

has happened in Travancore-Cochin and the consent that my hon. friend has given either in the parliamentary practice of England or in the parliamentary practice of France, where the Ministry was defeated and yet it was kept up for six months as a caretaker Ministry?

MR. CHAIRMAN: It involves a long argument. Ask only questions, do not indulge in arguments.

PROF. G. RANGA: I am asking whether there was any precedent at all.

MR. CHAIRMAN: Conditions are very different.

PROF. G. RANGA: Let him say so. Let him say what were the conditions.

DR. K. N. KATJU: My view has been this that when a Ministry does not get a vote of confidence, then it is open to the Chief Minister to say that on that particular occasion it is that Ministry which represents the people and the Legislature does not represent the people. Therefore they go over the head of the Legislature to the people for a vote of confidence.

PROF. G. RANGA: For how many months? Sir, is it not a fact that in England or even in France whenever any such thing had happened, they went to the people either within a fortnight or within a month and never kept themselves as a caretaker Ministry for three months?

DR. K. N. KATJU: That will require a long discussion.

MR. CHAIRMAN: Mr. Govinda Reddy.

SHRI M. MANJURAN: Sir, it is an important question.

MR. CHAIRMAN: I know it is an important question. (*Interruption*). Order, order. Next question.

OVER-PAYMENTS TO CONTRACTORS

*239. SHRI GOVINDA REDDY: Will the Minister for DEFENCE be pleased to state:

(a) whether there have been instances in which over-payments have been made to contractors in the years 1950, 1951 and 1952;

(b) if so, the particulars of such instances; and

(c) the action taken regarding such over-payments?

THE DEPUTY MINISTER FOR DEFENCE (SHRI SATISH CHANDRA):

(a) Yes; but in most of the cases the amounts have been recovered from the contractors.

(b) I regret it is not possible to give full particulars of the over-payments as complete details of the 600 contracts involved are not readily available. The information is being collected and will be laid on the Table of the House in due course.

(c) The following action is generally taken to recover such over-payments:—

(i) If the contractor does not agree to refund the over-payment the matter is settled by arbitration as provided in the conditions of contract.

(ii) The amount is liable to be deducted from any sum due to the contractor under any other contract with the Government or from his security deposit.

(iii) If the amount in question exceeds the amount due on other contracts or the security deposit, then the contractor is called upon to pay the claim 'on demand'.

(iv) If the contractor fails to deposit the amount, when demanded, the matter is taken up with the civil authorities concerned at the place where

the contractor holds immovable property.

- (v) If the contractor furnishes fictitious documents which result in over-payment, the matter is reported to the police authorities.

SHRI GOVINDA REDDY: May I know, Sir, if particulars of these instances can be given—at least the amount that has been over-paid and the amount that has been recovered?

SHRI SATISH CHANDRA: For which year?

SHRI GOVINDA REDDY: I will be satisfied if the present outstandings are given.

SHRI SATISH CHANDRA: You want for 1952?

MR. CHAIRMAN: One year will do.

SHRI SATISH CHANDRA: For the year 1952 the amount that was over-paid is nil on the Ordnance side and Rs. 2,31,479 on the M. E. S. side.

SHRI K. S. HEGDE: How is it that over-payments are made? What is the reason for these over-payments?

SHRI SATISH CHANDRA: Over-payments are made sometimes due to a wrong estimate of the work actually executed by the contractors. They are made while making on account or running payments or due to short recoveries in respect of stores, tools and plants issued by the Government to the contractor or may be due to discovery of some omissions in certain items of work or due to execution of a work with inferior specifications, etc.

SHRI K. S. HEGDE: Are the works not checked before payments are made?

SHRI SATISH CHANDRA: That is done. But crores of rupees are involved in these contracts and sometimes small mistakes do occur. The amount involved is about Rs. 2 lakhs but most of it has been recovered or will be recovered. The amount that may have to be written off is very negligible. It is Rs. 372 in 1950, nil in 1951 and about Rs. 22,000 in 1952. Recovery action is still proceeding for part of the last amount.

SHRI GOVINDA REDDY: Have the particulars of these instances been furnished to the Auditors when explanations were called for?

SHRI SATISH CHANDRA: The Auditors look into all the relevant records and accounts.

SHRI GOVINDA REDDY: Is the hon. Minister aware that the 1952 Audit Report says that particulars for outstanding sums to the tune of Rs. 3 lakhs and odd are still due?

SHRI SATISH CHANDRA: The hon. Member will himself see, Sir, that the amount of Rs. 3 lakhs has been reduced to Rs. 2,31,479 and it will further be reduced. The sum which has to be written off is only about Rs. 22,000.

SHRI GOVINDA REDDY: I am giving the figure of the 1952 Audit Report.

SHRI SATISH CHANDRA: Sir, I say the rest must have been recovered by now. This amount was outstanding in 1952 and a large amount has now been recovered and it is only the amount of Rs. 22,722-9-0 which may have to be written off.

SHRI GOVINDA REDDY: This figure relates to the particulars and explanations which the Department has not been able to give to the Audit Section. Is that so?

SHRI SATISH CHANDRA: Sir, I require notice for that. All the information that I have is that most of this amount has been recovered.

SHRI GOVINDA REDDY: May I know whether the responsibility for over-payments has been fixed in all cases or in any of the cases?

SHRI SATISH CHANDRA: Sir, in most of these cases, such departmental action as is considered necessary is taken. If a particular Garrison Engineer or an Assistant Garrison Engineer is at fault, he is probably warned or censured. But this happens just in the normal course. There is nothing unusual about it.

SHRI GOVINDA REDDY: That is why this House should know whether the Government have gone into these questions and responsibility has been fixed. Is it not a fact that over-payments have been made by way of credit notes to the contractors?

SHRI SATISH CHANDRA: Credit notes?

SHRI GOVINDA REDDY: Credit notes to the contractors who contract to supply goods from abroad.

SHRI SATISH CHANDRA: I am dealing with M.E.S. contractors. We don't purchase any goods from abroad through contractors. They are purchased either through our High Commissioner in England or the India Supply Mission in Washington or through the Governments in various foreign countries. We don't directly purchase any foreign goods through contractors.

SHRI GOVINDA REDDY: I may bring to his notice the relevant paragraph in the Audit Report. It says:

"Within a week of the opening of the letters of credit payments to the extent of 50 per cent. of the entire contract prices were made on production of certificates from the manufacturers that raw materials required for the manufacture had been acquired for the equivalent value. These payments resulted in considerable sums being in effect advanced to the contractors

long before the supplies were forthcoming."

SHRI SATISH CHANDRA: That may pertain to the accounts of the Defence Ministry but this question should probably be put to the Ministry of Works, Housing and Supply because all our purchases are made through their agencies abroad and not directly by us.

SHRI C. G. K. REDDY: I want to know if there is any system of pre-audit or any other financial control before payments are made. If not, have there been any proposals either from the Financial Adviser or from the Finance Ministry or the Auditor and Comptroller-General of India and what steps have been taken on them?

SHRI SATISH CHANDRA: Not a single pie or a rupee can be paid without pre-audit. The check is so heavy that without pre-audit nothing can be paid to anybody, not even a sum of Rs. 5.

MR. CHAIRMAN: Dr. Barlingay.

DR. W. S. BARLINGAY: I wanted to ask the same question.

DR. S. K. BHUYAN: What was the procedure followed in attempting to recover the amount of Rs. 22,000?

SHRI SATISH CHANDRA: All efforts have been made to recover this amount. There are two cases—firstly, an over-payment of Rs. 7,175-2-0 due to recovery rate for timber on a contract entered into in 1947-48 with Messrs. Allied Constructions Co. came to light in September 1952. By that time the firm went into liquidation and so the amount could not be recovered. If the firm was there, we could recover. Secondly, an over-payment of Rs. 15,547 on a contract entered into with Messrs. Bharat Construction Company in 1949-50 came to light again

in September 1952 and as the contractors' whereabouts are not known, a loss statement has been prepared and submitted to the competent financial authority.

REPRESENTATION OF THE LOWER DIVISION EMPLOYEES OF THE INDIAN AUDIT AND ACCOUNTS DEPARTMENT

*240. SHRI S. N. MAZUMDAR: Will the Minister for FINANCE be pleased to state:

(a) whether Government have received any representation from the lower division employees of the Audit and Accounts Department regarding their pay and conditions of service;

(b) if so, what are these demands made in the representation; and

(c) what action has been taken in the matter?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): (a) Yes.

(b) (i) Acceptance of the recommendation of the Pay Commission for promotion of lower division clerks to upper division,

(ii) Throwing open the existing departmental confirmation examination prescribed for upper division clerks or introduction of some other examination, other than Part I of the S.A.S., for the promotion of lower division clerks to the upper division,

(iii) Extension of facilities for training, and

(iv) Special pay to typists.

(c) (i) The recommendation of the Pay Commission to the effect that the claims of those already in service should be recognised by affording to the deserving amongst them abundant opportunities for promotion is already in operation in the Indian Audit & Accounts Department in the matter of promotion of lower division clerks to the upper division.

(ii) The request has been rejected, except in the case of graduate lower division clerks.

(iii) Facilities already exist for training of the lower division clerks who seek promotion to upper division by passing Part I of the S.A.S. examination.

(iv) The request has been rejected.

SHRI S. N. MAZUMDAR: May I know the reasons why the request was rejected?

SHRI M. C. SHAH: The request was not reasonable. Therefore it was rejected.

SHRI S. N. MAZUMDAR: May I know how the reasonableness was ascertained and by whom?

SHRI M. C. SHAH: By the Audit and Accounts Department.

SHRI S. N. MAZUMDAR: May I know whether there were other demands regarding re-introduction of the P.T.O., medical relief, housing accommodation, annual leave, etc.?

SHRI M. C. SHAH: These were the only requests made in that representation that I have already enumerated.

SHRI S. N. MAZUMDAR: Has not the Government since received any other representation incorporating the demands which I have just now mentioned?

SHRI M. C. SHAH: I am not aware of that.

TURN-OVER OF CONSUMER GOODS
DEFENCE FACTORIES

*241. SHRI GOVINDA REDDY: Will the Minister for DEFENCE be pleased to state:

(a) the turn-over of each of the factories in the Defence Department in consumer goods for the years 1951 and 1952; and