

**PUBLIC ACCOUNTS COMMITTEE
(1967-68)**

TWENTY-FIFTH REPORT

(FOURTH LOK SABHA)

[Appropriation Accounts (Civil) 1965-66 and Audit
Report (Civil) 1967 relating to the Ministries of
Home Affairs, Labour, Employment and
Rehabilitation (Department of Rehabil-
itation) and Tourism and Civil
Aviation]



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1968/Phalgun, 1889 (Saka)

Price - Rs. 0.90

336.3951R
27

CORRIGENDA TO TWENTY-FIFTH REPORT OF PAC (1967-68)
(PRESENTED TO LOK SABHA ON 11.4.1968).

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
1	1.1	3	in	is
8	1.32	2	March, 1955	March, 1965
30	2.36	4	had consider- able	had made consider- able
36			para 260	2.60
35	Col.2 Item 2		1.45	1.46
	Col.4	6	erviceable from bottom	serviceable
57	Col.4	4	Border Policy	Border Police
58	Col.3 Item 2		Dep t. of Rehab litation	Deptt. of Rehabilitation

-: * :-

CONTENTS

	PAGE
·COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1967-68)	(iii)
INTRODUCTION	(v)
·CHAPTER I. Ministry of Home Affairs	
·CHAPTER II. Ministry of Labour, Employment & Rehabilitation (Department of Rehabilitation)	20
·CHAPTER III. Ministry of Tourism and Civil Aviation	41
APPENDIX	
·Summary of main Conclusions / recommendations	53

PART II*

- Minutes of the sitting held on 25th October, 1967
- Minutes of the sitting held on 26th October, 1967
- Minutes of the sitting held on 27th October, 1967
- Minutes of the sitting held on 18th March, 1968

29354
19-4-1

*Not printed. One cyclostyled copy laid on the Table and five copies placed in the Parliament Library.

336.3951R
K7

PUBLIC ACCOUNTS COMMITTEE

(1967-68)

CHAIRMAN

Shri M. R. Masani

MEMBERS

- *2. Shri Syed Ahmed Aga
3. Shri C. K. Bhattacharyya
4. Sardar Buta Singh
5. Shri Shivajirao S. Deshmukh
6. Shri R. Muthu Gounder
7. Shri D. K. Kunte
8. Shri N. R. Laskar
9. Shri V. Viswanatha Menon
10. Shri K. K. Nayar
11. Shri Narendra Kumar Salve
12. Shri Yogendra Sharma
13. Shri Sheo Narain
14. Shrimati Tarkeshwari Sinha
15. Shri P. Viswambharan
16. Shrimati Devaki Gopidas
17. Shri P. K. Kumaran
18. Shri Om Mehta
19. Shri Gaure Murahari
20. Shri M. C. Shah
21. Dr. M. M. S. Siddhu
22. Shri B. K. P. Sinha.

SECRETARIAT

Shri N. N. Mallya—*Joint Secretary*

Shri Avtar Singh Rikhy—*Deputy Secretary*

Shri R. M. Bhargava—*Under Secretary*

*Declared elected on the 30th November, 1967 vice Shri Mohammed Yunus Saleem ceased to be a Member of the Committee on his appointment as Deputy Minister.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this Twenty Fifth Report on the Appropriation Accounts (Civil), 1965-66, and Audit Report (Civil), 1967 relating to the Ministries of Home Affairs, Labour, Employment and Rehabilitation (Department of Rehabilitation) and Tourism and Civil Aviation.

2. The Appropriation Accounts (Civil), 1965-66 together with the Audit Report thereon were laid on the Table of the House on the 7th April, 1967.

3. The Committee examined these at their sittings held on 25th, 26th and 27th October, 1967. The Committee considered and finalised this Report at their sitting held on 18th March, 1968. Minutes of the sittings of the Committee form Part II* of the Report.

4. A statement showing the summary of the main conclusions/recommendations of the Committee is appended to the Report (Appendix). For facility of reference these have been printed in thick type in the body of the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in the examination of these Accounts by the Comptroller and Auditor General of India.

6. They would also like to express their thanks to the officers of the Ministries of Home Affairs, Labour, Employment and Rehabilitation (Department of Rehabilitation) and Tourism & Civil Aviation for the co-operation extended by them in giving information to the Committee.

NEW DELHI;
March, 20 1968.

Phalguna. 30 1889 (S).

M. R. MASANI,
Chairman,
Public Accounts Committee.

*Not printed (one cyclostyled copy laid on the Table and five copies placed in Parliament Library).

MINISTRY OF HOME AFFAIRS

Non-utilisation of material—Para 35, page 51

Copper clad cables worth about Rs. 36.22 lakhs were imported by a Department in April, 1964. These have, however, not been put to any use so far, as the scheme envisaging their utilisation is stated to be still under consideration of Government (December, 1966).

1.2. In reply to a question, the witness stated that these cables were a gift from a foreign country. The Government only bore the cost of transportation. The offer was made in June, 1963. In reply to a question, the witness stated that the Director General of Supplies and Disposals received a message from India Supply Mission and he consulted various Ministries.

1.3. The Ministry of Home Affairs informed the Director General of Supplies and Disposals that they were interested in those particular cables. When asked whether the Ministry ascertained about the purpose to which they could use it, the witness stated that on 18th June, 1963, they received a communication from the Director General of Supplies & Disposals asking for a reply by the 20th June, 1963. The reply was to go to the foreign country by 24th June, 1963. They got only 6 days to arrive at a conclusion, whether to accept or to reject the offer. The witness further added: "We did not have time for a very detailed examination but certainly before we accepted the offer, we did apply our minds to it to the extent possible." The consignment was received in April, 1964 in Delhi, after an interval of nine months after the decision was indicated. The witness stated that a scheme for laying wires in certain areas was worked out keeping in view the financial implications and put up to the Ministry of Home Affairs and eventually to the Ministry of Finance in early 1964.

1.4. The Committee referred to a letter (copy endorsed to the Secretary, Ministry of Home Affairs) from the Deputy Chief Engineer, D.G.P. & T. which *inter-alia* stated as "The present condition of this copper weld wire is fairly good and usable, the wire being of lighter gauge can be used for short distance circuits and it may not be safe to use it in high altitude mountainous areas visited by snow-falls and requiring long spans." The witness stated that the P. & T. Board was consulted for the first time in 1964.

1.5. The Committee enquired whether after receiving the contrary opinion that the cables could not be used in high altitude for long spans, the Ministry asked for the opinion of their expert. The witness stated

that the opinion of the expert in the Ministry of Home Affairs was that "We could avoid long spans and we would have the poles closer so that the stress might be reduced." The witness stated that the financial implications of this project were in fact discussed between the Department concerned in the Ministry of Home Affairs and the Ministry of Finance for about five times between 1964—1967. In reply to a question, the witness stated that the discussion on the financial implication had started before the cables were received. He added, "Even upto this day, primarily because of financial stringency, we have not been able to proceed with the scheme. Ministry of Finance have felt that even with the wires being free, the expenditure will be rather high. In this state of financial stringency, we ought not therefore to proceed with this scheme. We have to bow to their advice for the time being, hoping that when financial position improves, we can resume our efforts to have the scheme sanctioned." The witness stated that the proposal would be revived at the appropriate time.

1.6. The Committee enquired about the cost of the scheme for which the Ministry of Finance have not given sanction. The witness stated that the scheme would involve an expenditure of Rs. 8 lakhs and thereafter a recurring expenditure on it. Asked whether by saving of Rs. 8 lakhs, the Government would not lose much more as the value of cables involved was about Rs. 36 lakhs, the witness stated: "We have been advised that it has a life of between 20 and 25 years after it is laid."

1.7. The Committee enquired whether at present the Ministry of Home Affairs had no immediate project for the utilisation of these cables and they were waiting for the Ministry of Finance to sanction the requisite funds, the Secretary, Ministry of Home Affairs stated, "Yes. That is the correct position."

1.8. In reply to Committee's written query, the Directorate General of Posts and Telegraphs had stated that the copper weld wire "can be utilised for erection of telephone trunk lines in the P. & T. Department right away." The Committee asked the witness whether the matter regarding putting the cables to immediate use would be placed before the Government, so that decision might be taken about its use by the Ministry of Home Affairs or by the P. & T. Board, the witness stated: "We will have to consider two things. First, we will have to consider whether we can persuade the Ministry of Finance to agree to the use of the wires for the purpose for which they were intended. This is one. Secondly, if we cannot do that or it is likely to be delayed, we will then ask the P. & T. Department whether they can put it to immediate use. If we are not likely to have the sanction and if they can put it to immediate use, then we will hand it over to them."

1.9. In reply to a question, the witness stated that periodical inspections of the cables were made, there was no shortage and arrangements of watch and ward were satisfactory.

1.10. The Committee enquired whether the giver had earmarked this gift for a particular use or it could be diverted to some other use, the witness stated: "I do not think it has been earmarked for any particular use."

1.11. The Committee note that copper clad cables worth Rs. 36.22 lakhs received as a gift imported in April, 1964, have not been used so far in the Project initially envisaged due to reported financial stringency. The Committee hope that the Ministry of Home Affairs, in consultation with the Ministry of Finance, will be able to utilise these cables forthwith. In case it is not possible for the Ministry to utilise these cables, the Committee suggest that the same may be handed over to the Posts & Telegraphs Department who have a ready use for them.

*Available expenditure due to purchases made through an intermediary—
Part 36, pages 51-52*

1.12. (a) In order to meet the requirements of sugar of the NEFA Administration, the Ministry of Food and Agriculture allotted quota for the sugar to the Administration for the years 1964-65 and 1965-66 on the Assam Co-operative Sugar Mills Ltd., Baruabamungaon. The price to be charged for the sugar by the Mills was the ex-factory price fixed by the Government from time to time. Instead of lifting the sugar from the Mills directly and giving out a contract for carriage, contracts were entered into with a firm of suppliers at whole-sale rate, plus transport charges with a rebate of 12 per cent. During the period from May, 1964 to February, 1966, the Director of Supply and Transport purchased 19,625 quintals of sugar at a total cost of Rs. 25.63 lakhs, as against Rs. 25 lakhs, which would have been payable at the ex-factory rate, plus the cost of carriage, thus resulting in an avoidable extra expenditure of Rs. 0.63 lakh.

1.13. The Department stated in October, 1966 that it would not have been very economical to transport the sugar by departmental arrangement from the factory due to certain practical difficulties, but it is not clear why the Administration could not give a contract for the carriage to a private party to avoid unnecessary margin to an intermediary.

1.14. The Committee were informed during evidence that the sugar was to be delivered at Rowriah, near Jorhat, where there was a depot of

the Director of Supply and Transport in NEFA. This was the depot from where the supplies were made to the various districts in the interior.

1.15. In response to a query, it was stated that distance from the mill and Rowriah was 29 k.ms. The Committee enquired when the order of allotment of quota of sugar was received. The witness stated that the entire quantity was not in one allotment. The dates of the various orders received were 24.3.1964, 18.4.1964, 16.5.1964 and 17.3.1966. It was a monthwise allotment.

1.16. The contract was placed with the wholesale merchant on 30th December, 1963 for the period from 1st December, 1963 to 30th November, 1964. The next contract was for the period from 1st January, 1966 to 31st December, 1966 and it was executed on 31st December, 1965. The Committee pointed out that the contract was given in December, 1963 in respect of the consignments, of which no intimation was received. The witness stated that "the allotments for sugar were being received in the earlier years also. The system of issuing tenders and calling for quotations for transportation and supply of sugar from the mill to the depot had been in vogue." The witness added: "We had a system whereby the contracts were finalised towards the end of each year, because the allotment of sugar was received from month to month and so we had to have some kind of a running system whereby when the allotment of sugar is received we already have a system for the receipt and despatch of the sugar from the mill to the depot rather than that we get the allotment and then go in for tenders which would involve delay. This was a yearly feature."

1.17. Giving a comparative picture of two systems of sugar, the witness stated: "The sugar is now lifted from the mill by having a carriage contractor only, the sugar is moved from the mill to the Director of Supply and Transport depot. In the earlier years, in the depot, there was not enough godown space for stocking sugar. In fact, there is loss in transit and also storage loss. The payment we would make for transportation of sugar would be on an average about Rs. 1.09 per quintal, because the rates varied from 97 paise to Rs. 1.20. Then we have to pay 50 paise as handling charges at the two ends. Then we have to add the cost of carriage of sugar from Jorhat to Rowriah where the depot is. That would be about 45 paise. Transit and godown stocking losses would be in the region of 0.5 per cent. That would make a total of 1 per cent. On the other hand, in the other system, the wholesale merchant would himself draw the sugar from the mills, stock it himself and give it to the Director of Supply and Transport at call according to latter's requirements from time to time. So, the expenditure would be about the same."

1.18. When asked why the system was changed, the witness stated that now they had better storing facilities. New depot had also been set up at North Lakhimpur across the Brahmaputra. The witness added that with the construction of roads and district headquarters, which lie to the north of river Brahmaputra, were able to get supplies direct from North Lakhimpur.

1.19. The witness stated in response to a question that every year tenders were issued by the Director of Supply and Transport who was at Rowriah. On receipt of tenders, the meeting of the Supply Advisory Board was fixed. The Board examined every tender received for any particular transaction. The Supply Advisory Board considered the various tenders in accordance with the accepted principles and intimated decisions to the Director of Supply and Transport. Cases of substantial nature were put up by the Board to the Secretary, Supply and Transport or higher up to the Adviser and if there was a very important case, it was sent to the Ministry.

1.20. The Secretary, Ministry of Home Affairs stated that the whole system would be reviewed in order to find out if some change in that system was necessary.

1.21. At the instance of the Committee, the Ministry of Home Affairs have furnished a note on the review of system of issuing a tender by NEFA Administration for procurement of supplies, transport of goods etc. This note *inter-alia* states:

“A review of the existing system has recently been conducted by this Ministry. It was noticed that although the functions of the Supply Advisory Board were only ‘advisory’ in character, in actual practice, the recommendations of the Board have been treated as ‘decisions’ and the Director of Supply and Transport has been acting according to the Board’s recommendations. In some cases, the proceedings of the Board were not being recorded in detail for future reference.”

“It has been decided that the Supply Advisory Board should be reconstituted as follows:—

- (1) Adviser to the Governor of Assam—Chairman
- (2) Financial Adviser, NEFA—Member
- (3) Judicial Officer, NEFA/Legal Adviser, NEFA Administration—Member
- (4) Secretary, Supply & Transport, NEFA Administration—Member
- (5) Head of the concerned department (e.g., I.G.A.R.)—Member
- (6) Deputy Secretary, Supply and Transport—Secretary.

"The functions of the reconstituted Supply Advisory Board will be as indicated below:—

- (i) The Supply Advisory Board should be a purely advisory body to assist the Adviser and the Administrator of NEFA.
- (ii) The proceedings of the Board should be formally recorded in detail for future reference and put up along with the relevant cases to the appropriate sanctioning authority.
- (iii) All cases in which it is proposed to accept tenders other than the lowest should be referred to the Supply Advisory Board."

"The powers of sanction will be exercised by the Adviser and the Administrator on the recommendations of the Supply Advisory Board. Monetary limits according to which orders of the Administrator-Adviser of NEFA should be taken before sanctions are issued are also being fixed. All cases where it is not proposed to accept the lowest tender will be put up to the next higher authority for sanction. Cases beyond the financial powers of the NEFA Administration would be referred to the Government of India with full details and the Supply Advisory Board's recommendations."

1.22. The Committee desired to know whether any critical review of the procedure for procurement of supply in NEFA Administration had been made to ensure *maximum economy consistent with efficiency*. The Ministry of Home Affairs have stated in reply "No such critical review has been conducted so far. However, such review is proposed to be conducted in the course of next two months."

1.23. The Committee would like Government to make a critical review of the procedure for procurement of supplies for the NEFA Administration without further delay so as to achieve maximum economy and efficiency.

1.24. The Committee hope that the re-constituted Supply Board with its revised functions will play a more effective role and the system of procurement of supplies for the NEFA Administration will be placed on a sounder footing.

1.25. (b) Similarly, during the period December, 1963 to November, 1965 the Director of Supply and Transport purchased 9,031 quintals of vegetable ghee at a cost of Rs. 31.34 lakhs from the same firm at retail price (Rs. 299 to Rs. 434 per quintal) as against a sum of Rs. 30.03 lakhs payable for purchases direct from the manufacturers at their scheduled price (Rs. 285 to Rs. 419 per quintal). The manufacturers' price was inclusive of freight upto the purchaser's godown. This has resulted in an avoidable expenditure of Rs. 1.31 lakhs.

1.26. The Department stated in October, 1966 that the purchase was made after floating tenders and manufacturers had not shown any response to the tender enquiry. It was, however, noticed that despite the heavy requirements no action was initiated to obtain the supplies at manufacturers' price either by direct negotiation with manufacturers or through the intervention of the Ministry of Food and Agriculture.

1.27. The Committee enquired whether in the case of vegetable ghee, the contractor was the same who supplied sugar and whether his was the only tender or there were other tenders also. The witness stated that there were more than one tender, but this contractor's tender was the lowest.

1.28. The Committee asked about the result of the request made to the Department of Food for the supply of vegetable ghee at the manufacturers' price. The witness stated that the Department of Food sent one of their Directors who informed the NEFA Administration that the manufacturers would be able to issue vegetable ghee to the co-operative societies because this was the general pattern followed by them in the rest of the country. The witness added that the representative of the Department of Food was informed that there was an Apex Co-operative Society in NEFA which could receive the ghee from the manufacturers and then issue the same to the Director of Supply and Transport. "In other words," the witness stated, "the NEFA Apex Co-operative Society would act as a wholesale merchant". The witness added that Department of Food had agreed to supply ghee at the manufacturers' price to the co-operative Society and the matter was being finalised.

1.29. The Committee consider it unfortunate that despite the heavy requirements of vegetable ghee, the NEFA Administration did not initiate any action till January, 1967, to obtain supplies at the manufacturers' price either by direct negotiations with the manufacturers or through the intervention of the Ministry of Food and Agriculture. This lack of initiative on the part of the Administration resulted in an avoidable extra expenditure of Rs. 1.31 lakhs.

1.30. The Committee hope that suitable arrangements will be made without further delay to procure in future vegetable ghee for the NEFA Administration at the manufacturers' price and thus effect a saving.

Avoidable expenditure on purchase of parachutes—Para 37, Pages 52-53

1.31. In response to a tender notice issued by the Director of Supply and Transport, N.E.F.A., in June, 1964, for supply of parachutes and components during 1964-65, 15 tenders were received. The Supply Advisory Board recommended on 23rd July, 1964, the placement of contracts at the rate of Rs. 80.50 per parachute on five firms, which were registered with

the Director General, Supplies and Disposals. It was noticed that one of these firms had offered to supply the parachutes at the rate of Rs. 88 each if orders were placed for 15,000 or more parachutes. The manufacturing capacity of this firm was questioned by the Director in September, 1964, after about 3 months of receipt of offer, and a clearance was obtained from the Chief Inspector of Textiles and Clothing, which was received in the same month. In the meantime, between 8th August, 1964 and 25th August, 1964, orders for the supply of 41,894 parachutes were issued on four other firms at Rs. 89.50 each, leaving a balance quantity of 9,939 parachutes, which was covered on this lowest tenderer at the same rate on 8th September, 1964.

1.32. Supply of parachutes commenced in October, 1964 and the entire supply of 51,833 parachutes was received by March, 1955. Of these, supply of at least 20,000 parachutes (according to the manufacturing capacity) could have been obtained from the lowest tenderer at his quoted rate of Rs. 88 each, had the competitive offers been processed expeditiously, thereby saving upto Rs. 30,000. No attempts were also made to negotiate with the other firms to supply at the lowest rate of Rs. 88.

1.33. The Committee were informed during evidence that the tender notice issued in June, 1964, was for 50,000 parachutes. 15 tenders were brought up before the Supply Advisory Board and the Board felt that only five firms had gone through the usual registration and other formalities. The Board instructed the Director of Supply and Transport to negotiate with the five firms for the supply of parachutes at the rate of Rs. 89.50 each. Four, out of these five firms could produce satisfactory records regarding their registration and capacity to produce the parachutes, but the fifth firm failed to produce the requisite records during that period. Later on, a letter regarding this firm's registration and capacity was received from the Chief Inspector of Textiles and Clothing, Kanpur. Asked if the request of this firm that they could supply parachutes at Rs. 88 each, if orders for supply of 15,000 or more parachutes were placed on it, was considered before placing orders on other firms, the witness, stated "Yes, the Supply Advisory Board did not say that this particular offer should be accepted."

1.34. In reply to a question whether, before placing the orders, any proof of the capacity of the 5 firms was obtained, the witness stated that these items regarding registration and capacity of the firms were included in the tender notice issued on 3rd June, 1964. When the Committee pointed out that the tender form required that the capacity should be indicated and not that proof of capacity should be produced with the tender, the witness replied: "Yes."

1.35. Asked whether all the four firms quoted a uniform rate of Rs. 89.50 per parachute, the witness stated that various firms gave various

figures. These rates ranged from Rs. 89.50 to Rs. 96.50 upto 10,000 parachutes. Rs. 89.50 was the lowest rate in the range upto 10,000. In reply to a query, the witness stated that one of the firms quoted Rs. 88 per parachute if the order placed was for above 15,000 parachutes. On being asked why an order for 15,000 parachutes was not placed on the lowest tenderer and the rest on other firms, the Additional Secretary, Ministry of Home Affairs stated: "I would straight away admit that we cannot satisfactorily explain as to why the Supply Advisory Board did not consider this offer of Rs. 88 for an order of 15,000 or more parachutes from this firm if they wanted to give contract to 3 or 4 firms." He added: "I would assure you that we would look into system of tendering and bring about necessary improvement."

1.36. Asked whether the Supply Advisory Board contacted the firms and heard them before deciding on the rate of Rs. 89.50, the witness replied: 'No'. Asked further how orders could be placed at the rate of Rs. 89.50 on all the firms, the witness stated: "The rate of Rs. 89.50 was the lowest in the range upto 10,000. They wanted that the orders should be placed with more than one firm because the experience in the previous years was that it was better to have more than one source because we could not risk any shortage of these parachutes."

1.37. In reply to a question, the witness stated that it was necessary to ascertain the capacity of the fifth firm (the lowest tenderer) because on 30th October, 1963, only 3 months before, the tenders in question were called a contract was placed on this firm for the supply of 1500 parachutes before 31.3.1964. The firm was unable to supply these 1,500 parachutes over a period of 4 or 5 months.

1.38. In a note furnished at the instance of the Committee the Ministry of Home Affairs have stated:—

"It has not been possible to ascertain the precise reasons why the offer of Rs. 88 per parachute for 15,000 parachutes given by M/s. (the firm) was not accepted by the Supply Advisory Board. This rate of Rs. 88 per parachute has not even been mentioned in the proceedings of the Board. The Supply Advisory Board considered the rate of Rs. 89.50 which was the lowest rate quoted for 10,000 parachutes, perhaps on account of the following factors:—

- (1) In all about 50,000 parachutes were to be procured, which when distributed equitably among five firms in question would come to 10,000 parachutes for each firm. This was consistent with the policy of not creating a monopoly for the supply of parachutes.

- (2) The tender notice itself had called for quotations upto 10,000 parachutes only.
- (3) There were some doubts about the capacity of the tenderers who quoted the rate of Rs. 88 per parachute for 15,000 parachutes".

"There is really no good reason why the Supply Advisory Board should not have accepted the lowest rate of Rs. 88 per parachute for 15,000 parachutes. It seems that the desirability of procuring 15,000 parachutes from the lowest tenderer at Rs. 88 per parachute did not occur to the Board at all."

The Ministry have also stated:

"The question whether the Director of Supply and Transport, NEFA, had adopted uniform criteria for scrutiny of tenders and verification of capacity to supply parachutes for all the five firms has been examined with reference to the relevant records of the Supply and Transport Directorate, NEFA. It will be seen that the procedure adopted for verification of the capacity of the firms was not uniform."

1.39. The Committee agree with the Ministry of Home Affairs that "there is really no good reason why the Supply Advisory Board should not have accepted the lowest rate of Rs. 88 per parachute for 15,000 parachutes. It seems that the desirability of procuring 15,000 parachutes from the lowest tenderer at Rs. 88 per parachute did not occur to the Board at all." As pointed out by Audit, this lapse on the part of the Supply Advisory Board has resulted in an avoidable expenditure of Rs. 30,000. The Committee hope that with the re-constitution of the Board and the issue of detailed instructions to them for processing tenders, such lapses will not recur. The Committee cannot too strongly emphasise that whenever it is proposed to accept tenders other than the lowest, detailed reasons should be recorded and that all such cases should be put up to the next higher authority for scrutiny and sanction.

1.40. The Committee desired to know what happened to the parachutes after they were dropped. The witness stated that these parachutes were used to drop supplies in many inaccessible parts of NEFA. These were retrieved in various administrative centres in the interior. Instructions were given that instead of sending all the parachutes back to the airbase, these should be locally inspected to find out which were serviceable. The serviceable ones could be reconditioned and again pressed into use. The un-serviceable parachutes were not loaded back from the interior because the cost of back-loading was quite heavy.

1.41. The Committee have also been furnished with a note on the retrieval of parachutes used in airdropping operations by NEFA Administration. This note *inter-alia* states: "During the period 1962-63 to 1965-66 the number of serviceable parachutes retrieved was 1,48,192 as against 1,56,426 parachutes purchased during the same period."

1.42. The note further states: "A considerable quantity of Supply Dropping Equipment (SDE) including parachutes have accumulated at the outlying posts in the various Districts not connected by land route. The number of parachutes lying at such places is 31,361. The total value of these parachutes and other Supply Dropping Equipment is Rs. 28 lakhs. The question of arranging backloading of these S.D.E. is under consideration."

"The retrieved parachutes which can be utilised in further airdropping are repaired but others are condemned."

"A proposal for the condemnation of 79,368 parachutes and other S.D.E. valued at Rs. 51.19 lakhs has been received from NEFA Administration and is under consideration."

1.43. It has also been stated in the Ministry's note that according to the Air Force 18 feet parachute is "out-moded". The note states: "If 18 ft. parachutes cannot be suitably utilised in airdropping operation in NEFA areas in future, it will not be proper to incur any expenditure on retrieval and repairs to such parachutes as these retrieved parachutes cannot be utilised for any other purpose as already pointed out by the Director General of Ordnance Factories, even if these are disposed of in auction, it will bring very little money which will not compensate the cost of retrieval."

1.44. "The question whether, in these circumstances, it will be worthwhile to retrieve the parachutes and other S.D.E. from outlying difficult locations in Helicopter/other aircraft is under examination."

1.45. The Committee note that parachutes and other Supply Dropping Equipment valued at Rs. 28 lakhs are lying at outlying places. The Committee desire that an early decision may be taken to retrieve or otherwise dispose of the parachutes and other Supply Dropping Equipment from the outlying difficult locations so that the material does not deteriorate with the passing of time.

1.46. The Committee would also like Government to take an early decision about the disposal of 79,368 parachutes and other Supply Dropping Equipment valued at Rs. 51.19 lakhs which is stated to be under consideration of Government. According to the Air Force, 18 feet parachutes cannot be utilised effectively in air droppings as these are out-moded. The Com-
3666 (Ail) IS—2.

mittee would like Government to consider this matter further in detail in consultation with the Air Force authorities with a view to take an early decision about the standardisation of the sizes of parachutes required for air droppings for different commodities as well as taking into account the type of aircraft to be used so as to ensure maximum utilisation of parachutes.

1.47. The Committee find from the Ministry's note that during the period 1962-63 to 1965-66, the number of serviceable parachutes retrieved was 1,48,192 as against 1,56,426 parachutes purchased during the same period. The Committee desire that an enquiry may be conducted to find out—

- (i) Whether losses of parachutes are comparable to similar losses in other sectors of the country, where airdropping operations are carried out.
- (ii) How many serviceable retrieved parachutes have been pressed into service again and how far fresh purchases have been reduced due to the use of those parachutes.
- (iii) How the size of the parachutes was fixed at 18 ft. and to what extent the smaller size of the parachute is responsible for the heavy losses in air droppings.

Abandonment of schemes and wasteful expenditure—Para 39—Pages 53-54

1.48. Three training-cum-production centres in the Andamans, the details of which are given below were abandoned after incurring an expenditure of about Rs. 1.56 lakhs which proved to be largely nugatory:—

Name of the scheme	Targets	Actual achievement	Expenditure incurred	Year of abandonment	Reasons for abandonment
Year of introduction					
1	2	3	4	5	6
Training-cum-Production Centre in coir articles at Rangachang	Training of 104 local artisans in 3 years in spinning, weaving & manufacturing of ropes, mats, brushes from coconut husks.	7 artisans were trained	Rs. 0.87 lakh.	1963	Lack of enthusiasm among local people. Uneconomical cost of procuring coconut husk from the coconut plantations, which are scattered all over the South Andamans. Demand of finished articles in the local market gradually decreased.
August, 1960					

1	2	3	4	5	6
Training-cum- Production Centre in Ambar Pari- sramalaya and Khadi Weaving Centre at Diglipur. November, 1961	Training of 160 artisans in spinning and weaving khadi tex- tiles.	23 arti- sans were trained.	Rs. 1965 0.45 lakh.		Non-fulfilment of ex- pectation that the local farmers would grow cotton. The expectation that was based on the fact that a farmer had already grown a few maunds of cotton did not come true.
Soap-making Unit at Port Blair. 1960	Training of 15 persons in soap ma- king for local consu- mption.	8 per- sons were trained.	Rs. 1963- 0.24 lakh	64	National Emergency It was, however noticed that there was no soap making factory in the Andamans nor any co-operative started business in soap- making.

1.49. The Committee desired to know at what level the examination regarding the utility of the scheme was made. The Chief Commissioner, Andaman and Nicobar Islands stated that it was done at the Chief Commissioner's level. The witness stated that the decision was taken on the recommendation of the then Joint Development Commissioner of the late Ministry of Commerce and Industry. The representative of that Ministry visited the area and formulated the scheme in consultation with the Chief Commissioner. The Schemes were implemented after obtaining approval of the Government of India.

1.50. Since the first scheme was for training of artisans in spinning, weaving, manufacture of ropes and mats etc. with coconut husk, the Committee desired to know whether it was the traditional occupation of the people of that area. The witness stated that husk was not being used in that area. For the first time an effort was being made to use coconut husk for making coir articles. There was no traditional coir industry as existed in Kerala. When asked from where coir would be procured the witness stated that the particular husk was being wasted particularly in the Nicobar where a lot of husk was produced. The main diet of the Nicobaris was coconut and the by-product was not being put to any use. When the representative of the Ministry of Commerce and Industry visited that area, he

thought that this by-product which had been wasted so far could be utilised in preparing coir articles. It was, therefore, considered desirable to formulate a scheme for training people to undertake the task of converting husk into coir articles.

1.51. When enquired about the purchase of husk, the witness informed "that was where the entire fault of the scheme lay. The idea was that after these people have been trained, they would be formed into a co-operative Society which would get raw-materials and after getting the raw-materials, the co-operators would be able to produce right from the husk, coir articles to be sold in the market."

1.52. In reply to a question, the witness stated that for nearly 3 years they carried out this scheme. The training period was 6 months for weaving and two months for spinning. Five persons in spinning and 6 in weaving were trained. As the husk was never produced in the quantity which they estimated, the scheme failed.

1.53. Explaining further the reasons for the failure of the Scheme, the witness stated that the basis of calculations by the representative of the Ministry of Commerce & Industry was that the Andaman Group of Islands had 2,000 acres of land under coconut plantation and another 2,000 acres were expected to come under coconut plantation. The scheme was drawn up in the hope that 4,000 acres of land would be brought under coconut plantation. In addition to this, it was expected that a big quantity of husk would be available from the Nicobar, because a coconut Oil Factory was being installed at Port Blair. The factory did not come into existence and the 2,000 acres expected to come under coconut plantation did not also materialise.

1.54. In reply to a question, the witness stated that the husk was being wasted at the moment. Some private enterprise was now trying to organize itself into developing this in South Andaman. They approached Government of India for the import of certain machinery. The witness expressed doubts whether the husk available could be profitably used.

1.55. When asked how the scheme failed for want of husk when the number of artisans was very small, the witness stated that in the area where the scheme was located the local response for training was nil. Those who came from outside could not sustain themselves with a stipend of Rs. 25 per month that was given.

1.56. Asked if this scheme would not have been successful in Nicobar Island where cocorut is available in plenty, the Chief Commissioner, Andaman and Nicobar Islands stated "We shall examine the scheme for Nicobar."

1.57. The Committee desired to know the position of the articles produced during the course of training. The witness stated that the articles produced were sold and they got something like Rs. 12,000 from that.

1.58. The Committee pointed out that the two other schemes had also failed. The witness stated that the cotton spinning and weaving scheme failed:

“Because of the wrong planning, that has also failed. 2½ maunds of cotton were grown in the area. It did not indicate that cotton could very well be grown there; that was why the scheme failed.”

When the Committee asked for an assurance that wrong planning would not be done in future, the witness stated:

“Certainly, I can give that undertaking. That again depends on the occasion and time. A very serious effort is now being made to see that these infructuous schemes are liquidated and money is not wasted like this.”

1.59. The Committee regret to note that the training-cum-production centres were opened in the Andamans & Nicobar Islands without proper assessment of the availability of raw materials, aptitude of the local people and avenues for employment of the people trained in the Centres. This resulted in an infructuous expenditure of Rs. 1.56 lakhs. They are unhappy to find that no periodical assessment of the scheme was undertaken, which was allowed to continue without much benefit for three to four years. The Committee feel that, if a periodical review had been made, some of the expenditure on the scheme which ultimately proved to be infructuous could have been saved.

1.60. The Committee also desire that before launching such training schemes in future, it should be ensured that they are planned properly so that such cases of infructuous expenditure do not recur.

Appropriation Accounts (Civil), 1965-66

MINISTRY OF HOME AFFAIRS

Indo-Tibetan Border Police Force—Grant No. 55—Pages 121-122

Sub-head D. 3(5)

1.61. The Committee pointed out that, according to Audit, for three consecutive years ending with 1965-66 the provision made under this sub-head remained unutilised to the extent of 47 to 68 per cent and each year the Ministry explained the savings as mainly due to non-filling of vacancies, non-supply of stores and equipment (including Arms and Ammunition)

and non-procurement of vehicles. Further in 1962-63 also the provision under this head was not utilised to the extent of 42 per cent.

1.62. From the notes and documents furnished by the Ministry, the Committee find that the Ministry of Home Affairs issued instructions in May, 1966 and July, 1967, to all offices including Indo-Tibetan-Border Police Establishment impressing upon them the need to prepare budget estimates with due care and foresight, so that they approximate as far as possible to the actual requirements of funds. It is also noticed that on 24th April, 1965, the Ministry of Home Affairs sent a communication to the Inspector General, Indo-Tibetan Border Police, requesting him to ensure that the budget estimates in respect of his office representd as nearly as possible the actual requirements.

1.63. The Committee regret to note that the Budget estimates for the Indo-Tibetan Border Police Establishment were not prepared realistically keeping in view the actual requirements. They find that in this case the actual expenditure fell short of Budget estimates by 68 per cent. in 1963-64, 53 per cent. in 1964-65 and 47 per cent in 1965-66. While the Committee understand the difficulties faced in raising the Border Police they cannot appreciate why year after year Budget provision was made grossly in excess of requirements. That Committee desire that the Border Police Establishment should prepare their Budget estimates more realistically, keeping in view their actual requirements and the likely availability of equipment and stores. The Committee expect Government to scrutinise the estimates of the Border Police Establishment more closely before including them in the Budget estimates.

1.64. Grant No. 57—statistics—Page 124

		Total Grant Rs	Actual Expenditure Rs.	Excess+ Saving— Rs.
Voted—				
Original	2,64,42,000	3,08,73,000	3,07,61,449	—1,11,551
Supplementary	44,31,000			
Amount surrendered during the year				Nil

Notes and Comments

Two cases of large variations are indicated below:—

Group-head	(In lakhs of rupees)			
A.2.—Multipurpose	National			
Sample Survey				
O.	156.62	163.77	203.77	+40.00
S.	3.55			
R.	3.60			
A.3.—Grants-in-aid, Contributions				
O.	81.00	120.55	80.27	—40.28
S.	40.28			
R.	—0.73			

1.65. The variations (which are compensating in nature) in the above two group-heads were due to the fact that the Supplementary Demand for Rs. 40.28 lakhs obtained in February, 1966 for payment to the Indian Statistical Institute for (a) Grants-in-aid due to additional expenditure under house rent allowance/dearness allowance, etc. (Rs. 10.28 lakhs) and (b) payment to the I.S.I. for N.S.S. work (Rs. 30 lakhs) was obtained under 'A.3' while the expenditure on this account had been booked under 'A.2'. The department explained in December, 1966 that the Supplementary grant had been inadvertently obtained under 'A.3'.

1.66. On 30th March, 1966, however, the Department issued an order appropriating the amount of the Supplementary grant to 'A.2' although it was obtained under 'A.3'. It was not in order and has not, therefore, been taken into account while preparing the Appropriation Accounts.

1.67. In regard to the payment to the Indian Statistical Institute for the National Sample Survey work, it was explained in the Supplementary Demands for Grants that the Institute had preferred an additional claim of Rs. 91 lakhs against Government for expenditure incurred by it during 1960—64 on the tabulation work, entrusted to it on a contract basis and the claim was under the consideration of a Committee. Meanwhile 'on account' payments amounting to Rs. 179.06 lakhs were made and a cash credit facility of Rs. 50 lakhs guaranteed by Government had been provided with the State Bank of India to meet expenditure on partly processed work which qualified for payment only on completion. Since pending consideration of the additional claim, the interest liability on the over-draft was mounting and the burden of interest to the extent to which such liability is attributable to the part of the claim ultimately accepted by Government, will fall on Government, it was decided to make an 'on account' payment of Rs. 30 lakhs to the Institute.

1.68. As regards the claim of the Indian Statistical Institute for the payment of about Rs. 91 lakhs on account of the National Sample Survey work done by it for Government during the period 1.4.1960 to 31.3.1964 under the contract system, the Cabinet Secretariat have stated in a written note:

"The Indian Statistical Institute had submitted a claim for payment of an additional sum of Rs. 90.46 lakhs on account of National Sample Survey work done by it for Government during the period from 1st April, 1960 to 31st March, 1964 under the 'contract system'. As actually no contract was entered into between the Government and the Institute and it was also not possible to make a proper evaluation of the work done by the Institute, the additional claim represented only the difference between the actual expenditure (Rs. 269.52 lakhs) incurred by the Institute on this work

during the four-year period ended 31st March, 1964 *minus* the amount of 'on account' payment (Rs. 179.06 lakhs) received by it from Government during that period. This claim of Rs. 90.46 lakhs was referred to a Settlement Committee in May, 1964. Pending finalisation of the report of the Settlement Committee, further 'on account' payments totalling Rs. 70 lakhs were made to the Institute on 25th March 1966, 20th June 1966, 9th March 1967 and 23rd March 1967 from out of which the over-draft facility of Rs. 50.00 lakhs with the State Bank of India, under Government guarantee, was liquidated. The remaining claim of Rs. 20.26 lakhs is likely to be decided by the Settlement Committee shortly."

"As already submitted with reference to the Public Accounts Committee's recommendation contained in Serial No. 16 of their 58th Report (Third Lok Sabha), from 1st April, 1964, payment to the Institute is being made by means of grants-in-aid to cover the actual expenditure. Arrears of tabulation work (both, items partly tabulated and those which remained to be taken up as on 1st April, 1964) got added to the current work starting from 1st April, 1964 and payment to the Institute has, since this date, been made on the basis of actual expenditure without earmarking any separate payments for items of work which were in arrears on 1st April, 1964. Nor are these items to be taken into consideration in making financial settlement with the Institute for the 'contract period' as for that period also, the Institute's claim under consideration by the N.S.S. Settlement Committee is based on actual expenditure and *not* upon valuation of work."

The note further states:

"The claim of the Institute on account of N.S.S. work done by it during 1960—64 is being settled on the basis of actual expenditure incurred and *not* upon valuation of work under any contractual arrangement. Further, the work in arrears as on 1st April, 1964 get added to the current work starting from 1st April, 1964. Since payments for N.S.S. work done by the Institute both during 1960—64 and thereafter are being made on the basis of actual expenditure only—this is the basis on which grants-in-aid are given—the taking up of unfinished work along with the current work from 1st April, 1964 does not give rise to any additional claim for such work."

1.69. The Committee are constrained to note that though initially it was decided to entrust the work to the Institute on a contractual basis during the period 1960 to 1964, Government were later forced to settle this claim on the basis of actual expenditure incurred and not upon the valuation of the work under any contractual arrangement. The Committee further note that the work in arrears as on 1st April, 1964 under the contract arrangement has now got added to the current work starting from 1st April, 1964 and the payment for the arrears is being reimbursed by Government by way of grant-in-aid. The Committee feel that this is not a healthy financial practice and desire that Government should take steps to ensure that the work done by the Institute is properly evaluated and the payments are accordingly made for the services actually rendered.

1.70. As regards the implementation of the recommendations of the Review Committee on the Indian Statistical Institute, the Committee have been informed:

"A reply from the Indian Statistical Institute containing their views on the recommendations of the Review Committee has only recently been received. It has been noted that the Institute has accepted many of the recommendations and action to implement some of them has also been initiated by it. Some of the important recommendations made by the Review Committee have, however, not been accepted by the Institute. It was decided to hold discussions in the first week of January, 1968 with the representatives of the Institute to find out the extent to which agreed conclusions on the recommendations would be possible. A meeting for this purpose was held on 6th January, 1968, and final decisions on most of the recommendations of the Review Committee were taken. The Public Accounts Committee would be informed in due course of the decisions and the action taken by Government to regulate the grants to the Institute."

1.71. The Committee desire that early action should be taken on the Report of the Review Committee which was submitted to Government in December, 1966. In particular, the Committee would like to invite the attention of Government to para 10.9 of the Report of the Review Committee where they have made important recommendations regarding improving budgetary and financial control and audit arrangements in the Institute. The Committee would like to be informed of the action taken on the recommendations of the Review Committee contained in para 10.9 of their Report.

II

MINISTRY OF LABOUR, EMPLOYMENT & REHABILITATION

(DEPARTMENT OF REHABILITATION)

Compensation Pool—1965-66, para 43—Pages 60—62

(a) *Payment of compensation*

(i) The following amounts were paid as compensation and rehabilitation grants to displaced persons from West Pakistan during and up to, the year 1965-66:—

	During 1965-66	Up to 1965-66
	(In lakhs of rupees)	
a. Compensation	145.88	1,28,28.43
b. Rehabilitation grants	52.20	62,01.22
TOTAL	199.08	1,90,29.65

2.2. The figures of compensation include value of evacuee property transferred in kind, which was Rs. 92.79 lakhs and Rs. 69,42.58 lakhs during, and up to 1965-66 respectively.

(ii) The total number of applications pending with the Chief Settlement Commissioner's organisation as on 31st March, 1966 was 812 as against 738 as on 31st March, 1965.

2.3. During evidence the witness stated that out of 812 applications pending as on 31st March, 1966, they had already disposed of 805 applications, leaving seven applications which were pending in different courts and for some other reasons. He also narrated the steps taken by Government to settle these applications and added that they were vigilant and getting monthly reports about the compensation applications.

2.4. When the Committee enquired about the applications filed subsequently, the witness stated that they were not normally entertaining any new application but there were cases where they had to recover public dues. In such cases, when they found that a person was entitled to get compensation from Government, they, in consultation with the Ministry of Finance, could entertain the application and give compensation only to the extent of the public dues recoverable from the person. It would not add to the financial burden of Government.

2.5. The Committee desired to know the steps taken by the Government to settle the pending compensation applications. The Ministry of Rehabilitation have furnished a note indicating the measures taken to expedite settlement of pending compensation applications.

The note states:—

“The question of expeditious disposal of the pending compensation and R.G. cases was discussed in the Regional Settlement Commissioners’ conference held in February, 1966 and again in the Regional Settlement Commissioners’ meeting held in January, 1967. To ensure that the work was completed as early as possible, targets were fixed for each region and for keeping a watch over the progress in accordance with the targets, monthly progress reports were prescribed. Special instructions were also issued to the Regional Settlement Commissioners bringing to their notice the recommendation of the Public Accounts Committee vide Sl. No. 72(8.6) of Appendix-I of the 54th Report, and the Regional Settlement Commissioners were informed that it would be their responsibility to ensure that the target dates were strictly adhered to. The number of fresh compensation applications awaiting finalisation on 31st October, 1967 was 32. Out of these, 5 cases have already been finalised, and now only disbursement remains to be made. In addition, the Regional Settlement Commissioners have preferred bills to the Pay & Accounts Officer in 8 cases. Thus only 19 cases actually remain to be processed by the Regional Settlement Commissioners. In the Regional Settlement Commissioners’ conference held in October, 1967, it was decided that the maximum time to be taken for the finalisation of a fresh compensation case should not exceed three months.”

2.6. The Committee note that out of 812 compensation applications pending on 31st March, 1966, 807 cases have already been finalised and efforts are being made to finalise the remaining 5 cases as early as possible. They further note that the Government have since decided not to entertain any fresh compensation applications and that only in rare cases where some public dues are recoverable from the claimants is condonation of the delay in filing such applications allowed. They hope that, as decided at the Regional Settlement Commissioners’ conference held in October, 1967, the Department of Rehabilitation will strictly adhere to the maximum time limit of three months for finalising a fresh compensation case.

2.7. (iii) In certain cases, statements of accounts were issued to claimants, showing the net amount of compensation payable to them

after adjustment of public dues, etc. These statements can be utilised by the beneficiaries for purchasing 'Pool' properties, etc. Facilities have been extended from time to time to the beneficiaries by which they can utilise these statements by associating the claims of others towards the adjustment of price of 'Pool' properties (allotted or sold) and/or payment of public dues—the last extension being up to 31st December, 1966 allowed in October, 1966. The liability of the 'Pool' in respect of 10,627 statements of accounts which awaited utilisation as on 31st March, 1966, was estimated to be Rs. 1.25 crores.

2.8. In regard to the settlement of the statements of accounts, the witness stated that at present there were 6,576 statements of accounts involving Rs. 91.14 lakhs pending with Government. At the instance of the Public Accounts Committee, the Government examined the question of framing a rule to fix a time limit by which the statements of accounts could be utilised. But the Ministry of Law advised that this could not be done by amending the Rules. They suggested that this could be done only by amending the Act itself. In view of the fact that these persons were entitled to compensation and the amendment of the Act would take a long time, it was decided not to proceed further in the matter.

2.9. In order to liquidate the statements of accounts, the witness added that it was decided recently that in the case of statements of accounts which were of the value of Rs. 2,000 and below, the payment would be made in cash. He also informed the Committee that the utilisation of statements of accounts depended upon the person in whose favour the statement of account had been issued. They could not compel the person to utilise the statement of account but they could only issue a notice to the person informing him of the amount due to him. In answer to a question, the witness stated that there was no time limit under the Act. He also stated that if this new system of giving Rs. 2,000 in cash would help in liquidating the statements of accounts, they would approach the Ministry of Finance to raise this limit further.

2.10. When the Committee enquired whether any interest was paid on these amounts, the witness replied in the negative.

2.11. At the instance of the Committee the Department of Rehabilitation have furnished a note detailing the steps taken by them to expedite the liquidation of Statements of Accounts. The note *inter-alia* states:

"The matter was also discussed in detail in the meeting of the Regional Settlement Commissioners' held in February, 1966 as a result of which the following measures were taken for liquidation of the statements of account:—

- (1) Instructions were issued on 3rd May, 1966, to all Regional

Settlement Commissioners that fresh compensation cases should be processed for the issue of Zamindari Abolition Bonds and that no statements of account should be issued.

- (ii) Last date for association of claims/statements of account was extended from time to time; and
- (iii) The restriction of association of claims/statements of account on regional basis was removed except in the case of claims pertaining to Bombay region. The transferees/purchasers of pool properties or loanees or the persons against whom any public dues are outstanding, can pay the price of the properties or the amount of public dues by adjustment against compensation payable in respect of the verified claim of any other person.
2. The Pay & Accounts Officer, Department of Rehabilitation intimated in March, 1967 that the available Zamindari Abolition Bonds had practically been exhausted. There was, therefore, no other alternative but to restart the issue of the statements of account in the remaining cases. Instructions to the Regional Settlement Commissioners to this effect were issued on 13.4.1967.
3. With a view to liquidating the liability on account of the unutilised statements of accounts, the facility of associating the statements of account towards the adjustment of price of pool properties and/or payment of public dues was extended from time to time. The last extension expired on the 30th September, 1967 and a press note extending the date upto 31st December, 1967 was issued on 27.9.1967.

2.12. The Department have also furnished the following statement showing progress of issue and utilisation of Statements of Accounts during the period from 31.3.66 to 31.10.1967.

	No.	Amount involved
		About Rs. crores.
(1) Statements of Account pending on 31-3-1966	10,627	1.25
(2) Statements of Account issued during the period from 1-4-66 to 31-3-1967	1,184	0.57
(3) Statements of Account adjusted during the period from 1-4-66 to 31-3-1967	8,141	0.77
(4) Statements of Account pending on 31-3-1967	6,672	1.05

About Rs. crores

(5) Statements of Account issued during the period from 1-4-67 to 31-10-1967.	1,662	0.35
(6) Statements of Account adjusted during the period from 1-4-1967 to 31-10-1967.	1,825	0.50
(7) Statements of Account pending on 31-10-1967	6,507	0.90

2.13. The Committee note that 6507 statements of account of the aggregate value of Rs. 0.90 crore were pending on 31st October, 1967.

2.14. They would like to know the effect of the new system according to which the cash compensation was to be paid against any unutilised statement of account up to the value of Rs. 2,000. If a considerable number of pending statements of account are liquidated, as is expected, the Department of Rehabilitation may examine the question of raising this limit further, in consultation with the Ministry of Finance, so that all the pending statements of account are liquidated as early as possible.

2.15. (b) *Arrears of Rent*

	Acquired evacuee properties	Unacquired evacuee properties	Government built pro- perties in Delhi and New Delhi
(In lakhs of rupees)			
Arrears as on 1 April, 1965	349.74	57.01	33.60
Demands during the year	11.51	7.54	4.59
	361.25	64.55	38.19
Less amount realised	21.65	8.05	15.64
Reduction as a result of corrections in the demands	23.01	10.80	3.10
Irrecoverable amounts written off	1.30	0.17	Nil
	45.96	19.02	18.74
Balance due on 31 March, 1966	315.29	45.53	19.45

2.16. The comparative figures of the demands corrected and the irrecoverable amounts written off during the three years ended with 1965-66 are given below:—

Year	Demands corrected	Amounts written off
(In lakhs of rupees)		
1963-64	29.46	5.69
1964-65	28.13	4.95
1965-66	36.91	1.47

2.17. When the Committee desired to know the reasons for the slow progress in the realisation of rent, the witness stated that when the displaced persons had come, they were allotted houses and the Government were not very keen to recover the rents from them immediately as they had to be rehabilitated. When they found it difficult to make a living, they left the houses which were later occupied by others without informing Government. The Government did not interfere in the matter and in this way the arrears went on accumulating. In the beginning, Government were giving priority for construction of more houses and shopping centres with a view to settle them.

2.18. The Department of Rehabilitation has also stated in a note that—

“The arrears of rent which stood at Rs. 380.27* lakhs on 31.3.1966 (evacuee properties Rs. 360.82 lakhs and Government built properties in Delhi Rs. 19.45 lakhs*) have been reduced to Rs. 285.38 lakhs as on 1.10.1967, i.e., in a period of 18 months, the arrears have been liquidated to the extent of Rs. 94.89 lakhs. The progress achieved in the liquidation of the arrears of rent is, therefore, not very slow. The rent recovery work in the States other than Delhi, Punjab, Haryana, Himachal Pradesh and Maharashtra, has been transferred to the State Governments on agency basis. The lists of the defaulters indicating the amount due against each person, have been handed over to the District authorities and the State Governments are taking necessary steps to gear-up their machinery to accelerate the pace of recovery. We have requested the State Governments to give due priority to this item of work. However, as the District authorities have to do this work in addition to their other normal duties, it is possible that this work may not receive the desired priority.

* Excludes Rs. 3.67 lakhs due from Govt. Departments.

Periodical meetings are held with the State Governments and the difficulties encountered by the district authorities in effecting recovery of the arrears of rent, are resolved at such meetings.

In the States like Delhi, Punjab and Haryana, where the work is being handled departmentally, squad system has been introduced. This system is proving quite helpful not only in realising the arrears, but also in correcting the demand."

2.19. During evidence the witness also stated that Government had introduced special system known as 'squad system' to collect the arrears of rent, particularly in Delhi and Punjab. The squad had a number of persons who were assigned specific duties in regard to different wards. They would contact each and every person and would recover whatever amount was accepted by the persons concerned and about the balance amount, the position was being looked into by the Government. In this way, they had been able to make improvement in the collections !

2.20. He added, "Later on, we took steps to see that the rents were recovered. For the last three years, we have been making earnest efforts to correct our demands because I must frankly admit, our demands are also not correct."

2.21. At the instance of the Committee, the Department of Rehabilitation have in a written note stated the following reasons for correcting the demands regarding arrears of rent:

"The figures of arrears given are based on the entries in the Rent Demand and Collection Registers. This in certain cases does not depict the correct picture. The rent adjusted from compensation payable to Displaced Persons has not in all cases been entered in the registers. According to Rules, claimant Displaced Persons are not liable to pay rent from the first day of the month following the month in which the Compensation Applications were filed. In our register, however, there are cases where this fact has not been taken into account while entering the amount due. In the case of non-claimant Displaced Persons, no rent is payable by them with effect from 1-10-1955 where they paid initial instalment of 20 per cent before 31-10-1959. This factor has also not been taken into consideration in some of the cases while entering the demand. This has necessitated correction in demand. Similarly, the necessity for correction of arrears arises where judicial orders are passed revising the rent with retrospective effect or where properties are restored.

The pressure on the Settlement Organisation in regard to assessment and payment of compensation, sale of evacuee properties has been very heavy and the officers were, therefore, giving priority to this work and were unable to devote the same attention to the maintenance of rent records and recovery of arrears of rent.

Accordingly, before effecting recovery of the arrears of rent it becomes necessary to sort out the real arrears from the unreal. The squad system is being utilised for this purpose also.

Due to the reasons mentioned above we have to carry out the corrections in the accounts. To that extent, the accounts are not correct."

2.22. The Committee enquired whether the demands were corrected in consultation with the Ministry of Finance or the Pay & Account Officer, the witness stated that the Pay & Accounts Officer was not consulted for each correction in the demand. The note from the Department of Rehabilitation states *inter alia* as under on the above subject:—

"The policy decision regarding the date upto which the recovery is to be made is taken in consultation with the Ministry of Finance. The actual correction in individual cases is done by the Field Officer responsible for effecting recovery and maintenance of accounts."

2.23. Asked when Government would be able to carry out all the corrections in the Demand Registers, the witness stated: "In fact, we have been making very good progress. We have made a good progress during the last two years and I assure you that we shall make better progress in future."

2.24. The Department of Rehabilitation have further stated in a written note:—

"The correction generally pertains to past periods. In so far as the future demand is concerned, it relates only to the properties which are still lying undisposed of. The number of such properties is diminishing day by day and therefore, the chances of unreal demand being added now are small. With the help of squads, necessary action is being taken to correct the demand. Where the work relating to the recovery of arrears of rent has been transferred to the State Governments, they have been requested to sort out the real and unreal demand."

2.25. The Department have stated in a note the latest position of recoveries as follows:—

“The arrears as on 1.10.1967 in respect of the following properties are given below:—

	(Rs. in lakhs)
i) Acquired evacuee properties	236·04
ii) Composite evacuee properties; and	38·04*
iii) Government built properties in Delhi and New Delhi	11·30
	285·38

2.26. The Committee note that Government have been able to bring down the figures of arrears of rent by Rs. 95 lakhs within a period of 18 months though a major part of this reduction is as a result of correction of demands and write off of irrecoverable rents. The Committee hope that the Deptt. of Rehabilitation will take effective steps to recover the rent with a view to liquidate the balance at an early date.

2.27. The Committee would also like to know as to when the Department of Rehabilitation hope to complete all corrections in the demand registers regarding arrears of rent.

(C) *Properties awaiting disposal*

2.28. The number of properties which awaited disposal at the end of March, 1966 is shown below:—

Nature of properties	Number of properties awaiting disposal.	Anticipated proceeds. (in crores of rupees)
Acquired evacuee properties	6,400	1·98
Government-built properties	4,306	0·86

2.29. In addition, 1,235 properties which were yet to be acquired to the ‘Pool’ and another 23,002 composite properties also awaited disposal as at the end of March, 1966.

2.30. The Committee enquired about the steps taken by Government to expedite the disposal of properties. The witness stated that at present there were 6,969 acquired evacuee properties awaiting disposal. In addition, there were 12,942 composite properties awaiting disposal. He also added that most of the properties were scheduled for auction except some properties in Bombay, where the Government had given two to three years time to clear the dues.

*This includes arrears in respect of other unacquired properties also.

2.31. Defining the term composite properties, the witness added that in such cases a part of the building was the share of the Government and the other part was owned by a citizen of India. In such cases, the extent of shares of each party was decided by a 'Competent Officer' of the Government of India.

2.32. As regards the composite properties, the witness stated that there were a number of properties belonging to Muslims, whereas some co-sharers went away to Pakistan, the others did not go and, therefore, they had to separate their share. Naturally, there were judicial proceedings and that would take time.

2.33. There was considerable progress as during the last year about 10,000 properties had been disposed of.

2.34. The Committee hope that Government will take necessary steps so that the acquired and Government-built properties are disposed of at an early date.

(D) *Transfer of work relating to the collection of dues, etc.*

2.35. The progress made up to 31st March, 1966 in the realisation of dues in respect of regions where the work had been transferred to the State Governments on commission basis, is given below:—

Name of the State	Date of transfer of work	Amount of anticipated realisations	Amount actually realised
(In lakhs of rupees)			
(i) Uttar Pradesh	1 April, 1963	116.16	15.53
(ii) Gujarat	1 February, 1964	60.65	21.86
(iii) Punjab	22 August, 1964 and 1 June, 1965	72.26	6.95
(iv) Andhra Pradesh	27 November, 1964	6.25	0.03
(v) Rajasthan	19 May, 1965	112.57	Nil
(vi) Madhya Pradesh	16 August, 1965	4.99	No intimation received.
(vii) Bihar	30 March, 1966	4.42	Do.

2.36. The Committee enquired about the present position of realisation of dues. The witness stated that out of Rs. 430 lakhs, Rs. 70 lakhs had been recovered. In Bihar, U.P. and Madhya Pradesh there were difficulties in recovery of rent due to drought conditions. They had considerable recoveries about instalments of property but rents of lands could not make progress due to bad crop conditions. He also added, "The State Governments were busy giving relief to the people. We could not ask them to give attention to recovery of rent from the landlords." These recoveries were made through the regular revenue staff and for this additional work some commission was paid to State Governments.

2.37. The Committee regret to note that Government have been able to recover a sum of Rs. 70 lakhs only out of Rs. 430 lakhs which was outstanding. They suggest that, in consultation with the State Governments concerned, vigorous efforts should be made to realise the outstanding dues of Rs. 360 lakhs and to ensure that the subsequent dues are not allowed to fall in arrears.

Faridabad Development Board--Para 44 Pages 62-64.

2.38. For the rehabilitation of displaced persons from North West Frontier Province, Government set up in 1949, a township at Faridabad under the charge of an ad hoc Board known as Faridabad Development Board. Consequent on a decision taken in October, 1959, most of the municipal functions of the Board with the schools, hospitals, power-house, etc., were transferred to the State Government of Punjab. The management of the properties in the township, however, remained with the Board which itself ceased to exist as a separate entity with effect from 16th June, 1961 when a cell was opened under the Ministry of Rehabilitation for dealing with the residual matters. This cell was later on merged with the office of the Chief Settlement Commissioner on 1st May, 1962.

2.39. The following points were noticed —

- (i) Outstanding recoveries:—Dues amounting to Rs. 20.48 lakhs from various parties remained outstanding as on 16th June, 1961 at the time of the merger of the Board with the Ministry. Of this, an amount of Rs. 2.54 lakhs remained to be recovered at the end of November, 1966. The bulk of this amount comprised dues recoverable from Punjab State Electricity Board (Rs. 1.84 lakhs) and private parties (Rs. 0.60 lakh); the latter included Rs. 0.29 lakh recoverable from a firm on account of factory buildings constructed by the Board on their behalf, and Rs. 0.16 lakh recoverable from the Indian Cooperative Union, being the cost of packing cases received by the Union on behalf of the Board.

2.40. In addition, recovery of a total amount of Rs. 2.92 lakhs was also pending:—

Nature of dues	Amount involved (In lakhs of rupees)	Period to which the dues relate	Remarks
(a) Overdue instalments of principal and interest on loans advanced to five cooperative societies.	0.71	From June, 1961 onwards.	This includes Rs. 0.60 lakh recoverable from four societies which are under liquidation.
(b) Rent of factories	0.98	From 1963 onwards.	This comprises dues recoverable from a cycle company (Rs. 0.68 lakh), Faridabad Municipal Committee (Rs. 0.20 lakh) and M/s Faridabad Industrial and Quarrying Company. (Rs. 0.10 lakhs).
(c) Rent of bungalows and houses.	0.65	From 1963 onwards	This includes dues recoverable from a cycle company (Rs. 0.26 lakh) and M/s Faridabad Industrial and Quarrying Company (Rs. 0.07 lakh).
(d) Electricity and water charges	0.42	Up to 16 June, 1961	Includes Rs. 0.17 lakh recoverable from M/s. Faridabad Industrial and Quarrying Company.
(e) Railway siding charges	0.16	Up to 16 June, 1961	The bulk of the amount is recoverable from a private firm (Rs. 0.15 lakh) and the case is reported to be <i>sub judice</i> .

2.41. The Committee enquired about the present position of recoveries. The witness stated that out of Rs. 2.54 lakhs, Rs. 1.87 lakhs had been recovered. Out of the balance of Rs. 67,000 an amount of Rs. 29,000 would be recovered shortly. As regards the balance of Rs. 38,000, Government Departments concerned were requested to expedite the payments. The witness added, "In the case of State Governments or Electricity Boards all that we can do is to correspond with them. We cannot take punitive action against them."

2.42. In answer to a question, the Secretary, Department of Rehabilitation stated that a sum of only Rs. 25,200 was due from the Punjab Electricity Board. The matter was being discussed and it was expected that Rs. 8,000 might be recovered in cash and the balance of about Rs. 17,000 would have to be adjusted.

2.43. Explaining the reasons for transferring the work from the Faridabad Board to Government, the witness stated that the work for which the Faridabad Development Board was created, was over and there was pressure from the local public as well as from the State Government to transfer this work to the local authorities and the State Government.

2.44. When asked about the delay in recovering the dues from the private parties, the Secretary, Department of Rehabilitation informed the Committee that Faridabad Development Board was neither a statutory board nor a local body. As such, they had no powers to recover and realise the arrears.

2.45. The Committee enquired about the prospects of recovering a sum of Rs. 60,000 from the societies which had gone into liquidation. The witness stated that there was very little prospect of recovering anything from them. They were pursuing the matter with partly good and partly not so effective results.

2.46. While giving details of outstanding against each party, the Chief Settlement Commissioner stated that in the case of the Cycle Company a sum of Rs. 1,71,000 was originally due to be recovered from them. In the beginning the concern was mismanaged but since the new management had taken over, they were doing well and paying their instalments at the rate of Rs. 2,000 per month. At present a sum of Rs. 76,000 was due from them. The concern was also planning to purchase Government property. The witness also informed the Committee that Government did not want to take drastic action against the defaulting concerns as the employees working there were mostly displaced persons. In case any of these concerns had been closed, the employees who were mostly displaced persons would have been thrown out of employment.

2.47. The Committee are constrained to note that a sum of Rs. 60,000 became irrecoverable due to liquidation of four co-operative societies. The Committee desire that Government should take appropriate steps to safeguard their financial interest in case these societies are found to hold any assets. The Committee also desire that clearance of outstanding recoveries from Government departments as well as from other private institutions should be expedited.

2.48. (ii) As at the end of November, 1966, the number of properties awaiting disposal was 166, comprising houses (132) earlier sold on instal-

ment basis but later resumed by Government for the failure of the allottees to pay the dues, residential flats (26) factory buildings (4), and industrial plots (4). The table below shows the arrears (November, 1966) in respect of the issue of conveyance deeds and execution of agreement for the properties sold to displaced persons, etc:—

Nature of transaction	Number of properties	Period of transaction	Remarks
(a) Properties (out of 3,006) sold on the basis of full payment where sale certificates have not been issued.	77	from 1965 onward.	44 cases are reported to be held up for want of recovery schedules.
(b) Properties (out of 2,584) sold on instalment/hire-purchase basis where conveyance deeds have not been issued, although full cost has been realised.	78	From 1965 onwards.	
(c) Properties (out of 2,935) sold on the basis mentioned in (b) above, where recoveries are to be effected in instalments but where agreements have not been entered into.	251 (includes 195 on hire-purchase)	1950-51	The form of agreement for sale on hire-purchase basis was finalised in 1961.

2.49. The Chief Settlement Commissioner, Department of Rehabilitation informed the Committee that out of 166 properties, only 19 properties were at present left for disposal. The details were as follows:—

Residential flats	11
Factory Buildings	4
Industrial Plots	4

He added that the flats were put to auction but no bids were received. They were taking action to dispose of the remaining properties also.

2.50. When the Committee enquired why people were not interested in these flats, the witness explained that originally these properties were given on rent. As per the policy of Government if these were occupied by the tenants they sold the ownership of the tenements i.e. without getting the premises vacated. People were not interested in owning such premises. They wanted vacant possession of the property. Government did not remove the tenants and tried to sell the ownership rights to the tenants themselves.

2.51. The witness also informed the Committee that when these properties were put to auction, some disturbances took place in Faridabad and the auction could not be continued. The Government had since introduced the tender system which was working well and they were hopeful to dispose of the remaining properties early.

2.52. The Committee note the progress made by the Department of Rehabilitation in disposing of the properties at Faridabad. They desire that the Department should review the efficacy of the tender system, which they have now introduced, so that the remaining properties are also disposed of as early as possible and the outstanding cases of conveyance deeds/agreements are cleared expeditiously.

Allotment of land to a Club—Para 45—Pages 64-65.

2.53. December, 1960, a citizen of Faridabad (also the President of the Faridabad Golf Club formed by the Faridabad Industries Association) approached the Ministry of Rehabilitation for allotment of land for a Golf Course in the area. A decision was thereupon taken by Government in August, 1961, to allot to the club a piece of land measuring 100 acres situated in the "Central Green" intended to be utilised for laying parks or such other recreational facilities for the residents of Faridabad Township; the cost of the "Green" has been included in the value of the plots and had been realised from the plot-holders. On this basis, orders of allotment were conveyed by the Ministry in September, 1961, on conditions which, *inter alia*, were:—

- (i) The club shall be a registered body, non-denominational character and open to all.
- (ii) The club shall develop at their own expense another area of about 15—20 acres as demarcated by Government in the vicinity of the Golf Course, into a children's park and maintain it in a proper condition without asking for any grant from Government for this purpose, the Children's park being open for admission to all free of charge.
- (iii) The club shall be required to pay a nominal ground rent of Rs. 400 per annum.

2.54. The Club was later registered as a limited company (with its registered office in Delhi) under the Indian Companies Act, 1956, formed by seven persons (four of whom were of Faridabad and the remaining three of New Delhi).

2.55. A regular deed of lease was executed with the Club in March, 1962, under which possession of 127.98 acres of land was made over to the

club (inclusive of 18.64 acres for the children's park), providing that, in the event of the club's failure to maintain the children's park properly, Government could undertake it at the expense of the club.

2.56. Allotment of land on payment of nominal rent was made with the concurrence of the Ministry of Finance on the ground that the Club authorities had undertaken to build a park for the use of local people at their own expense and that the 100 acres proposed to be allotted to the Club would become a well developed area which no one would otherwise set up. The consideration on which the land was allotted to the Club at a nominal rent of Rs. 400 in September, 1961, had not materialised till December, 1966.

2.57. Since a period of over four years had elapsed without the Club being able to put up a children's park, a notice was served on the Chairman of the Club on 2nd December, 1966, to show cause why the lease should not be determined and possession of the land resumed.

2.58. By the time, the matter came before the Public Accounts Committee, the Committee were informed that the position had changed as a children's park over an area of 10 acres had since been brought into existence by the Golf Club and the basis of the Audit Paragraph had to that extent abated.

2.59. At the instance of the Committee the Department of Rehabilitation have furnished a note giving the main features of the lease deed which are as under:—

- "The total area to be given on lease shall be 127.98 acres or thereabouts. The period of lease will be for 20 years with effect from 7.3.1962 renewable at the discretion of the Government for a further period of 20 years subject to the condition that the Government shall have the right to increase ground rent by 100 per cent on the expiry of the first period of the lease. The lease has been fixed at Rs. 400 per annum.
2. The Club shall not use or permit the premises or any part thereof to be used for any purpose other than laying of a golf course on about 109.34 acres of land and a children's park on the remaining area of 18.64 acres.
 3. The club shall develop and maintain at its own expense the area earmarked for the children's park with all the amenities to the satisfaction of the lesser. The lessee shall not ask for any grant from the Government. The lessee shall keep the park open for admission to all free of charge.
 4. The lessee shall not be entitled to any compensation for developing and maintaining the children's park. If the lessee fails to

maintain the park properly as required by the lessor, the lessor may at its option, determine the lease or take steps for the proper maintenance of the children's park and the lessee shall pay to the lessor on demand all the costs, charges and expenses which lessor may have incurred, for the purpose. If at any time it is observed that the Club is not maintaining the area properly or is not utilising it for the purpose for which it has been given or commits default in the payment of rent etc. the Government shall have the right to resume the land forthwith.

5. If the lessor requires the land for any other purpose, it will give 12 months notice to the lessee to vacate it and the lessee shall hand over the possession without any claim for compensation whatsoever."

260. In answer to a question, the Chief Settlement Commissioner stated during evidence that after the expiry of the present period of lease of 20 years it would be reviewed whether the lease should be renewed.

2.61. The Committee enquired about the conception of "Green" as understood by Government. The witness stated that an area marked as 'green' in the Master Plan should not be constructed upon. It did not necessarily mean that it should be open to the public. The underlying idea was that there should not be any crowded housing and intensive building activity on a large scale.

2.62. At the instance of the Committee the Department of Rehabilitation have furnished a note on 'Central Green' which states:

"The residential sectors in the Faridabad township have been laid around a piece of land measuring about 305 acres which is known as the "Central Green" and is the lung of the township. This area is to be utilised for laying parks and such other recreational facilities for the residents of the township and for institutional purposes. An area of about 50 acres has been utilised for hospitals, tubewells, schools, roads etc. which have been transferred free of cost to the State Government. The cost of the entire Central Green has been included in the value of the plots and realised from plot-holders.

As the Faridabad Development Board, which was administering the township, was not in a position to develop and maintain such a huge area as "green" and the trees and vegetation were being destroyed, this area was handed over to the then Government of Punjab for afforestation in the year 1957-58.

The State Government declared it as a protected area under the Indian Forests Act, 1927. The State Government however, did not take any action towards the afforestation of this area.

2. In December 1960, a proposal was received from the President of the Faridabad Industries Association (copy of the letter enclosed) for allotting them some land for setting up a golf club. It was felt that, as the area in the Central Green was not being properly maintained by the State Government, it should be got denotified or given to a body which could maintain it in a better way."

2.63. The Golf Club Faridabad have stated in a written note that:

"For setting up the Children's Park, which had to be located near the town, we requested the local Faridabad authorities to give us a water connection. This matter was followed up for several years and in spite of promises, no water connection was ever made available. The Children's Park could therefore, not be set up as the soil conditions were extremely sandy and dry. Without water the Park could not be laid.

However, to demarcate the area, a barbed wire fencing was laid out at heavy cost in order to keep out the various animals from spoiling the place as well as to stop the general public from using the Children's Park area as a lavatory. A Chowkidar was also kept to keep a watch and to help in protecting the place. In spite of these efforts, it is regretted that the entire barbed wire fencing along with the steel hoists were stolen away by hooligans who even threatened the Chowkidar whenever he tried to stop them. All efforts to obtain assistance from the local police authorities failed.

Having lost the barbed wire, the Club authorities set about to put up a brick wall in the hope that the same would be allowed to remain. Unfortunately, during the construction of the wall itself, not only were the bricks stolen, but the wall itself was constantly demolished by unruly elements which even the local authorities could not control. However, with great difficulty and at heavy expenses, the Club maintained a force of four Chowkidars who were constantly kept on duty day and night to complete the boundary wall. As water was not still available, the Club authorities at a cost of over Rs. 15,000, laid a special water connection to its own tubewell situated at a distance of over 2,000 ft., and brought water to

the Children's Park. The Children's Park has since been completed and it has been equipped with several slides, swings, sea-saws, benches and flower beds and lawns have been duly laid out. Even a covered shed has been put up for the protection of the children.

The whole area has been beautified by the planting of several hundreds of annual flowering plants, trees, shrubs etc.

The Park which was completed in the early part of this year was opened to the Children of Faridabad township and has been in constant use.

An amount of approximately Rs. 35,000 has been spent in the laying out of the Park and four Chowkidars at an expense of Rs. 300 p.m. have been permanently employed to ensure that the Park is not damaged by hooligans."

2.64. The Committee enquired during evidence from the representatives of the Department of Rehabilitation about the reasons for the delay in the development of the Children's Park by the Faridabad Golf Club. The Chief Settlement Commissioner, Department of Rehabilitation, stated that as the Club itself had to be developed, it naturally took them some time to develop the Children's Park. When Government found that Children's Park was not coming up, the Club were served with a notice on 5th March 1964 which was followed by reminders issued on 21-5-1964, 4-9-1965 and 10-11-1965. In the meantime, the Club authorities tried to keep the land green and put some structures there which were later on stolen. Though the Club had asked the Municipal Committee for water, it was not made available. Later the Club brought the water from their own tubewell from the Golf Club and developed a very fine Children's Park, a hockey ground, a football ground etc. at an expense of about Rs. 35,000.

2.65. In reply to a question, the witness informed the Committee that out of the total of 18 acres of land which were to be developed as Children's Park, 10 acres had been developed. Grounds for hockey and football had also been developed. He also stated that every citizen could make use of it as it was open to all.

2.66. The witness stated that, when a piece of land was to be kept "Green", its value should not be calculated in the same manner as for a site for a bungalow or a shop. To keep the land as a "Green" expenditure would be incurred without any income whatsoever. They had requested the Punjab Government to take interest in this matter and also the local Municipal Committee, but both had failed to take any necessary action in the matter. They themselves could not maintain it due to paucity of funds. In these circumstances, they considered this to be the best arrangement. In

support of the decision taken by Government, the witness stated : "If a land is kept vacant encroachments would normally be made." He added that in this way, they had been able to keep the land green and prevent encroachments and that too, without spending any money on it. The Secretary, Department of Rehabilitation also stated, "My understanding is that the concept of green has been implemented. This was, perhaps, the most practicable, the most economical way of achieving this objective."

2.67. When the Committee enquired about the justification of including the cost of this plot in the development cost, the witness stated that it was the general and well accepted principle, that whatever they had spent on the construction of the colony including the sites for roads, public parks and other conveniences, they had recovered from the displaced persons who had been allotted houses. The main object in adding this development cost in the price of plots was to develop the colonies on no-profit no-loss basis.

2.68. The Committee desired to be furnished with a note indicating at what level the decision to lease out the land to the Golf Club was taken in the Department of Rehabilitation and in the Ministry of Finance. The Department of Rehabilitation have furnished the following note in this connection:

"The decision to allot the land to the Country Golf Club, Faridabad, was taken in the erstwhile Ministry of Rehabilitation at Secretary's level, with the concurrence of the Ministry of Finance where the proposal was approved at the level of Joint Secretary."

2.69. The Committee find from the deed of lease entered into between the Golf Club, Faridabad, and the Government of India that no time limit was laid down for the development of the Children's Park. The Committee feel that a time limit for the development of Children's Park could well have been laid down in the deed itself.

2.70. The Committee note that the Club authorities have developed the Children's Park, a hockey ground and a football ground since the Audit Para was prepared. They agree that the objectives Government had in mind have thus been partially fulfilled. They hope that Government will take suitable steps to ensure that the Golf Club also develops the remaining eight acres of land earmarked for the Children's Park in accordance with the terms of the lease.

2.71. The Committee have no doubt that Government will ensure that all the conditions prescribed in the lease deed are carried out by the Club and that the Children's Park is well maintained by the Club.

2.72. The Committee would like Government to consider and review its general policy in regard to the maintenance of green belts in urban areas so that the most suitable method can be adopted for fulfilling the underlying objectives.

III

MINISTRY OF TOURISM AND CIVIL AVIATION

Delay in the installation of equipment—Para 51—Pages 70-71.

During January to June, 1962, the Director General, Civil Aviation imported equipment worth Rs. 3.89 lakhs for "instrument landing system" for Madras Airport. The equipment has not been installed so far (January, 1967).

3.2. It was noticed that, while the site for the construction of buildings for the installation of equipment and for the operation of the system, was selected in November, 1961 and approved in March, 1962 action to acquire the land from the Ministry of Defence was initiated only in November, 1963 after a lapse of nearly 20 months and the acquisition was completed in May, 1966, after a lapse of another 30 months.

3.3. The Ministry have stated (November, 1966) that action to acquire land from the Ministry of Defence could not be taken earlier than November, 1963, owing to the time taken by the Central Public Works Department in ascertaining the details of the land to be acquired, and in preparing the estimates, etc., and to a decision to extend the runway, which was taken in the meantime. Further, that in spite of the best efforts made with the Ministry of Defence, it took over two years to secure possession of lands, etc.

3.4. Explaining the reasons for the delay of 20 months in the installation of equipment by the Central Public Works Department, the Secretary of the Ministry of Tourism and Civil Aviation stated during evidence, that the main reason for the delay was that in 1962 a decision was taken to expand the runway to make it suitable for Boeing operation. The work of expansion of the runway took about a couple of years and was completed in 1963. The witness further stated that the middle marker, one of the components of the instrumental landing system, was a very sensitive instrument and the precise location could not be determined without a physical survey after the completion of the runway. A completed runway was not always 100 per cent level. So it was found necessary to have a further physical survey after the completion of the runway.

3.5. In reply to a question, the witness stated that the runway did not take a very long time because the sanction was given in 1962 and the

runway was completed in 1963. From 1963 onwards, it took another few months to complete the physical survey and to come to definite conclusions about the requirements. The next step, was to determine the exact plot numbers, revenue plot numbers, the areas etc. This work had to be done in consultation with the Ministry of Defence as the land belonged to them. This procedure took about a year. Then certain discrepancies were discovered and there was further correspondence between the Ministry of Tourism and Civil Aviation & C.P.W.D. and all that went upto 1965.

3.6. The Committee desired to know whether the Ministry of Tourism & Civil Aviation were satisfied that the time of 30 months, taken in the acquisition of land from the Defence Ministry was unavoidable. The witness stated that alongwith the project of instrument landing system in Madras, the Ministry had a number of other important projects at Calcutta, Bombay & Delhi airports to which higher priority at that time were being given. The witness added that, "All these works alongwith a number of less important works were in the hands of the Department, and preoccupation as well as even occasionally, as I notice from the earlier papers, reasons of economy made the Department at that time attach a lower priority to Madras."

3.7. In reply to a question, the witness stated that there was no delay in settling the differences between the Ministry of Defence and Ministry of Tourism & Civil Aviation. Time was however, spent in finding out exact plot numbers, the areas etc.

3.8. The Committee were further informed that the entire land did not belong to the Ministry of Defence. There was some land belonging to private parties, as well as State Government. There was correspondence with the Ministry of Defence about a particular plot of land which belonged to a private party. It took some time to finalise the matter. Meanwhile the requirements of the Department also changed, and consequently a larger plot of land was required. The requirement for a larger plot of land was indicated in detail in the middle of 1966.

3.9. In reply to question, whether there was lack of coordination between the two Ministries which had resulted in so much delay, the witness stated: "Some time could have been saved on that. I am afraid that these things take a bit longer than they should judging by perhaps other comparable cases, even one year is not too long, but personally I think that the period should have been shorter."

3.10. From the summary of correspondence exchanged between the Ministry of Tourism and Civil Aviation and Ministry of Defence, furnished to the Committee, it is noted that the Ministry of Tourism and Civil Avia-

tion first requested the Ministry of Defence in their communication dated 26-11-1963 that the local Defence Authorities be directed to handover the land and building to them. The Ministry of Tourism and Civil Aviation almost issued every month a reminder to the Ministry of Defence requesting them to expedite issue of orders for the transfer of land and the building.

3.11. The Committee also note that the Ministry of Defence after a lapse of ten months and issue of seven reminders by the Ministry of Tourism and Civil Aviation, informed the latter Ministry that their letter regarding transfer of land and building had been passed on to the officer concerned for necessary action.

3.12. The Ministry of Tourism and Civil Aviation in one of their letters to the Ministry of Defence pointing out the urgency for the finalisation of the case, stated as under:—

“The building was holding up the installation of a very essential navigational aid at Madras and we could ill afford to continue the situation without incurring the criticism of the International airlines and the International Civil Aviation Organisation and that we would also be failing in our obligation to ensure the safety of Civil Aircraft, if we did not provide this navigational aid soon enough. It was, therefore, requested that the Civil Aviation Department may be permitted to carry out the construction work of the Localiser building which was one of the components of the Navigational Aid on the land at the Masonic Lodge end of the runway.”

3.13. The Committee further note that as many as 22 communications during the period October, 1964 to May, 1966 had to be exchanged between the two Ministries for the finalisation of the case.

3.14. Giving the present position regarding the installation of the equipment the witness stated that the Ministry of Defence had now given all necessary clearances, and had issued instructions to the lower formations to allow the Ministry of Transport & Civil Aviation to go ahead with the work. The witness further stated that the work would be completed within six months.

3.15. The Committee enquired whether the delay in installation of the equipment precluded any claim against the suppliers for malfunctioning of the equipment, if noticed after the installation of the equipment. The representative of the Ministry of Tourism and Civil Aviation stated “This is a precision equipment. Nothing can go wrong.” He also added that the equipment had been checked and was being checked periodically and found in order.

3.16. The Director General Civil Aviation further stated that by buying the equipment earlier the Department of Civil Aviation had saved considerable money as the price of the equipment had since then gone up.

3.17. The Committee are distressed to note that the equipment which was imported between January and June, 1962, has not yet been installed even after a lapse of about six years. The Committee deprecate this gross delay. They are surprised to know that it took nearly 20 months to initiate action to acquire land on the selected site. The Ministry of Defence took a long time to release the land and the acquisition was completed in May, 1966, after a lapse of 30 months. The Committee feel that, when the Ministry of Tourism and Civil Aviation were of the view that "the building was holding up the installation of a very essential navigational aid at Madras, that they could ill afford to continue the situation without incurring the criticism of the International Civil Aviation Organisation" and that they "would also be failing in their obligation to ensure the safety of Civil aircraft," they should have taken up the issue of the release of land at the highest level from the beginning rather than enter into a protracted correspondence at a lower level. Such delays in inter-departmental dealings not only indicate lack of proper co-ordination and co-operation between the different Ministries of the Government of India but also a lack of appreciation on the part of one Ministry of the needs of others.

3.18. The Committee feel that in such cases in future, the assistance of the organisation recently set up in the Cabinet Secretariat to effect co-ordination between various Government agencies should be taken and delays in execution of such important projects strictly avoided.

3.19. There was also lack of co-ordination in the purchase of equipment and acquisition of land. The Committee feel that the Ministry of Tourism and Civil Aviation should have initiated action much earlier in regard to the selection and acquisition of land so that, by the time the machinery was received from abroad, it could have been installed without any loss of time. Keeping imported equipment idle like this not only blocks money and involves the risk of deterioration but also affects the schedule of installation and its commissioning and hampers the very object for which such equipment is imported by spending valuable foreign exchange.

Delay in construction and utilisation of a building—Para 52—Page 71.

3.20. With a view to provide facilities for the foreign and upper class Indian tourists, the construction of a canteen-cum-rest house at Ajanta was sanctioned in October, 1958 at an estimated cost of Rs. 2.84 lakhs (revised to Rs. 4.19 lakhs in March, 1965). The work was actually commenced in March, 1960 and was expected to be completed by January, 1961 but except for a very few minor items of work, the building was completed and handed over to the Tourist Department only in September, 1964.

3.21. The rest house was, however, not put to use by the Department for another 18 months between October, 1964 and March, 1966 as according to the Department there were constructional defects in the layout of the drainage and water pipes, sanitary fittings, plumbing, several incomplete and defective jobs in the building, in addition to inadequate water supply. No responsibility has been fixed so far for these defects (November, 1966).

3.22. In April, 1966 the building was leased to a private caterer but it is reported that as he has not been running the canteen-cum-rest house satisfactorily, a three months' notice has been served for premature termination of the lease on 20 September, 1966.

The case was reported to Government in November, 1966; their remarks are awaited (January, 1967).

Delay in Completion of work.

3.23. Explaining the delay of 4½ years in the construction of the rest house the Additional Chief Engineer, Central Public Works Department, giving further details of the case stated that the delay in the construction of the Canteen-cum-rest house for tourists at Ajanta was due to the remoteness of the area. He added that it was difficult to get a contractor to do the work.

3.24. An advertisement inviting tenders was issued in November, 1959, and tenders were received in December, 1959. The construction work was awarded to the lowest tenderer in March, 1960 after negotiations. The Committee enquired when the sanction was given for construction in November, 1958, why tenders were invited after a long time. The witness stated that the expenditure sanction was given in April, 1959. Even after the award of work, the site was not available for two months. The contractor left the work in the middle. Then tenders were called for the remaining work. The contractor who was then awarded the work also left the work because it was a difficult area. The witness disclosed that for the delay in the completion of the work the Department had penalised the contractor to the fullest possible extent.

Defects in construction.

3.25. The Committee enquired as to why the constructional defects could not be noticed by the CPWD while the construction was in progress. The Secretary to the Ministry stated that in addition to structural defects, there were some defects, which had developed later on. The Additional Chief Engineer, CPWD stated that the contractor did not complete the work and ran away, and the Department had withheld a sum of Rs. 20,000 which

was due to the contractor. The defects which developed later on were due to lack of maintenance for which the contractor had been taken to task. These defects were in the finish. Some of these defects had now been removed, while others were yet to be rectified.

3.26. Asked if there was no departmental supervision, the witness stated that an overseer was incharge of this work. The Assistant Engineer also used to visit the work once a month.

3.27. The Committee desired to know the reasons for the increase in the cost of the building from the original estimates of Rs. 2.84 lakhs to Rs. 4.19 lakhs. The Additional Chief Engineer, CPWD stated that in the original estimates certain items were not included. Some items were also added later at the instance of the Tourist Department. At the time of preparing original estimate, it was thought that power would be available from local resources but it did not materialise. It was, therefore, decided to have a separate power generator at a cost of Rs. 12,000. To solve the problem of water, a pump was provided at a cost of Rs. 5,000. A small weir was also built in the river at a cost of Rs. 26,000. This item was also not originally included in the estimate. Developing the level of the area in front of the Tourist Bungalow was another item taken up subsequently. The witness further stated that the rates in the meantime had also gone up and therefore the increase in the rate had also to be added in the cost of the building.

Shortage of water Supply.

3.28. The Committee were informed during evidence that the weir was built for very small water supply requirements, but later on it was found that the water supply was inadequate. In reply to a question the witness stated that the weir was a small wall. It was designed by the departmental Engineers. In their note the Ministry have stated that "The location of this weir had been fixed on the basis of the investigations regarding the velocity of water and the shifting of sand. The weir has been founded on fully rocky bed as such, the question of velocity and shifting of sand does not arise".

3.29. At the instance of the Committee, the Ministry of Tourism and Civil Aviation have also furnished a note indicating the action taken or proposed to be taken to ensure adequate water supply for the canteen-cum-rest house for the general tourists. It has also been stated in the note: "An 8-ft. high weir has been constructed on river Vaghaur for providing water supply to the canteen-cum-rest house at Ajanta. A pumping set along with two steel tanks of 1600 gallon capacity and a water filtration plant were also installed for supply of water to the canteen-cum-rest house.

Since water supply position continued to be unsatisfactory due to growing demand, the Maharashtra Government drew up a short-term and a long-term scheme for augmenting water supply at Ajanta." These schemes are as follows:—

(a) "*Short-term Scheme.*—It provides for the installation of 3 B.H.P. electric water pump for drawing water from the Kund at the foot of the caves and laying of 2" diameter pipes from the Kund to the two steel tanks for ensuring regular supply of water only to the rest house and the canteen. The work was carried out by the State Public Health Department. Preliminary estimates sent by the State Government for this work amounted to Rs. 17,900 for which sanction was issued in September 1966. However, the actual expenditure incurred on the scheme, as intimated by the State Government recently is Rs. 24,482/-. Due to a sudden downpour of rain in mid-June this year, the pump was washed down into the Kund and some of the pipes were also washed away. The State Government was requested to reinstal the pump and repair the damage done to the pipes which they have agreed to do."

(b) "*Long-term Scheme.*—It provides for the construction of 6 masonry weirs on river Vaghour for storage of river and rain water which will further augment and ensure regular water supply not only to the Canteen-cum-rest house but also to the small colony which will come up when the place is fully developed. An estimate amounting to Rs. 10.16 lakhs has been received from the Maharashtra Government. Sanction amounting to Rs. 1,97,057/- for the construction of the first weir has already been issued to the State Government which has called for tenders. The Government of Maharashtra has been requested to consult the Central Water and Power Research Centre at Khadakvasla before the construction of the masonry weirs is started."

"Simultaneously with the above, the National Geophysical Research Institute at Hyderabad, was requested to investigate the possibility of locating ground water at Ajanta. In their report received recently, they have stated 'the areas around the caves are very difficult for tapping groundwater in any considerable quantities for purposes of tourism. There seems to be no possible source of groundwater within a reasonable distance either. As the area gets an average rainfall of thirty inches, we had suggested that they should go ahead with plans for conserving all surface water in a

series of dams. Dams will not only add to the national beauty of the region, we feel the construction of these is the only way to solve the problem.' Their report thus confirms the decision already taken to construct a series of weirs on the river Vaghour for conserving river water for augmenting the water supply at Ajanta."

Non-utilisation of the Building

3.30. Asked why the building was located in the low valley, when other better sites inviting and attractive could be selected, the Director General, Tourism stated "I think in this we are responsible."

3.31. The Committee desired to know as to why the building remained unoccupied. The Director General, Tourism stated that the Department was trying to put the building into use. The Canteen portion was being utilised consistently. The portion that was not utilised related to the four residential rooms, as some of the basic facilities were not available. The witness stated that "The demand had come to be something like thousand per day whereas we had originally planned it for 50 for a month". He added "The increase in the number of tourists reflected tourist explosion as such and the anxiety of the Department to provide certain facilities for the large number of middle class people who are coming through."

3.32. In reply to a question the witness stated that according to the figures of turnover of the tourists, it was a profitable proposition to run the canteen-cum-rest house. The witness further stated that these tourist rest houses were meant for the domestic tourists as well as for the foreign tourists. He conceded that the tourist rest house was a little expensive for the middle class tourists.

3.33. As regards the running of the canteen, the witness stated that there was a contractor who was running the canteen. His performance was not satisfactory. A notice for the termination of his contract was given to the contractor which impelled him to show greater effort. The notice was not enforced. The witness also stated "We can enforce it the moment we can find another person." The work was awarded to the present contractor because he was prepared to bring water which was scarce from a distance of seven furlongs. The witness added that the rent of the canteen-cum-rest house was Rs. 10,000 per annum.

3.34. The Committee desired to know whether, in view of the large number of tourists visiting Ajanta, the Department had examined the possibility of running the canteen departmentally. The Director General, Tourism stated, "We will certainly take this up. What has happened is that we have handed over all these to the Indian Tourism Development Corporation. We will be jointly running it in a business-like manner. One of

the lessons we have learnt out of this experience is that we should try and find some more enterprising managerial arrangement. In the course of doing this, change of contractor will be one of the factors. Just at the moment we do not have anybody capable of doing this." He further stated that "In fact the Indian Tourism Development Corporation is thinking of asking the local hotel association to take over the responsibility. The problem is to find somebody professionally competent to run this."

3.35. The Committee are distressed to note that there was a delay of about four years in the construction and one and a half years in utilisation of the Canteen-cum-Rest House at Ajanta. They note that the initial delay was due to non-availability of land till April, 1960, while the sanction for the construction had been given in October, 1958. Further delay was due to difficulty in getting a suitable contractor to execute the construction work at the selected site and the lack of water supply for drinking and constructional purposes. The Committee feel that, if the Department had visualised these difficulties sufficiently beforehand, this abnormal delay in the completion and utilisation of the building could have been avoided.

3.36. The Committee are also left with the impression that there was a laxity in supervision in the construction of this building which needs to be investigated. Action should be taken against all those officials who are found to be at fault.

3.37. The Study Group of the Committee noticed during their visit to Ajanta that the Canteen-cum-Rest House had been located at a low site. The Committee consider that detailed investigations should have been made so as to select the best spot, preferably one having a good view of the monument for the location of the Rest House. The Committee also feel that before undertaking construction of a Rest House/Tourist Home at a place of national and international tourist interest like Ajanta, a careful study should be made about the requirements of tourists (both foreign and Indian) who would be making use of it. The facilities in a Rest House/Tourist Home should be provided in accordance with these requirements while keeping a sufficient margin for future expansion. The style of architecture should harmonise with the monuments and the surrounding area. Special care should be taken about sanitary arrangements. Drinking water facilities should be provided, special care being taken to see that the water is free from contamination. In general, the supply of water should be plentiful and assured.

3.38. The Committee also feel that what a tourist requires the most after a visit to a widely spread out monument like Ajanta is some space to stretch out and relax. It may be a good idea to provide for stretch-on chairs in a gallery commanding a good view.

3.39. The Committee would like the Department of Tourism to evolve suitable guidelines in the light of the above and the experience gained by them for location and construction of rest houses and tourist homes at places of national and international tourist interest.

3.40. The Committee would like the Department to improve the catering arrangements in the Canteen-cum-Rest House at Ajanta by taking the help of the Indian Tourism Development Corporation.

Alleged embezzlement—Para 53—Pages 71-72.

3.41. During the departmental inspection of the Tourist Office, Madras and the Tourist Bungalow, Madurai in 1964, serious irregularities in the maintenance of cash book and other records were noticed and the preliminary enquiry indicated defalcation of Government money to the extent of about Rs. 25,000 by the accountant of the Tourist Office and the manager of the Tourist Bungalow, Madurai. The matter was, however, reported to Audit in July, 1965. A special audit of the accounts conducted in November-December, 1965 disclosed irregularities, involving a sum of Rs. 30,330 during the period April, 1960 to June, 1965 as detailed below:—

	Tourist Office, Madras	Tourist Bungalow, Madurai	Total
	Rs.	Rs.	Rs.
Cash balance as per cash book as on 30 September, 1964, not found in the cash chest		6,695	6,695
Double drawal of catering charges payable to the steward of the Tourist Bungalow at Mahabalipuram	3,423	..	3,423
Double entries in the payment side of the cash book in respect of the same transaction	1,831	..	1,831
Collections and bills encashed not brought to account.	1,904	1,257	3,161
Entries for payment in the cash book not supported by vouchers, invoices, payees' acknowledgements, etc.	4,098	590	4,688
Amount misappropriated by issue of spurious bills (as disclosed by departmental investigation)	..	8,265	8,265
Short/non-collection of lodging charges	..	2,267	2,267

3.42. The irregularities were rendered possible by the failure to observe the prescribed rules/checks about handling of cash, maintenance of cash book, receipt of vouchers in support of the expenditure incurred out of the previous advances, etc., and by laxity in supervision.

3.43. Out of the total amount of Rs. 30,330, a sum of Rs. 13,731 was recovered by the Department up to May, 1965. The case is under investigation by the Special Police Establishment since July, 1965.

3.44. The Committee desired to know as to why no checks were made during 1960—65 when the embezzlement took place; the representative of Ministry stated that checks were certainly being exercised. This embezzlement which came to light in 1964 was reported to the Audit Department for a special audit.

3.45. The Committee asked whether at any time the cash was verified. The witness stated that there was continuous supervision. Cash verification was done at the relevant stages when the inspection took place.

3.46. In reply to a question, the witness stated that apart from Rs. 13,731 already recovered, no further amount had since been recovered. He further stated that the investigation stage was over and the case was before the court. The Officers of the Ministry had been to the court to give evidence. The two officers involved in this case, were an Accountant in the Tourist Office, Madras, and a Manager of the Tourist Bungalow, Madurai.

3.47. The Committee desired to know whether any responsibility had been fixed for the failure to observe the prescribed procedure as well as for laxity on the part of the supervising authorities which facilitated this embezzlement. The witness stated that the explanations of the two senior officers had been called for and were under consideration. He further added, "But, *prima facie* we feel that it might be difficult to pin any specific responsibility of failure of supervision on them. We have not taken any decision about action to be taken against them."

3.48. As regards the remedial measures taken to check the recurrence of such cases, the Director General, Tourism stated: "Now we have regular annual inspection of all the tourist offices. We are trying to put the running of these bungalows on a much more business-like and effective basis, so that we get lumpsum for the use of the facilities and the details of the management of these small amounts can be better conducted locally."

3.49. As the case is *sub-judice*, the Committee would not like to comment on it at this stage. They would, however, like to be informed in due

course of the result of the Court proceedings and of the disciplinary action taken against the officer(s) at fault.

3.50. The Committee understand that the Ministry of Tourism & Civil Aviation have taken some remedial measures to check such cases of embezzlement. They would like the Ministry to review the working of these measures and examine their adequacy and tighten up the present procedure, if found lacking, to avoid recurrence of such cases.

NEW DELHI;
The 20th March, 1968.
Phalguna 30, 1889(S).

M. R. MASANI,
Chairman,
Public Accounts Committee.

APPENDIX

Summary of main Conclusions, Recommendations

No	Para No.	Deptt. Ministry concerned	Conclusions/Recommendations
1	2	3	4
1	1.11	Home Affairs	The Committee note that copper clad cables worth Rs. 36.22 lakhs received as a gift imported in April, 1964, have not been used so far in the project initially envisaged due to reported financial stringency. The Committee hope that the Ministry of Home Affairs, in consultation with the Ministry of Finance, will be able to utilise these cables forthwith. In case it is not possible for the Ministry to utilise these cables, the Committee suggest that the same may be handed over to the Posts & Telegraphs Deptt. who have a ready use for them.
2	1.23	-do-	The Committee would like Government to make a critical review of the procedure for procurement of Supplies for the NEFA Administration without further delay so as to achieve maximum economy and efficiency.
	1.24	-do-	The Committee hope that the re-constituted Supply Board with its revised functions will play a more effective role and the system of procurement of supplies for the NEFA Administration will be placed on a sounder footing.

1	2	3	4
3	1.29	Home Affairs	<p>The Committee consider it unfortunate that despite the heavy requirements of vegetable ghee, the NEFA Administration did not initiate any action till January, 1967, to obtain supplies at the manufacturers' price either by direct negotiations with the manufacturers or through the intervention of the Ministry of Food and Agriculture. This lack of initiative on the part of the Administration resulted in an avoidable extra expenditure of Rs. 1.31 lakhs.</p>
	1.30	-do-	<p>The Committee hope that suitable arrangements will be made without further delay to procure in future vegetable ghee for the NEFA Administration at the manufacturers' price and thus effect a saving.</p>
4	1.39	-do-	<p>The Committee agree with the Ministry of Home Affairs that "there is really no good reason why the Supply Advisory Board should not have accepted the lowest rate of Rs. 88 per parachute for 15,000 parachutes. It seems that the desirability of procuring 15,000 parachutes from the lowest tenderer at Rs. 88 per parachute did not occur to the Board at all." As pointed out by Audit, this lapse on the part of the Supply Advisory Board has resulted in an avoidable expenditure of Rs. 30,000. The Committee hope that with the re-constitution of the Board and the issue of detailed instructions to them for processing tenders, such lapses will not recur. The Committee cannot too strongly emphasise that whenever it is proposed to accept tenders other than the lowest, detailed reasons should be recorded and that all such cases should be put up to the next higher authority for scrutiny and sanction.</p>

1 45

-do-

The Committee note that parachutes and other Supply Dropping Equipment valued at Rs. 28 lakhs are lying at outlying places. The Committee desire that an early decision may be taken to retrieve or otherwise dispose of the parachutes and other Supply Dropping Equipment from the outlying difficult locations so that the material does not deteriorate with the passing of time.

1 45

-do-

The Committee would also like Government to take an early decision about the disposal of 79,368 parachutes and other Supply Dropping Equipment valued at Rs. 51.19 lakhs which is stated to be under consideration of Government. According to the Air Force, 18 feet parachutes cannot be utilised effectively in air droppings as these are outmoded. The Committee would like Government to consider this matter further in detail in consultation with the Air Force authorities with a view to take an early decision about the standardisation of the sizes of parachutes required for air droppings for different commodities as well as taking into account the type of aircraft to be used so as to ensure maximum utilisation of parachutes.

1 47

-do-

The Committee find from the Ministry's note that during the period 1962-63 to 1965-66, the number of serviceable parachutes retrieved was 1,48,192 as against 1,56,426 parachutes purchased during the same period. The Committee desire that an enquiry may be conducted to find out:—

- (i) Whether losses of parachutes are comparable to similar losses in other sectors of the country, where airdropping operations are carried out.

1	2	3	4
			<p>(ii) How many serviceable retrieved parachutes have been pressed into service again and how far fresh purchases have been reduced due to the use of those parachutes.</p> <p>(iii) How the size of the parachutes was fixed at 18 ft. and to what extent the smaller size of the parachute is responsible for the heavy losses in air droppings.</p>
6	1 59	Home Affairs	<p>The Committee regret to note that the training-cum-production centres were opened in the Andaman & Nicobar Islands without proper assessment of the availability of raw materials, aptitude of the local people and avenues for employment of the people trained in the Centres. This resulted in an infructuous expenditure of Rs. 1.56 lakhs. They are unhappy to find that no periodical assessment of the scheme was undertaken, which was allowed to continue without much benefit for three to four years. The Committee feel that, if a periodical review had been made, some of the expenditure on the scheme which ultimately proved to be infructuous could have been saved.</p>
	1 60	-do-	<p>The Committee also desire that before launching such training schemes in future, it should be ensured that they are planned properly so that such cases of infructuous expenditure do not recur.</p>
7	1 63	-do-	<p>The Committee regret to note that the Budget estimates for the Indo-Tibetan Border Police Establishment were not prepared realistically</p>

581

keeping in view the actual requirements. They find that in this case the actual expenditure fell short of Budget estimates by 68 per cent. in 1963-64, 53 per cent. in 1964-65 and 47 per cent in 1965-66. While the Committee understand the difficulties faced in raising the Border Policy they cannot appreciate why year after year Budget provision was made grossly in excess of requirements. The Committee desire that the Border Police Establishment should prepare their Budget estimates more realistically, keeping in view their actual requirements and the likely availability of equipment and stores. The Committee expect Government to scrutinise the estimates of the Border Police Establishment more closely before including them in the Budget estimates.

8

1.69

-do-

The Committee are constrained to note that though initially it was decided to entrust the work to the Institute on a contractual basis during the period 1960 to 1964, Government were later forced to settle this claim on the basis of actual expenditure incurred and not upon the valuation of the work under any contractual arrangement. The Committee further note that the work in arrears as on 1st April, 1964 under the contract arrangement has now got added to the current work starting from 1st April, 1964 and the payment for the arrears is being reimbursed by Government by way of grant-in-aid. The Committee feel that this is not a healthy financial practice and desire that Government should take steps to ensure that the work done by the Institute is properly evaluated and the payments are accordingly made for the services actually rendered.

57

1	2	3	4
9	1.71	Home Affairs	<p>The Committee desire that early action should be taken on the Report of the Review Committee which was submitted to Government in December, 1966. In particular, the Committee would like to invite the attention of Government to para 10.9 of the Report of the Review Committee where they have made important recommendations regarding improving budgetary and financial control and audit arrangements in the Institute. The Committee would like to be informed of the action taken on the recommendations of the Review Committee contained in para 10.9 of their Report.</p>
10	2.6	Dept. of Rehabilitation	<p>The Committee note that out of 812 compensation applications pending on 31st March, 1966, 807 cases have already been finalised and efforts are being made to finalise the remaining 5 cases as early as possible. They further note that the Government have since decided not to entertain any fresh compensation applications and that only in rare cases where some public dues are recoverable from the claimants is condonation of the delay in filing such applications allowed. They hope that, as decided at the Regional Settlement Commissioners' conference held in October, 1967, the Department of Rehabilitation will strictly adhere to the maximum time limit of three months for finalising a fresh compensation case.</p>
11	2.13	-do-	<p>The Committee note that 6507 statements of account of the aggregate value of Rs. 0.90 crore were pending on 31st October, 1967.</p>

2 14 do

They would like to know the effect of the new system according to which the cash compensation was to be paid against any unutilised statement of account up to the value of Rs. 2,000. If a considerable number of pending statements of account are liquidated, as is expected, the Department of Rehabilitation may examine the question of raising this limit further, in consultation with the Ministry of Finance, so that all the pending statements of account are liquidated as early as possible.

12 2 6 do

The Committee note that Government have been able to bring down the figures of arrears of rent by Rs. 95 lakhs within a period of 18 months though a major part of this reduction is as a result of correction of demands and write-off of irrecoverable rents. The Committee hope that the Deptt. of Rehabilitation will take effective steps to recover the rent with a view to liquidate the balance at an early date.

2 27 do

The Committee would also like to know as to when the Department of Rehabilitation hope to complete all corrections in the demand registers regarding arrears of rent.

13 2 34 do

The Committee hope that Government will take necessary steps so that the acquired and Government-built properties are disposed of at an early date.

	2	3	4
14	2.37	Deptt. of Rehabilitation	<p>The Committee regret to note that Government have been able to recover a sum of Rs. 70 lakhs only out of Rs. 430 lakhs which was outstanding. They suggest that, in consultation with the State Governments concerned, vigorous efforts should be made to realise the outstanding dues of Rs. 360 lakhs and to ensure that the subsequent dues are not allowed to fall in arrears.</p>
15	2.47	do	<p>The Committee are constrained to note that a sum of Rs. 60,000 became irrecoverable due to liquidation of four co-operative societies. The Committee desire that Government should take appropriate steps to safeguard their financial interest in case these societies are found to hold any assets. The Committee also desire that clearance of outstanding recoveries from Government departments as well as from other private institutions should be expedited.</p>
16	2.52	do	<p>The Committee note the progress made by the Department of Rehabilitation in disposing of the properties at Faridabad. They desire that the Department should review the efficacy of the tender system, which they have now introduced, so that the remaining properties are also disposed of as early as possible and the outstanding cases of conveyance deeds/agreements are cleared expeditiously.</p>
17	2.69	do	<p>The Committee find from the deed of lease entered into between the Golf Club, Faridabad, and the Government of India that no time limit was laid down for the development of the Children's Park. The Committee feel that a time limit for the development of Children's Park could well have been laid down in the deed itself.</p>

2 70

-do-

The Committee note that the Club authorities have developed the Children's Park, a hockey ground and a football ground since the Audit Para was prepared. They agree that the objectives Government had in mind have thus been partially fulfilled. They hope that Government will take suitable steps to ensure that the Golf Club also develops the remaining eight acres of land earmarked for the Children's Park in accordance with the terms of the lease.

2 71

-do-

The Committee have no doubt that Government will ensure that all the conditions prescribed in the lease deed are carried out by the Club and that the Children's Park is well maintained by the Club.

2 72

-do-

The Committee would like Government to consider and review its general policy in regard to the maintenance of green belts in urban areas so that the most suitable method can be adopted for fulfilling the underlying objectives.

3 17

Tourism and
Civil Aviation

The Committee are distressed to note that the equipment which was imported between January and June, 1962, has not yet been installed even after a lapse of about six years. The Committee deprecate this gross delay. They are surprised to know that it took nearly 20 months to initiate action to acquire land on the selected site. The Ministry of Defence took a long time to release the land and the acquisition was completed in May, 1966, after a lapse of 30 months. The Committee feel that, when the Ministry of Tourism and Civil Aviation were of the view that "the building was holding up the installation of a very essential navigational aid at Madras, that they could ill afford to continue the situation without incurring the

criticism of the International Civil Aviation Organisation" and that they "would also be failing in their obligation to ensure the safety of Civil aircraft," they should have taken up the issue of the release of land at the highest level from the beginning rather than enter into a protracted correspondence at a lower level. Such delays in inter-departmental dealings not only indicate lack of proper co-ordination and co-operation between the different Ministries of the Government of India but also a lack of appreciation on the part of one Ministry of the needs of others.

3.18 Tourism and
Civil Aviation

The Committee feel that in such cases in future, the assistance of the organisation recently set up in the Cabinet Secretariat to effect co-ordination between various Government agencies should be taken and delays in execution of such important projects strictly avoided.

3.19 do

There was also lack of co-ordination in the purchase of equipment and acquisition of land. The Committee feel that the Ministry of Tourism and Civil Aviation should have initiated action much earlier in regard to the selection and requisition of land so that, by the time the machinery was received from abroad, it could have been installed without any loss of time. Keeping imported equipment idle like this not only blocks money and involves the risk of deterioration but also affects the schedule of installation and its commissioning and hampers the very object for which such equipment is imported by spending valuable foreign exchange.

The Committee are distressed to note that there was a delay of about four years in the construction and one and a half years in utilisation

of the Canteen-cum-Rest House at Ajanta. They note that the initial delay was due to non-availability of land till April, 1960, while the sanction for the construction had been given in October, 1958. Further delay was due to difficulty in getting a suitable contractor to execute the construction work at the selected site and the lack of water supply for drinking and constructional purposes. The Committee feel that, if the Department had visualised these difficulties sufficiently beforehand, this abnormal delay in the completion and utilisation of the building could have been avoided.

3-36

do

The Committee are also left with the impression that there was a laxity in supervision in the construction of this building which needs to be investigated. Action should be taken against all those officials who are found at fault.

3-37

do

The Study Group of the Committee noticed during their visit to Ajanta that the Canteen-cum-Rest House had been located at a low site. The Committee consider that detailed investigations should have been made so as to select the best spot, preferably one having a good view of the monument for the location of the Rest House. The Committee also feel that before undertaking construction of a Rest House/Tourist Home at a place of national and international tourist interest like Ajanta, a careful study should be made about the requirements of tourists (both foreign and Indian) who would be making use of it. The facilities in a Rest House/Tourist Home should be provided in accordance with these requirements while keeping a sufficient margin for future expansion. The style of architecture should harmonise with the monuments and the surrounding area. Special

care should be taken about sanitary arrangements. Drinking water facilities should be provided, special care being taken to see that the water is free from contamination. In general, the supply of water should be plentiful and assured.

3.38 Tourism and
Civil Aviation

The Committee also feel that what a tourist requires the most after a visit to a widely spread out monument like Ajanta is some space to stretch out and relax. It may be a good idea to provide for stretch-on chairs in a gallery commanding a good view.

3.39 do

The Committee would like the Department of Tourism to evolve suitable guidelines in the light of the above and the experience gained by them for location and construction of rest houses and tourist homes at places of national and international tourist interest.

3.40 do

The Committee would like the Department to improve the catering arrangements in the Canteen-cum-Rest House at Ajanta by taking the help of the Indian Tourism Development Corporation.

3.41 do

As the case is *sub-judice*, the Committee would not like to comment on it at this stage. They would, however, like to be informed in due course of the result of the Court proceedings and of the disciplinary action taken against the officer(s) at fault.

The Committee understand that the Ministry of Tourism & Civil Aviation have taken some remedial measures to check such cases of embezzlement. They would, like the Ministry to review the working of these measures and examine their adequacy and tighten up the present procedure, if found lacking, to avoid recurrence of such cases.

Sl. No.	Name of Agent	Agency No.	Sl. No.	Name of Agent	Agency No.
27.	Bahree Brothers, 188, Lajpatrai Market, Delhi-6.	27	33.	Bookwell, 4, Sant Narakari Colony, Kingsway Camp, Delhi-9.	96
28.	Jayana Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi.	66		MANIPUR	
29.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi-1.	68	34.	Shri N. Chandra Singh, New Agent, Ramia Gubi High School Annex, Imphal.	77
30.	People's Publishing House, Rani Jhansi Road, New Delhi.	76		AGENTS IN FOREIGN COUNTRIES	
31.	The United Book Agency, 48, Amrit Kaur Market, Puh: Gani, New Delhi.	88	35.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON, W.C.—2	
32.	Hind book House, 82, Janpath, New Delhi.	95			

© 1968 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED BY THE GENERAL MANAGER
GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI
