot.
11	Improper/non-maintenance of Furniture Ledgers prior to 1st July 1950 by an Ordnance Depot.
12	Improper maintenance of Electrical Mechanical Engineering Estate Fund Account by an Army Workshop for the period prior to 1st January 1955.
13	Non-production of original account card of an item of store by a Central Ordnance Depot. The stock taking figure of the item in question, as revealed on the 18th March 1954, was accepted as the correct opening balance in the new account card.
14	Non-production of Account Cards pertaining to an item of stores by an Ordnance Depot on 27th August 1956. A Court of Inquiry which investigated the loss of the Card on 27th September 1956 held a Lower Division Clerk responsible for it. He was given a recorded warning to be more careful in future.
15	Non-specification of the condition of stores by a Returned Stores Sub Depot in respect of stores returned by certain units to an Ordnance Depot during 1950 to 1953.
16	Non-production of a Certified Receipt Voucher for September 1950 by an Ordnance Field Depot.
17	Non-receipt of Receipted Copies of 6,125 Issue Vouchers pertaining to the period 1950-51 to 1953-54 by an Ordnance Depot.
18	Irregular maintenance of transport Duty Slips during the period November 1952 to April 1955 by a Central Ordnance Depot.
19	Non-production of an Adjustment Voucher dated 29th December 1954 in respect of an item of store by a Central Ordnance Depot.
20	Non-linking of a Certified Receipt Voucher by a Central Ordnance Depot in April 1950.
21	Improper accounting of scrap wood by a Central Ordnance Depot during the period September to December 1954.
22	Non-production of Petrol, Oil and Lubricants Ledger and Receipt Voucher file by a Plant Company Workshops, stated to have been lost during August 1955. The ground balance found on stock taking was taken as the basis of further accounting.
23	Non-linking of three Certified Receipt Vouchers in an Ordnance Depot during 1951-52.
24	Non-production and reconstitution of the missing pages Nos. 37 and 57 of Ledger Nos. 50 and 25 respectively belonging to an Infantry Workshop.



Serial  
No.

Nature of irregularity

## GENERAL STAFF BRANCH

- 25 Non-production/non-maintenance/ improper maintenance of the following accounts by 5 different units /formations:—
- (i) A Car Diary in respect of a motor cycle, found missing in May 1954;
  - (ii) Log Books of 7 vehicles for the period July to October 1954;
  - (iii) Ration Accounts for May 1951;
  - (iv) Animal Transport Ledger and Animal Register for the period January to November 1953 and Hired transport Register for the period January to June 1953; and
  - (v) Transport Register for the period July 1948 to August 1952.
- 26 Non-maintenance of a separate Ledger for mechanical transport tools during 1st August 1950 to May 1953 by a Liaison Officer, Junior Division, National Cadet Corps.
- 27
- (i) Non-production of certain Issue Vouchers for the period February to May 1950 owing to the move of the unit and the transfer of the records to two stations in turn, on the integration of the unit with the Indian Army in 1954. The credit for the stores could not be verified.
  - (ii) Non-maintenance of Ration Accounts during March 1950 to February 1951 and Mechanical Transport Tools Ledgers during August 1950 to April 1954 by a Headquarters formation due to its move to a peace area and its subsequent frequent movements. One officer was censured and two other officers were conveyed the displeasure of the General Officer Commanding.
  - (iii) Non-maintenance of accounts for fodder cut by 3 civilian labourers and issued to mules on picquets by a unit during 1951 and 1952.
  - (iv) Non-production of 3 Issue/Receipt Vouchers of 1951 by an Armoured Division.
- 28 Non-production of four Cash Books, two relating to the period prior to April 1951 and two others to the period prior to August 1951, in respect of certain grants by a unit as the same were stated to have been left in rear dump at a station. A Havildar clerk was held guilty of negligence and was reprimanded.
- 29
- (i) Non-maintenance of "used engine oil" account for the period August 1950 to June 1952 by a Regiment.
  - (ii) Non-accounting of stores valued at Rs.709 consigned to various units at a station in 1948 and taken over from Railways by the Station Staff Officer in June 1950.
  - (iii) Non-production of consignees' receipts for stores issued by a Brigade Headquarters during November 1949 to July 1950.
- 30 Improper maintenance of store accounts during the period August 1948 to August 1951 by an Infantry Brigade.



Serial No.	Nature of irregularity
31	Improper maintenance of store accounts in respect of a Junior Division Troops, National Cadet Corps, by the civil authorities from July 1948 to August 1952 after amalgamation with a Senior Division unit.
32	Non-production/non-maintenance of Station Stores Ledger prior to August 1952 by a Station Headquarters.
33	Non-maintenance of accounts in the prescribed manner in respect of a sum of Rs. 681 credited in the Annual Training Grant Accounts during 1952-53 by a Scout Battalion.
34	Non-production of Strength Statement in respect of ration accounts for December 1951 by an Infantry Brigade Camp.
35	Non-production of Clothing and Arms Ledgers in April 1955 by a Signal Company. The Company Quartermaster Havildar, who was held responsible for the loss of the ledgers, was tried by Court Martial and reduced to ranks and also awarded 28 days' rigorous imprisonment, the Administrative Officer was censured and the Jamadar Quartermaster was reprimanded.
36	Non-production of accounts for 96 gallons of petrol received in February 1954 from a Vehicle Depot and documents in connection with the issue of Petrol, Oil and Lubricants to 'A' Vehicles in January 1954 by an Army Unit.
37	Non-production of Daily Parade Statements for November 1951 by a Heavy Anti-Aircraft Regiment.
38	Non-production of the register of Books and Forms relating to the period prior to July 1952 by a Security Corps detachment.
39	Non-maintenance of Store accounts of personnel equipment and arms and ammunition by two Security Corps Platoons for the period 16th September 1947 to 6th March 1953 and 9th March 1949 to the 20th March 1953 and admitting the balance of stores found by a Board of Officers on 5th January 1954 as correct in respect of both platoons.
40	Non-production of seven Issue Vouchers relating to the period January to December 1950 and consequent non-verification of credit for the stores in the accounts of a National Cadet Corps Battalion.
41	Non-production of 38 Issue Vouchers pertaining to the period 1948-1950 by a National Cadet Corps Office.
42	Non-production of Car Diary in respect of a Motor Cycle by an Intelligence Training School and Depot which was stated to have been lost between 17th and 20th August 1956. A Court of Inquiry convened to investigate the loss blamed a Naik who was awarded "reprimand" for his negligence.
43	Improper maintenance of Stock and Mechanical Transport Tools Ledgers by a Signal Regiment during 1953-54.
44	Non-maintenance of proper accounts prior to 1958 in respect of non-expendible stores purchased for use in connection with Republic Day Celebrations.

Serial No.	Nature of irregularity.
45	Non-production of Log Book and Car Diary of a vehicle by an Infantry Brigade Signal Section, stated to have been lost on 21st December 1955.
46	Non-production of Ledger and Receipt Voucher in respect of certain guns with connected stores by a Battery of Border Scouts stated to have been lost during January 1951.
47	Non-accounting of packing materials by an Infantry School during the years 1952 to 1954.
48	Non-observance of normal accounting procedure in respect of certain stores purchased locally by a unit during March to July 1952.
49	Irregular maintenance of ration accounts by a Field Regiment for the period February 1951 to April 1953.
50	Irregularity in ration accounting in an Army unit which occurred in June 1953.

#### QUARTERMASTER GENERAL'S BRANCH

- |    |   |
|----|---|
| 51 | Non-production of Parade Statement, Last Ration Certificate or Station Order to admit the Issue of certain rations, copies of Issue/Receipt Vouchers and Condemnation Board proceedings in connection with the stores sent to two Salvage Depots by a unit for the period February to October 1948.   |
| 52 | Non-production of Part II Orders, Last Ration Certificates, Movement Orders and Hospital Discharge slips in support of ration accounts by a Supply Company during April to August 1950 and December 1950 to April 1951.   |
| 53 | Non-production of Ration Accounts for animals for the period from December 1947 to September 1952 by a Veterinary Section.  |
| 54 | Non-production of Loan Ledger for the period November 1950 to January 1954 by a unit.   |
| 55 | Improper maintenance of Stores Ledger for July to December 1953 by a Pioneer Company due to ignorance of correct procedure.   |
| 56 | Non-maintenance of Supply Orders for fodder purchased during April and May 1950 by a Military Farm.   |
| 57 | Non-maintenance of prescribed Supply Orders in one case and loss of Supply Orders in another case for fodder purchased during 1951 by a Military Farm.  |
| 58 | Non-production of Clothing Ledgers and Personnel Equipment Ledger Mechanical Transport for the period from 13th April to 30th November 1950, Stock Ledgers Mechanical Transport for the period from 13th April to 31st August 1950 and Expendible and Repair Ledger for the period from 13th April to 30th September 1950 by an Army Service Corps Company. |
| 59 | Non-maintenance of Petrol, Oil and Lubricants Accounts for 3 vehicles by a Transit Camp during 1951-52 and 1952-53.   |



Serial No.	Nature of irregularity
83	Non-production of cash accounts for the period 1st August 1949 to 31st October 1951 by an Officer Commanding a Station.

## ENGINEER-IN-CHIEF'S BRANCH

- |    |   |
|----|---|
| 84 | Improper maintenance of Register of Temporary Military Buildings relating to 4 stations in that the entries therein could not be tallied with the buildings at sites. As 90% of the entries were inaccurate, a fresh register had to be opened. The formation was a war time measure and had been abolished long ago.   |
| 85 | Loss of a Log Book for a motor cycle by a Sub Division, detected on 8th April 1952. The individual concerned was warned to be more careful in future.   |
| 86 | Non-maintenance of Mechanical Transport and Kit Ledger by an Engineer Office in the proper form during August 1951 to January 1952 and by a Division during 1950—1952 due to non-availability of the requisite Register Form.   |
| 87 | <p>(i) Irregular maintenance of Materials Register and Construction Accounts for certain Projects by a Division during 1949-50.</p> <p>(ii) Non-maintenance of Ledgers for Consumption of Electricity and Water for check against free scale during 1949—53 by a Division.</p> <p>(iii) Non-maintenance of Construction Accounts for overhead charges and irregular maintenance of Stock Purchase Register in 1950-51 by a Division.</p> <p>(iv) Loss of Register of Tools and Plant on hire to civil bodies for the period April to November 1953 by a Division. The register was stated to have been misplaced.</p> |
| 88 | Non-production of 3 Civil Credit Notes which were stated to have not been used but cancelled and burnt during December 1952. Under rules, cancelled credit notes are required to be pasted on the respective counterfoils.  |
| 89 | Non-production of Stock Ledgers for the period July to December 1949 by an Engineer Division.   |
| 90 | Non-maintenance of store accounts in regard to projects by an Engineer Division for the period October 1950 to March 1951.  |
| 91 | Non-maintenance of Individual Distribution Ledgers for furniture issued to Officers at a station for the period May to October 1950 by an Engineer Division.  |
| 92 | Non-production of Tools and Plants Registers by an Engineer Division for the period November 1952 to January 1954.  |
| 93 | Non-filling of counterfoils of 4 Civil Credit Notes by an Engineer Division during October 1952 to May 1954.  |
| 94 | Improper maintenance of Petrol, Oil and Lubricants Accounts by an Engineer Plant Company during 1951.   |
| 95 | Non-maintenance of Summary of Materials in respect of various projects by an Engineer Division during the period September 1953 to May 1954.  |



Serial No.	Nature of irregularity
96	Non-maintenance of Register of Rentable Buildings by an Engineer Division during the period October 1952 to June 1953.
97	<p>(i) Non-production of a Fan and Meter Register pertaining to a Division stated to have been lost in October 1947 in postal transit. A physical check carried out in 1948 did not reveal any loss.</p> <p>(ii) Non-maintenance of Unit Transport Register for Hired Transport at a Station Barrack Services' Office prior to 1st April 1952.</p> <p>(iii) Improper maintenance of Mechanical Transport Tools and Kit Registers in a Division during 1953-54, due to non-availability of the prescribed form.</p> <p>(iv) Improper maintenance of records of stores for a project in a Division during 1950-51.</p>
98	<p>(i) Non-maintenance of Stock Purchase Register prior to 4th January 1951 and improper maintenance of the same upto 1954-55 by a Division.</p> <p>(ii) Non-maintenance of materials account and summary of materials for certain projects in a Division during 1949-54.</p>
99	Non-production of Kit Inventories by an Engineer Plant Company during December 1951.
100	Improper maintenance of accounts and non-production of documents by an Engineer Plant Company during 1950-51.
101	Improper maintenance of Transport Indent by an Engineer Division during 1948.
102	Improper maintenance of ledgers during the period 1949 to 1952 by an Engineer Plant Company.
103	Non-production of Daily Order, Part II for check of ration entitlements by a Field Company during the period November 1950 to April 1951.
104	Non-production of an Issue Voucher by an Engineer Works Section during 1952.
105	Non-production of 4 ledgers by an Engineer Plant Company during 1951.
106	Non-maintenance of Petrol, Oil and Lubricants Register prior to August 1950 by the office of the Chief Engineer of a Command.
107	<p>(i) Non-production of certain Baby Indents/Stock Indents pertaining to the year 1953 by an Engineer Division.</p> <p>(ii) Non-maintenance of Monthly Progress Reports in respect of casual personnel during January 1952 to March 1953 and during April 1953 to June 1954 by an Engineer Sub-Division.</p> <p>(iii) Non-completion of counterfoils of certain Civil Credit Notes by an Engineer Division during 1946-52.</p> <p>(iv) Non-production of certain registers for the period May to October 1951 by an Engineer Division.</p>
108	(i) Non-production of Consignor's Issue Vouchers in respect of certain Receipt Vouchers for furniture for the period November 1950 to April 1951 by an Engineer Division.

Serial No.	Nature of irregularity
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- 136 Non-production of Car Diary pertaining to a Motor Ambulance held on the charge of a Military Hospital. The diary was lost on 16th May 1956. The driver of the vehicle was punished with forfeiture of one day's pay.

#### FACTORIES

- 137 Improper maintenance of accounts in respect of packing cases by an establishment for the period prior to 30th July 1954.

#### AIR HEADQUARTERS

- 138 Non-observance of the correct accounting procedure in the issue of certain stores to various workshops for servicing repairable machines received from Units/Formations without cross reference to the internal receipt vouchers.
- 139 Non-production of 7 vouchers relating to 1951-52 and 1952-53 by an Air Force Station.
- 140 Non-production of Rations Indents by an Air Force Wing for the period April to September 1951.
- 141 Non-production of Dead Stock Register for the quarter ending March 1955 by an Air Force Station.
- 142 Non-maintenance of Car Diaries by an Air Force Station during the period October 1952 to December 1954.
- 143 Non-production and non-linking with corresponding blue copies of twenty six vouchers by an Equipment Depot of the Air Force for the period 1950-53.
- 144 Non-production of Form 700 and consequent replacement and reconstruction by an Air Force Wing during May 1956. The loss was investigated by a Court of Inquiry which recommended disciplinary action against two individuals. An individual who was considered responsible for the loss was awarded 'reprimand'.
- 145 Improper maintenance of Car Diaries of staff cars provided to Duty Staff Officers by an Air Force Station for the period July to September 1952.
- 146 Non-linking of stores valued at over Rs. 1.38 lakhs vouchered on eight issue vouchers and issued by two Central Ordnance Depots to an Air Force Wing during 1952.
- 147 Non-accounting of salvaged parts of bicycles by an Air Force Wing during the period October 1953 to March 1954.
- 148 Non-production of Mechanical Transport documents by an Air Force Wing which were stated to have been lost during the period April 1950 to March 1955.
- 149 Non-linking of External Issue Vouchers with their corresponding Receipted copies by an Air Force formation during November 1953.



Serial No.	Nature of irregularity
150	Non-linking of 23 Issue Vouchers with their corresponding receipted Blue copies by an Air Force Equipment Depot during 1951-52.
151	Non-production of the Receipted Blue Copies in respect of 22 Issue Vouchers by an Air Force Equipment Depot during 1950-51 and 1951-53.
152	Non-accounting of 40 tyres outer of various sizes and two tubes inner of different sizes issued to a Mechanical Transport Section by an Air Force Wing for the period October 1953 to March 1954.
153	Non-remission of records by a State Public Works Department in respect of an airfield on its formal handing over to the Military Engineer Services during 1948.
154	Non-production of 35 Single Stock Record Cards during the period January 1953 to December 1954 for audit purposes by an Air Force Unit.
155	Non-linking of Material Requisition numbers (53 in number) with Stores Credit numbers on which the original items were returned to stores by a firm during January to March 1951.
156	Non-production of Medical Certificate in support of extra issue of milk to recruits of Medical Training Centre by a Wing of an Air Force Station for the period January to March 1952.
157	Non-linking of 6 issue vouchers with corresponding receipted copies by an Air Force Equipment Depot for the quarters ending September 1951 and December 1951.
158	Non-production of Schedule of barrack and furniture items in respect of 2 rooms for the period prior to July 1951 by an Air Force Camp Commandant.
159	Non-production of counter-foils of 200 Railway Warrants by a Wing of the Air Force.
160	Non-production of a voucher by an Equipment Depot of the Air Force in 1954.
161	Non-linking of Receipt Voucher for 51 gallons of aviation fuel with the challan received from an oil company by a Wing of the Air Force for the period ending March 1951.
162	Non-completion of Flight Petrol Oil Book by pilots at a Wing of the Air Force for the period ending December 1954.
163	Non-production of Mechanical Transport Vehicle Inventories and admittance of newly raised ones in respect of 12 vehicles by a Wing of the Air Force during the period ending March 1955.
164	Non-linking of stores segregated for issue to a foreign country with original Issue Vouchers at the time of taking stores back on charge in 1951/52 by an Air Force Station.
165	Non-production of Duty Form for 5th December 1954 by a Wing of the Air Force.
166	Non-annotation of original Receipt Voucher Nos. on Conversion Vouchers on which equipment received earlier were converted to their correct nomenclature by an Equipment Depot of the Air Force during the period ending March 1955.

## REVIEW OF THE ACCOUNTS OF MANUFACTURING CONCERNS OF THE DEFENCE SERVICES FOR THE YEAR 1957-58.

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 11,30,776 lbs. of bread at an average cost of Rs. 25.80 per 100 lbs. of bread as against 11,75,010 lbs. produced during the previous year at an average cost of Rs. 27.73 per 100 lbs. Thus there has been a fall in the output of bread to the extent of 3.76% in comparison with the previous year.

3. In all 7 bakeries worked during the year 1957-58 *i.e.* the same as in the preceding year. The decrease in the average cost of production during the period under review was mainly due to lower cost of flour in certain months of the year partly offset by increased expenditure in respect of other items.

4. The market rates of bread at the various stations at which Army Service Corps Bakeries functioned during the year ranged from Rs. 25 to Rs. 50 per 100 lbs. The Payment Issue Rates at the various stations during the year ranged from Rs. 27 to Rs. 39 per 100 lbs. The minimum and maximum production costs of bread in the Army Service Corps Bakeries during the year were Rs. 22.68 and Rs. 48.54 per 100 lbs. respectively. The main reasons for this large variation in production costs were (i) high overhead charges in relation to the low output at the bakeries in Jammu and Kashmir and (ii) consumption of more fuel due to use of Field Ovens there.

### NAVAL BAKERIES

5. During the year 1957-58, the Naval Bakeries produced 8,09,989 lbs. of bread at an average cost of Rs. 23.96 per 100 lbs. as against 7,49,242 lbs. at an average cost of Rs. 26.03 per 100 lbs. during the year 1956-57.

6. In all 5 bakeries worked during the year 1957-58, *i.e.*, the same as in the preceding year. There was an increase in the output of bread to the extent of 8.11% over the production of the previous year. There was a reduction in the cost of production to the extent of 7.95% mainly due to lower cost of flour in certain months of the year partly offset by increased expenditure in respect of other items.

7. The market rate of bread at the various stations at which the Naval Bakeries functioned varied from Rs. 26 to Rs. 50 per 100 lbs. The payment issue rate during the year ranged from Rs. 26 to Rs. 42 per 100 lbs. The minimum and maximum production cost of bread in the Naval Bakeries were Rs. 22.36 and Rs. 29.92 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, as at present, there are no stations in India in which the existing civil sources are both adequate and suitable, and (b) to provide fodder to the animals of the Army (except animals belonging to the Army Remount Depots).

9. The break-up of the total issues of milk during 1957-58 under different categories was as under :—

	(In lakhs of lbs.)
Cow milk . . . . .	139.94
Buffalo milk . . . . .	2.69
Standard milk . . . . .	31.12
Blended milk . . . . .	456.28
TOTAL . . . . .	<u>630.03</u>

10. The quantities of the principal items of dairy produce issued as a part of ration to the Defence Services and sold to other customers during the period under review compared with those for the year 1956-57 as under :—

Year	Milk	Butter	Cream
<i>Free issues to troops and hospitals</i>			
1956-57 . . . . .	558.97	0.90	0.44*
1957-58 . . . . .	601.02	0.96	0.44*
<i>Payment issues to other Government Institutions</i>			
1956-57 . . . . .	6.45	0.10	..
1957-58 . . . . .	9.62	0.13	..
<i>Issues on payment to other customers</i>			
1956-57 . . . . .	10.53	1.20	..
1957-58 . . . . .	19.39	1.39	..

11. The trade during the year resulted in a net profit of Rs. 29.74 lakhs as against Rs. 35.48 lakhs during the year 1956-57. The break-up of the net profit by Commands is as follows:—

Command	1956-57	1957-58
Southern . . . . .	16.51	10.76
Eastern . . . . .	6.80	6.30
Western . . . . .	12.17	12.68
TOTAL . . . . .	<u>35.48</u>	<u>29.74</u>

\*Includes payment issues to "Government Institutions" and "other customers" also.

12. The decrease in profit to the extent of 16·18% is attributed chiefly to purchase of concentrates, etc. at higher rates, increased cost of production of fodder, more transportation charges due to increased railway tariff rates and additional establishment charges due to *ad hoc* temporary increase in Dearness Allowance.

13. The payment issues of milk to other customers during the year constituted 3·08% of the total quantity of this item issued by the Farms.

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

	(In lakhs of Rs.)
Buildings . . . . .	2·56
Machinery . . . . .	3·94
Live-Stock . . . . .	4·64

15. 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 89	2 93

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

#### CANTEEN STORES DEPARTMENT (INDIA)

17. The turnover of the Department during the year was Rs. 4,11,14,672 which showed an increase of Rs. 61,67,292 (representing 17·65 %) over the previous year's turnover of Rs. 3,49,47,380.

18. The value of Stock in trade and in transit at various depots and warehouses on the 31st March 1958 stood at Rs. 68,92,698 as compared to the corresponding figure of Rs. 81,19,638 in the preceding year.

19. During the year under review, eight more retail Canteens were opened thereby increasing the total number of retail Canteens which function under the direct control of the Canteen Stores Department (INDIA) to eighteen. The total turnover of these retail establishments during the year was Rs. 44,44,595 and the net surplus of receipts over expenditure amounted to Rs. 1,35,175.

20. In furtherance of the policy formulated by the Board of Control to take over progressively the operation of the Garrison cinemas, the Department took over seven more cinemas bringing the total number of cinemas under its control to ten. The working of these cinemas has resulted in a deficit of Rs. 13,151 compared to the deficit of Rs. 21,336 in the previous year. This has, however, been absorbed by the Department's general business.

21. The net surplus of receipts over expenditure for the year, after providing for all losses and contingencies, amounted to Rs. 18,02,830 which represents 3·9% on the combined turnover of wholesale and retail business as against a surplus of Rs. 16, 72,433 for the previous year which worked out to



4.5 % on such turnover. With the addition of Rs. 28,315 brought forward from the preceding year and writing back the unutilised amount of Rs. 27,503 out of the quantitative discount allotted during the previous year to unit-run-canteens for welfare and general amenity purposes, the total surplus of receipts over expenditure available comes to Rs. 18,58,648.

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

- |     |   |           |       |   |
|-----|---|-----------|-------|---|
| (a) | Rs.   | 50,000    | . . . | to the Canteen Stores Department (INDIA)'s Employees Benevolent Fund (including Rs. 10,000 for Canteen Stores. Department (INDIA) T.B. Fund), |
| (b) | Rs.   | 20,000    | . . . | to the Canteen Stores Department (India) Sports Fund and the Canteen Section of the QMG's Branch,   |
| (c) | Rs.   | 17,76,000 | . . . | to the three Services for welfare and general amenity purposes and various other Defence institutions, and                                    |
| (d) | the balance of Rs. 12,648 to be carried forward to the next year's account. |           |       |   |

*Consolidated Production Account of Army Service Corps Bakeries for the year ended 31st March, 1958.*

Dr.						Cr.			
1956-57		Particulars	1957-58		1956-57		Particulars	1957-58	
Amount	Amount		Amount	Amount	Out-turn	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>							
	2,54,622	To value of stores consumed . . . .		2,17,821	11,75,010	3,25,802	By net cost of production . . . .	11,30,776	2,91,744
		<i>Salaries, labour and other charges</i>							
3,668		To proportion of pay of Station Supply Officer . . . . .	3,668						
8,808		To pay and other charges of supervisory staff . . . .	10,408						
35,879		To pay and other charges of establishment (permanent and temporary) . . . . .	36,056						
3,110		To leave allowances . . . . .	3,158						
3,912		To superannuation allowances . . . . .	4,457						



134	To transportation charges . . . . .	179
8,760	To rent of buildings . . . . .	8,760
1,866	To water and electricity . . . . .	2,153
2,329	To conservancy . . . . .	2,683
2,723	To contingent and miscellaneous stores . . . . .	2,406
		71,189
		73,928

Average cost per 100 lbs.  
of bread.

1956-57	1957-58
Rs. nP. 27 73	Rs. np. 25 80

9	9	Less Miscellaneous receipts . . . . .	5	5		
		TOTAL . . . . .	2,91,744	3,25,802	TOTAL . . . . .	2,91,744

NEW DELHI ;

*Dated the 2nd December, 1958.*

NEW DELHI ;

*Dated the 27th December, 1958.*

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 6th January, 1959.*

PHUL CHAND,

*Controller General of Defence Accounts.*

P. S. CHOWDHURY, Major General,

*Director of Supplies and Transport.*

P. K. BASU,

*Director of Audit, Defence Services.*

## NOTES

The total quantity of bread produced in Army Service Corps Bakeries during the year 1957-58 was 11,30,776 lbs. as against 11,75,010 lbs. produced during 1956-57. The slight reduction suffered in the quantity of bread produced to the extent of 44,234 lbs. forms 3.76% of the output, achieved during the previous year. The total number of bakeries worked during the year, nevertheless, remained the same as in the previous year *viz.*, 7.

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

The all India production cost per 100 lbs. of bread for the year 1957-58 was Rs. 25.80 recording a reduction of Rs. 1.93 over the previous year's figure of Rs. 27.73. The production cost may be analysed as under:—

	1956-57 Rs. nP.	1957-58 Rs. nP.
(a) Cost of stores consumed . . . . .	21 67	19 26
(b) Other Charges . . . . .	6 06	6 54
	<u>27 73</u>	<u>25 80</u>

Reasons for less incidence of expenditure relating to the cost of stores consumed amounting to Rs. 36,801 (14.45%) could be attributed mainly to fall in Stock Book Rates for free issue of flour, in certain months of the current year, compared to the rates prevalent during the preceding year. The increase under 'pay and other charges of Supervisory Staff', 'pay and other charges of establishment', 'Superannuation' etc. coupled with less production has, to some extent, offset the reduction in manufacture cost of bread.

3. *Variations in Individual Items of Expenses*

(i) *Pay and other Charges of Supervisory Staff.*

An increase of Rs. 1,600 (18.17%) over the expenditure for the previous year has resulted due to (1) ad-hoc increase in dearness allowance (2) employment of a Junior Commissioned Officer in one bakery of a Command for a full year, whereas during the preceding year one Lance Naik only was working as Supervisor for five months.

(ii) *Pay and other Charges of Establishment.*

Under this head, a slight increase of Rs. 177 (0.49%) has been caused by an ad-hoc temporary increase in dearness allowance and employment of more bakers in one bakery in a Command area, although the number of bakers employed in a bakery of another Command was subjected to reduction.

(iii) *Leave and Superannuation Charges.*

There is an increase of Rs. 48 (1.54%) on account of leave allowance and Rs. 545 (13.93%) in Superannuation allowances during the year owing to enhancement in expenditure under the items (i) and (ii) above.



(iv) *Transportation Charges.*

The actual expenditure for the current year has recorded an increase of Rs. 45 (33·58%) over the relative figure for the last year.

(v) *Water and Electricity Charges.*

Due to more consumption of electricity by bakeries in two Commands, the current year's expenditure has risen by Rs. 287 (15·38%) beyond expenditure of 1956-57.

(vi) *Conservancy.*

Against this item, an excess of expenditure amounting to Rs. 354 (15·20%) has resulted consequent on part-time employment of a sweeper at one bakery in a Command area.

(vii) *Contingent and Miscellaneous Stores.*

Non-payment of proportionate amount of ration and clothing to sweeper and washerman by one bakery besides general decrease in output in bakeries in another Command accounts for a minimised expenditure of Rs. 317 (11·64%) under this category.

4. 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. The payment issue rates of bread at each station are, however, being loaded to the extent of 2·1 Np. per lb. of bread to cover these and other charges.

*Consolidated Production Account of Naval Bakeries for the year ended 31st March, 1958.*

Dr.

Cr.

1956-57		Particulars	1957-58		1956-57		Particulars	1957-58	
Amount	Amount		Amount	Amount	Out-turn	Cost		Out-turn	Cost
1	2	3	4	5	6	7	8	9	10
Rs.	Rs.		Rs.	Rs.	Lbs.	Rs.		Lbs.	Rs.
		<i>Stores consumed</i>							
	1,62,254	To value of stores consumed . . . . .	1,56,694		7,49,242	1,94,990	By net cost of production . . . . .	8,09,989	1,94,055
		To loss of stores. . . . .	5	1,56,699					
		<i>Salaries, labour and other charges</i>							
2,247		To production of pay of Base Victualling Officer . . . . .	2,585						
5,564		To pay and other charges of supervisory staff . . . . .	6,491						
15,360		To pay and other charges of Establishment (permanent and temporary). . . . .	18,470						
2,429		To leave allowances . . . . .	2,536						
1,351		To superannuation allowances . . . . .	1,150						



201	To transportation charges . . . . .	224
3,678	To rent of buildings . . . . .	3,677
[ 1,537	To water and electricity . . . . .	1,634
167	To conservancy . . . . .	168
208	To contingent and miscellaneous expenses . . . . .	423
<hr/>		
32,742		37,358
1,94,996		1,94,057

*Less miscellaneous receipts,*

..	(i) Receipts of condemned and rejected food stuff . . . . .	2
6	(ii) Miscellaneous receipts . . . . .	..

Average cost per 100 lbs. of bread.  
(Free issue rate)

1956-57	1957-58
Rs. nP.	Rs. nP.
26 03	23 96

1,94,990	TOTAL . . . . .	1,94,055	1,94,990	TOTAL . . . . .	1,94,055
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NEW DELHI ;  
Dated the 30th October, 1958.

NEW DELHI ;  
Dated the 13th November, 1958.

Countersigned

PHUL CHAND,  
Controller General of Defence Accounts.

S. J. LALKAKA, Commander,  
Director of Victualling.

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 6th January, 1959.

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

## NOTES

The total quantity of bread produced by Navy Bakeries during the year 1957-58 was 8,09,989 lbs, showing an increase of 8·11% over the production of the previous year which was 7,49,242 lbs. The bakeries worked during the year continued to be 5 in number as in the previous year. There was a slight fall in the unit production cost of bread as compared with the preceding year, mainly due to decrease in expenditure under the head "Stores consumed" although there was a nominal increase under the head "Salaries" and other charges.

<i>Cost per 100 lbs. of bread produced.</i>	1956-57	1957-58
	Rs.	Rs.
(a) Stores consumed . . . . .	21·66	19·35
(b) Salaries, labour and other charges . . . . .	4·37	4·61
TOTAL . . . . .	26·03	23·96

2. Although there has been an overall increase in production, the bakeries at two stations registered fall in output from 98,280 lbs. and 1,74,671 lbs. in 1956-57 to 91,365 lbs. and 1,74,235 lbs. respectively in 1957-58, i.e., a decrease of 7·04% and 0·25% respectively over the preceding year. The production cost even in respect of these bakeries per 100 lbs. of bread suffered reduction from Rs. 25·88 and Rs. 24·68 in 1956-57 to Rs. 23·42 and Rs. 22·36 in 1957-58, as in the case of other bakeries with higher output during the year.

3. Variations in expenditure during the year are explained below :—

- (i) *Value of stores consumed.*—There is a fall in expenditure by 3·42% under this head over the preceding year, mainly due to decrease in Stock Book Rates for free issue of flour during April 1957 to September 1957, in comparison with the rates for the corresponding period of the previous year.
- (ii) *Proportion of Pay of Base Victualling Officer.*—There has been a slight increase of 15·06% under this head during the year. The increase in expenditure is consequent on posting of Senior Officers getting higher rates of pay at two bakeries.
- (iii) *Pay and other charges of Supervisory Staff.*—This is a semi-variable charge and would not, therefore, vary in direct proportion to the increase in output but would vary generally in sympathy with it. Actually there has been an increase by 16·65% compared to the expenditure during the preceding year. The increase is due to appreciable increase in pay and other charges of Chief Petty Officer cook at a station. It may, however, be mentioned that one Naval Ship did not incur any expenditure during the current year under this head.



(iv) *Pay and other charges of Establishment.*—This is also a semi-variable charge. The increase of 20·24% is attributable to the employment of casual labour at a station and increase in Dearness allowance.

4. Overheads on account of Defence Accounts Department charges for internal check and proportionate cost of administration at Naval Headquarters have not been included as the amounts involved are trifling and cannot easily be assessed. The payment issue rates of bread each station are, however, being loaded to the extent of 2·1 NP. per lb. to cover such charges.

## Balance Sheet of Military

1956-57		Liabilities	1957-58	
1	2		3	4
Rs.	Rs.		Rs.	Rs.
	12,34,172	Sundry Creditors . . . . .		13,11,588
		Capital:—		
2,24,97,937		Government Account 'A' (interest bearing) . . . . .	2,30,89,527	
1,51,54,414		Government Account 'B' (I) (Free of Interest) . . . . .	1,59,84,546	
17,46,400	3,93,98,751	Government Account 'B' (II) (Departmental). . . . .	15,66,758	4,06,40,831
<i>Reserve Fund Account</i>				
1,59,69,194		Opening Balance . . . . .	1,95,17,541	
35,48,347		Add profit made during the year. . . . .	29,73,956	
	1,95,17,541	Balance . . . . .		2,24,91,497
	6,01,50,464	TOTAL . . . . .		6,44,43,916

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

NEW DELHI ;  
Dated the 25th February, 1959.

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

NEW DELHI ;  
Dated the 26th February, 1959.

PHUL CHAND,  
Controller General of Defence Accounts.

Government Account 'A' shows money lent by the Government to Farms for Capital expenditure.

Government Account 'B' (I) shows additions from stock to Capital.

Government Account 'B' (II) represents Capital charges met from other Farms and Departments.



## Farms as on the 31st March, 1959.

1956-57		Assets	1957-58				Total
6	7		Land 8	Buildings 9	Machinery 10	Live-stock 11	
Rs.			Rs.	Rs.	Rs.	Rs.	Rs.
		Capital (fixed assets)					
1,71,43,991	Balance on 1st April 1957		11,05,748	73,99,180	50,51,922	46,89,057	1,82,45,907
31,76,549	Additions		..	8,73,141	5,46,690	9,93,053(a)	24,12,884
2,03,20,540	TOTAL		11,05,748	82,72,321	55,98,612	56,82,110	2,06,58,791
[20,74,633	Deduct depreciation, casualties, condemnations and transfer to other departments, etc..		4,654	2,73,557	6,13,439	9,44,820(b)	18,36,470
1,82,45,907	Net value of capital on 31st March 1958.		11,01,094	79,98,764	49,85,173	47,37,290	1,88,22,321
2,11,52,844	Renewal Reserve Fund Account.						2,18,18,510
47,21,741	Value of Stock						57,45,913
..	Value of temporary buildings not written off.						..
[10,06,126	Value of plant and machinery, spare parts, etc.						9,45,163
91,843	Cash in hand						37,324
[7,10,065	Sundry debtors						6,93,523
	Government Account 'C'		3,81,99,672				
	Deduct balance of Renewal Reserve Fund Account.		2,18,18,510				
1,42,21,938	Balance		1,63,81,162				1,63,81,162
6,01,50,464	TOTAL						6,44,43,916

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

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

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

(a) Amount of fresh purchase of live-stock during the year 1957-58.	Rs.	1,78,742
Transfer from stock (appreciation in value of young live-stock and adjustments.)		8,14,311
		9,93,053
(b) Depreciation of live-stock		4,64,114
Casualties of live-stock.		1,81,498
Condemnation of live-stock		2,99,208
Transfer to other Departments and adjustments		..
Losses		..
		9,44,820

I have examined the foregoing Accounts and Balance Sheet of Military Farms. I have obtained all the information and explanations that I have required, and subject to the observations contained in paragraph 27 of the Audit Report, Defence Services, 1958, I certify, as a result of test audit, that in my opinion these Accounts and Balance Sheet are properly drawn up so, as to exhibit a true and fair view of the state of affairs of the concern according to the best of my information and explanations given to me and as shown by the books of the concern.

NEW DELHI;  
Dated the 21st March, 1959.

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

*Consolidated Trading Account of Military Farms for the year ended 31st March, 1958.*

Dr.			Cr.		
1956-57	Particulars	1957-58	1956-57	Particulars	1957-58
1	2	3	4	5	6
Rs.		Rs.	Rs.		Rs.
	<i>To Stock in the beginning of the year:—</i>				
2,40,730	Dairy produce . . . . .	6,90,899	2,17,63,177	By sale of dairy produce*	2,34,83,580
58,023	Ice, salt, acid, etc. . . . .	48,279	19,32,310	By cost of dairy produce transferred between Military Farms.	18,30,836
28,02,670	Fodder . . . . .	30,16,407	20,69,639	By sale of agricultural produce . . . . .	22,90,881
10,09,978	Other miscellaneous stores . . . . .	9,66,156	..	By sale of produce ex-Development Farms . . . . .	..
	<i>To Purchases:—</i>			<i>By value of stock at the end of the year:—</i>	
1,48,226	Ice, salt, acid, etc. . . . .	1,35,697	6,90,899	Dairy produce . . . . .	7,83,326
734	Customs duty . . . . .	..	48,279	Ice, salt, acid, etc. . . . .	36,903
50,94,465	Dairy produce . . . . .	61,99,007	30,16,407	Fodder . . . . .	38,68,846
19,32,310	To cost of dairy produce transferred between Military Farms.	18,30,836	9,66,156	Other miscellaneous stores . . . . .	10,56,838
15,42,607	To cultivation charges . . . . .	15,69,355			
45,629	To rent of land . . . . .	53,212			
50,49,093	To feed of animals including rent of grazing land and grazing charges . . . . .	62,22,838			
8,57,889	To rail and other transportation charges . . . . .	12,83,012			

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1,17,04,513 To gross profit carried forward . . . . . 1,13,35,512

Average issue rates of dairy produce per lb.		1956-57		1957-58	
Rs.	nP.			Rs.	nP.
0	36	Milk	.	0	36
2	85	Butter	.	2	89
2	87	Cream	.	2	93

All India average rate of fodder per 100 lbs.

Average production rate	.	.	3	36
Average purchase rate	.	.	.	4

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3,04,86,867	TOTAL	.	.	3,33,51,210	3,04,86,867	TOTAL	.	.	3,33,51,210
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45.43 Percentage of Gross profit on turn over. . . . . 41.06

\*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 127. 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 1957-58 compare as follows:—

(In Naye Paise per lb.)

Group	Free Issue Rate.	Average Production cost.*	Average Market Rate.
I	31	No production. Milk is purchased locally.	Not available
II	34	50	29
III	38	53	37
IV	41	No Production	There is no civil market in the area of this group.
V	44	No Production	
VI	50	56	25

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

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

\* Figures under this column have been furnished by the Army Headquarters and have not been checked by the Audit and Accounts authorities.



*Consolidated Profit and Loss Account of Military Farms for the year ended 31st March, 1958.*

Dr.								Cr.
1956-57		Particulars	1957-58		1956-57		Particulars	1957-58
1	2	3	4	5	6	7	8	
Rs.	Rs.		Rs.	Rs.	Rs.		Rs.	
	4,29,604	To administrative staff, etc. . . .		4,79,607	1,17,04,513	By gross profit brought forward . .	1,13,35,512	
	54,26,664	To pay and allowances of staff and officers.		58,52,031	18,87,862	By miscellaneous receipts . . . .	21,17,810	
	1,07,179	To Defence Accounts Department charges for internal check. <sup>2</sup>		1,20,117	12,05,585	By interest on Government Account 'C'	14,49,420	
	91,959	To leave and superannuation allowances.		78,661	2,06,815	By receipts from casualties and condemnations.	91,521	
	1,53,249	To travelling allowances, etc. . . .		1,42,286				
	5,83,370	To accommodation [charges . . . .		5,76,308	7,74,523	By transfer of stores from Revenue to Capital (increase in the value of young live-stock on maturity etc.)	8,35,186	
	4,77,421	To water and electricity . . . .		5,02,369				
	40,623	To conservancy charges . . . .		32,662				
	13,390	To telephone charges . . . .		15,665				
	15,037	To part cost of Veterinary Laboratory.		15,000				
	50	To cost of free medical treatment .		118				
		To plant and machinery, repairs, etc.						
[9,80,712		(i) Value of stock-spare parts at the beginning of the period	10,06,126					
14,55,655		(ii) Expenditure during the year	15,90,604					
24,36,367		(iii) Total of (i) and (ii) . . . .	[25,96,730					





## NOTES

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

	Rs.
(i) Loss of stores in transit . . . . .	9,662
(ii) Loss of stores in charge . . . . .	9,748

2. Value of stores in transit on 31st March 1958 . . . . . 16,979

3. The sale of dairy and agricultural produce increased by 7.14% as compared with the sale of the previous year. The variations in regard to certain receipt and expenditure heads do not show reasonably close relationship to the percentage variation in sales. The reasons contributing to such variations under classified heads in Trading and Profit and Loss Accounts are shown below :—

(i) *Purchase of dairy produce.*—An increase of 21.68% in the expenditure against this item, is mainly due to increased purchases necessitated on account of more sales in all the three Commands and rise in purchase rates.

(ii) *Ice, salt and acid.*—There is a fall in expenditure by 8.45% under this head over the preceding year, due to less consumption of ice in Eastern Command and less purchases at reduced rates in Western Command. This, to some extent, was nullified by increased expenditure on purchases occasioned, because of compressor not working at a Military Farm, following collapse of dairy building.

(iii) *Customs duty.*—No expenditure was incurred on the above account during the year.

(iv) *Cultivation charges.*—The increase of 1.73% under this item is the result of harvesting of fodder from Government forests by one farm in Western Command and increased cost of seeds and improvement of land at two Military Farms. However in Southern Command there was less harvesting of fodder while in Western Command due to failure of monsoon the sowing of land continued on diminished scale.

(v) *Rent on land.*—The increase of 16.62% under this head is due to adjustment of rent by one farm in Southern Command because of harvesting operations of hay which were not carried out in previous years, as also inclusion of previous year's rent arrears by one farm in Western Command. Besides this, more harvesting of fodder in a Military Farm also contributed to the increase to a certain extent.

(vi) *Feed of animals.*—The increase of 23.25% registered [is due to] more purchase of grains and concentrates at higher rates.

(vii) *Rail and transportation charges.*—Substantial increase to the extent of 49.55% under this head was caused due to more receipt of grains, stores and fodder, as also the use of hired transport.

(viii) *Administrative staff etc.*—The increase of 11.64% is due to payment of interim relief in 1957-58.

(ix) *Pay and allowances of staff and officers.*—The increase to the extent of 7.84% reflected under this item is mainly due to payment of interim relief during 1957-58, employment of more substitutes during weekly offs and leave vacancies and payment of house rent allowance and city compensatory allowance at one farm in Southern Command with effect from 1st April 1957.

(x) *Defence Accounts Department charges* for the year has risen by 12.07% partly due to interim relief.

(xi) *Leave and superannuation allowances.*—An apparent reduction of 14.46% in this category of expenditure is due to the reason that last year superannuation allowances in respect of Junior Commissioned Officers, were adjusted from 1951-52 to 1956-57 by one farm in Western Command.

(xii) *Travelling allowances etc.*—The decrease of 7.15% is due to less movements of staff in Eastern Command.



## CANTEEN STORES

Balance Sheet as

1956-57	Funds and Liabilities	1957-58
Rs.		Rs. Rs.
<b>Capital :—</b>		
48,00,000	Amount allotted out of the terminal Profits of War-time Canteen Services (India).	48,00,000
<b>Funds and Specific Reserves :</b>		
73,05,432	General Reserve Fund . . . . .	74,05,432
10,05,454	Contingent Reserve . . . . .	12,51,729
77,286	Capital Profit on Sales of fixed assets . . . . .	79,472
3,125	Profit on redemption of Securities . . . . .	3,125
7,87,974	Insurance Funds . . . . .	8,69,480
75,000	Price Fluctuation Reserve . . . . .	75,000
..	Profit on sale of Securities . . . . .	10,344
<u>92,55,271</u>		<u>96,94,582</u>
8,45,000	<b>Depreciation on Stock Equalisation Account</b>	13,31,000
<b>Liabilities :—</b>		
22,100	Due to Bank for Book over draft . . . . .	..
36,68,359	Due to Sundries for Goodssupplied . . . . .	31,06,353
3,70,688	Due to Sundries for Expenses due . . . . .	5,85,414
17,25,617	Due to Sundries for other Finance . . . . .	14,15,072
2,98,573	For Freight Suspense . . . . .	2,62,310
1,81,500	For Contractors Security Deposits . . . . .	1,46,500
2,000	For Staff Security Deposit as per contra . . . . .	3,000
1,12,327	CSD (I) Employees' Benevolent Fund Account . . . . .	..
<u>63,81,164</u>		<u>55,18,649</u>
<b>Profit and Loss Account :</b>		
15,01,882	Profit as per last year's Balance Sheet . . . . .	16,74,315
	Less amount appropriated (as per Board of Control's Resolution).	
		Rs.
	1. Transfer to General Reserve Fund . . . . .	1,00,000
	2. Towards Welfare and Amenities Funds of various Armed Services . . . . .	10,46,000
11,40,000		
3,60,000	3. For distribution to the Unit Run Canteens . . . . .	5,00,000
<u>15,00,000</u>		<u>16,46,000</u>
1,882		<u>28,315</u>
	Carried over	2,13,44,231

## DEPARTMENT (INDIA)

at 31st March, 1958.

1956-57		Properties and Assets		1957-58	
Rs.		Rs.		Rs.	
<b>Capital Expenditure :—</b>					
	Land, Properties and Dead Stock . . . . .	36,32,724			
12,32,298	Less depreciation provided upto 31-3-1958 . . . . .	22,71,397		13,61,327	
<b>Stock in Trade</b> (as per inventory Certified by Management) :—					
64,74,366	Stock in Warehouses (at cost less 25% Depreciation)	59,01,052			
12,44,861	Stock in transit from suppliers (at purchase price).	2,85,318			
3,91,776	Stock in Transit from Warehouse to Warehouse (at cost less 25% Depreciation).	6,95,052			
6,635	Stock of packing Materials (at cost less 25% Depreciation).	11,276			
<u>81,19,638</u>				<u>68,92,698</u>	
58,741	Stock of Stationery in hand and in transit (at cost less 10% Depreciation).			1,05,106	
4,396	Stock of Building Materials and Stores . . . . .			1,655	
<b>Book Debts</b> (Considered Good)					
16,61,915	Due by Contractors and Units . . . . .	20,95,771			
20,317	Accrued rebate and overriding Discount . . . . .	22,142			
1,44,169	Due by Sundries . . . . .	1,98,670			
2,95,255	Advances for Capital Expenditure, Excise Fees, and Prepaid Expenses.	2,44,224			
<u>21,21,656</u>				<u>25,60,807</u>	
2,21,068	<b>Loans to Units/Formations</b> . . . . .			1,57,455	
10,91,839	<b>Canteen Stores Department (India) Retail Establishments</b> . . . . .			24,94,695	
2,21,917	<b>Defence Services Cinemas Organisation</b> . . . . .			5,09,228	
<b>Investments :</b>					
70,55,128	Government Securities of the face value of Rs. 65,15,200 (Less Reserves for Depreciation) (Market value as on 31-3-1958 being Rs. 61,56,350) . . . . .	61,50,597			
2,000	Government Loan (Staff Security Deposit as per contra).	3,000			
<u>70,57,128</u>				<u>61,53,597</u>	
			Carried over	<u>2,02,36,568</u>	

CANTEEN STORES  
Balance Sheet as

1956-57	Funds and Liabilities	1957-58	
Rs.		Rs.	Rs.
1,882	Brought forward	28,315	2,13,44,231
16,72,433	Add Profit as per annexed Profit and Loss Account	18,02,830	
..	Add unpaid amounts of Quantitative Discount for the year 1954-55 written back	14,630	
..	Add unpaid amounts of Quantitative Discount for the year 1955-56 written back	12,873	
16,74,315			18,58,648
<p>There is a contingent liability of Rs. 5,65,125 being the increased demand in U.P. Excise Duty for the period 1-1-1948 to 31-3-1950 which the department totally repudiates.</p>			
2,29,55,750	TOTAL	2,32,02,879	

We have audited (a) the foregoing Balance Sheet of the Canteen Stores Department (India) as at 31st March 1958 and the attached (b) Trading and Profits and Loss Accounts for the year ending on that date, (c) Consolidated Balance Sheet of Canteen Stores Department (India) Retail Establishments at New Delhi, Bombay, Jullundur, Ambala, Lucknow, Meerut, Allahabad, Jabalpur, Ferozepore, Manipur, "W" Station, "Y" Station, "Z" Station, Bareilly, Jorhat, Secunderabad, Agra and Kanpur as at 31st March 1958, and (d) Consolidated Trading and Profit and Loss Accounts of Canteen Stores Department Stores Retail Establishment at New Delhi, Bombay, Jullundur, Ambala, Lucknow, Meerut, Allahabad, Jabalpur, Ferozepore, Manipur, "W" Station, "Y" Station, "Z" Station, Bareilly, Jorhat, Secunderabad, Agra and Kanpur for the year ended 31-3-1958, (e) Consolidated Balance Sheet of Canteen Stores Department (India) Defence Services Cinemas at Jullundur Cantonment, Delhi Cantonment, Ambala, Poona, Kasauli, New Delhi, Dehu Road, Roorkee, Tambaram and Bombay as at 31-3-1958 and (f) Consolidated Profit and Loss Account of Canteen Stores Department (India) Defence Services Cinema at Jullundur Cantonment, Delhi Cantonment, Ambala, Poona, Kasauli, New Delhi, Dehu Road, Roorkee, Tambaram and Bombay, for the year ended 31-3-1958 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 as shown by the Books of the Department.

BOMBAY,  
December 15, 1958.

SORAB S. ENGINEER & Co.  
Chartered Accountants.



DEPARTMENT (INDIA)  
at 31st March, 1958—*contd.*

1956-57	Properties and Assets	1957-58	
Rs.		Rs.	Rs.
		Brought forward	2,02,36,568
1,14,253	Interest accrued on Investment and Call Deposits upto 31-3-58		95,332
27,12,816	Cash and other Balances		28,70,979
2,29,55,750	TOTAL		2,32,02,879

Sardar SURJIT SINGH MAJITHIA,  
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*Secretary,  
Ministry of Defence.*

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

Lt. Gen. DAULAT SINGH,  
*Quartermaster General.*

Commodore G. S. KAPOOR,  
*Chief of Personnel,  
Naval Headquarters.*

Air Cdr. E. W. PINTO  
*AOA,  
Air Headquarters.*

Board of  
Control,  
Canteen  
Services.

CANTEEN STORES  
Profit and Loss Account

1956-57		1957-58
Rs.		Rs.
16,55,243	To Salaries and Wages . . . . .	16,97,757
2,697	To Conveyance Charges . . . . .	3,303
1,57,900	To Rent, Repairs and Lighting . . . . .	1,71,298
30,494	To Postage and Telegrams . . . . .	34,260
42,382	To Printing, Stationery and Advertisement Charges . . . . .	51,231
22,719	To Travelling Expenses including Travel Concession . . . . .	38,714
7,297	To Bank Charges . . . . .	10,074
8,593	To Telephone and Trunk Call Charges . . . . .	8,572
23,000	To Audit Fees (estimated) . . . . .	30,000
37,697	To Sundry Expenses . . . . .	42,537
1,01,532	To CSD (I)'s Contribution to Employees' Provident Fund and Welfare Fund.	1,07,862
32,090	To Half the cost of Canteen Section . . . . .	31,000
2,242	To Cost of Ration to Srinagar Staff . . . . .	1,804
3,891	To Head Office Motor Car Expenses . . . . .	4,298
18,868	To Establishment and Overhead Expenses reimbursed to Combined Retail and Bulk Issue Depots.	90,450
3,26,805	To Depreciation on Properties and Dead Stock . . . . .	4,44,614
16,30,154	To Net Profit carried down . . . . .	16,80,806
41,03,604		44,48,580
21,336	To Net Loss of Defence Services Cinemas . . . . .	13,151
16,72,433	To Profit Transferred to Balance Sheet . . . . .	18,02,830
16,93,769	TOTAL . . . . .	18,15,981

## DEPARTMENT (INDIA)

for the year ended 31st March, 1958.

1956-57		1957-58	
Rs.		Rs.	Rs.
35,16,716	By Gross Profit brought forward . . . . .		38,76,711
91,514	By Rebate on Direct Supplies . . . . .		1,11,932
3,26,439	By Interest . . . . .		2,63,317
	By Rent		
	Ghatkopar Property . . . . . 84,015		
60,697	Less expenses . . . . . 24,599	59,416	
	Adelphi Building . . . . . 1,79,385		
1,08,838	Less expenses (excluding depreciation) 54,326	1,25,059	
	Mazagaon Property . . . . . 36,418		
1,69,535	Less expenses . . . . . 24,273	12,145	
			1,96,620
<u>41,03,604</u>			<u>44,48,580</u>
16,30,154	By Net Profit brought down . . . . .		16,80,806
63,615	By Net Profit of CSD (T) Retail Establishments . . . . .		1,35,175
16,93,769	TOTAL . . . . .		18,15,981



