

**PUBLIC ACCOUNTS COMMITTEE  
1962-63**

**FIFTH REPORT  
(THIRD LOK SABHA)**

[Audit Report on the Accounts of the Damodar Valley Corporation for the year 1960-61].

**PART I—REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 1962/Agrahayana, 1884 (Saka)*

*Price : Re. 0.70 nP.*

**LIST OF AUTHORISED AGENTS OF LOK SABHA  
SECRETARIAT**

- |                                                                                                                                 |                                                                                    |                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>ANDHRA PRADESH</b>                                                                                                           |                                                                                    |                                                                             |
| 1. G. R. Lakshminpathy Chetty & Sons, General Merchants & News Agents, Newpet, Chandragiri, Chittoor District (Andhra Pradesh). | 15. Deccan Book Stall, Fergusson, College Road, Poona-4.                           | 28. Goel Traders, 100-C, New Mandi, Muzaffarnagar.                          |
| <b>BIHAR</b>                                                                                                                    | <b>MYSORE</b>                                                                      | <b>WEST BENGAL</b>                                                          |
| 2. 'Jagriti', Bhagalpur-2.                                                                                                      | 17. Makkalapustaka Press, Balamandira, Gandhi Nagar, Bangalore-9.                  | 30. M.C. Sarkar & Sons (P) Ltd., 14, Bankim Chatterjee Street, Calcutta-12. |
| <b>GUJARAT</b>                                                                                                                  | 18. People's Book House, Opp. Jaganmohan Palace, Mysore-1.                         | 31. W. Newman & Company Ltd., 3, Old Court House Street, Calcutta.          |
| 3. Lok Milap, District Court Road, Bhavnagar.                                                                                   | 19. Pervaje's Book House, Koppikar Road, Hubli.                                    | 32. Thacker Spink & Company (1933)(P) Ltd., 3, Esplanade East, Calcutta-1.  |
| 4. The New Order Book Company, Ellis Bridge, Ahmedabad-6.                                                                       | <b>ORISSA</b>                                                                      | 33. Firma K.L. Mukhopadhyay, 6/1A, Ban-chharam Akur Lane, Calcutta-12.      |
| <b>MADHYA PRADESH</b>                                                                                                           | 20. The Cuttack Law Times Office, Cuttack-2.                                       | <b>DELHI</b>                                                                |
| 5. The National Law House, near Indore Library, Opp. Old High Court Building, Indore.                                           | 21. Ekamra Vidyabhaban, Eastern Tower Room No. 3, Bhuvaneshwar-3. Oris.            | 34. Jain Book Agency, Connaught Place, New Delhi.                           |
| 6. Modern Book House, 286, Jawahar Ganj, Jabalpur-1.                                                                            | <b>PUNJAB</b>                                                                      | 35. M/S. Sat Narain & Sons, 3141, Mohd. Ali Bazar Mori Gate, Delhi.         |
| <b>MADRAS</b>                                                                                                                   | 22. The English Book Depot, 78, Jhoke Road, Ferozepore Cant.                       | 36. Atma Ram & Sons, Kashmir Gate, Delhi-6.                                 |
| 7. The Kalpana Publishers, Booksellers, Trichinopoly-3.                                                                         | <b>RAJASTHAN</b>                                                                   | 37. J. M. Jaina & Brothers, Mori Gate, Delhi-6.                             |
| <b>MAHARASHTRA</b>                                                                                                              | 23. Information Centre, Government of Rajasthan, Tripolia, Jaipur City, Rajasthan. | 38. The Central News Agency, 23/90, Connaught Circus, New Delhi.            |
| 8. The Imperial Book Depot., 266, Mahatma Gandhi Road, Poona.                                                                   | 24. K. M. Agarwal & Sons, Railway Book Stall, Udaipur.                             | 39. The English Book Stall, 7-L, Connaught Circus, New Delhi.               |
| 9. The Popular Book Depot (Registered), Lamington Road, Bombay-7.                                                               | <b>UTTAR PRADESH</b>                                                               | 40. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.                  |
| 10. The International Book House, Private Ltd., 9, Ash Lane, Mahatma Gandhi Road, Bombay-1.                                     | 25. Swastik Industrial works, 59, Holi Street, Meerut City (U.P.)                  | 41. Lakshmi Book Stores, 42, M.M. Janpath, New Delhi.                       |
| 11. The International Book Service, Deccan Gymkhana, Poona-4.                                                                   | 26. A.H. Wheeler & Company, Private Ltd., 15, Englin Road, Allahabad.              | 42. Kitab Mahal (W.D. Private Ltd., 28, Faiz Bazar, Delhi.                  |
| 12. Charles Lambert & Company, 101, Mahatma Gandhi Road, Opposite Clock Tower, Fort, Bombay.                                    | 27. Law Book Company, Sardar Patel Marg, Allahabad.                                |                                                                             |
| 13. The Good Companions, Rasputra, Baroda.                                                                                      |                                                                                    |                                                                             |
| 14. The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-1.                                                     |                                                                                    |                                                                             |

## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (1962-63) . . . . .	ii
INTRODUCTION . . . . .	iii
Chapter I—General Financial Review of the Expenditure on the Project during the year 1960-61 . . . . .	I
Chapter II—Irrigation, Navigation and Power . . . . .	8
Chapter III—Financial Irregularities and Losses . . . . .	13
Chapter IV—Maintenance of Accounts . . . . .	20
Chapter V—Outstanding Recommendations . . . . .	25
Chapter VI—General . . . . .	28
 APPENDIX	
Summary of main conclusions/recommendations . . . . .	30

CORRIGENDA

to

FIFTH REPORT OF PUBLIC ACCOUNTS COMMITTEE  
(THIRD LOK SABHA)

<u>Page</u>	<u>Para</u>	<u>Line</u>	<u>for</u>	<u>read</u>
iii	2	2	Appendix I	Appendix
1	1	4	navigation	navigation
5		13	17:73	17.73
10		6	responsibility	responsibility
13	1c	26	period of	period
17	16	3	Rs. 2:65 lakhs	Rs. 2.65 lakhs
28	heading of para			
	29		diciplinary	disciplinary
30	2	10	Committees	Committee
31	4	last	final se	finalise
36		5	con ider	consider
37	22	14	outsandings	outstandings
	25	4	para 20-21	paras 20-21

- : 0 : - : 0 : - : 0 : -

**PUBLIC ACCOUNTS COMMITTEE**

(1962-63)

**CHAIRMAN**

Shri Mahavir Tyagi

**MEMBERS**

2. Shri S. C. Balakrishnan
3. Shri Bhakt Darshan
4. Shri Gajraj Singh Rao
5. Shri Hem Raj
6. Shri Jaipal Singh
7. Sardar Kapur Singh
8. Shri R. K. Khadilkar
9. Shrimati Maimoona Sultan
10. Dr. P. Mandal
11. Dr. G. S. Melkote
12. Shri Mathura Prasad Mishra
13. Shri Mohan Swarup
14. Shri Ravi Narayan Reddi
15. Shri Prakash Vir Shastri
16. Shrimati K. Bharathi
17. Shri Nawab Singh Chauhan
18. Shri Dahyabhai V. Patel
19. Shri Sonusing Dhansing Patil
20. Shri Lalji Pendse
21. Shri Rajeshwar Prasad Narain Sinha
22. Shri Jai Narain Vyas

**SECRETARIAT**

Shri H. N. Trivedi—*Deputy Secretary.*

## INTRODUCTION

As authorised by the Public Accounts Committee, I do hereby present this Fifth Report on the Audit Report on the Accounts of the Damodar Valley Corporation for the year 1960-61, which was laid on the Table of the House on the 7th August, 1962. This Report was considered and approved by the Committee at their sitting held on the 12th December, 1962. A brief record of the proceedings of the sittings of the Committee also forms part of this Report (Part II).\*

2. A statement showing the summary of the principal conclusions/recommendations of the Committee is given in Appendix I. For facility of reference, these have been printed in thick type in the body of the Report.

3. The Committee also considered the Statement showing action-taken or proposed to be taken, pursuant to the recommendations of the Committee made in their earlier Reports relating to D.V.C. Accounts. This Statement with Committee's comments thereon also forms part of the Report. (Part III) \*

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

They would also like to express their thanks to the officers of the Ministry of Irrigation and Power and the Damodar Valley Corporation for the cooperation extended by them in giving information to the Committee during the course of evidence.

NEW DELHI;  
The 12th December, 1962.  
Agrahayana 21, 1884 (Saka).

MAHAVIR TYAGI,  
Chairman,  
Public Accounts Committee.

---

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

**I**

**GENERAL FINANCIAL REVIEW OF THE EXPENDITURE ON THE PROJECT DURING THE YEAR 1960-61**

The Damodar Valley Scheme, a multi-purpose project for the unified development of Damodar River Valley aims at (1) Flood Control; (2) Irrigation; (3) Generation and transmission of electricity; (4) Promotion of all-the-year round navigation; (5) Promotion of afforestation and control of soil erosion in the Damodar Valley; and (6) the promotion of public health, agricultural, industrial, economic and general well-being of the people in the Damodar Valley and its area of operation.

Pursuant to these objectives, a phased programme was worked out. The first phase programme comprises: (i) four dams at Tilaiya, Konar, Maithon and Panchet Hill with a Hydro-electric station attached to each (except in the case of Konar where the construction of the station has been deferred on financial grounds); (ii) a thermal power station at Bokaro with 200,000 K.W. ultimate capacity, (iii) a grid covering over 800 miles of transmission lines and a number of substations and receiving stations; and (iv) an irrigation barrage at Durgapur with 1,550 miles of irrigation-cum-navigation channels.

The total expenditure chargeable to these Projects undertaken by the Corporation is allocated among the three main objects, viz., Power, Irrigation, Flood Control, and Subsidiary objects. The total amount of capital is provided by the three Participating Governments, viz., the Central Government and the State Governments of Bihar and West Bengal in the manner envisaged in Sections 30-36 of the D.V.C. Act, 1948. The Corporation have to pay interest at such rate as may, from time to time, be fixed by the Central Government. For a period not exceeding 15 years from the date of the establishment of the Corporation (i.e., from 1948 to 1963), the interest charges are to be capitalised.

The following amounts were provided by the three Participating Governments, as capital required for the projects undertaken by the Damodar Valley Corporation.

(Figures in Crores of rupees)

	During 1960-61	Cumulative total to the end of 1960-61
Government of India	0.99	36.67
West Bengal	2.60	81.62
Bihar	1.13	29.36
<b>TOTAL</b>	<b>4.72</b>	<b>147.65</b>

The capital expenditure on the various objects, viz., Power, Irrigation, Flood Control and Subsidiary Objects is shown below:—

(Figures in Crores of rupees)

	During 1960-61	Cumulative total to the end of 1960-61
<b>POWER:</b>		
Gross Expenditure	11.00	106.65
Less receipts by sale of Power	(—) 7.83	(—) 27.46
Net	3.17	79.19
<b>IRRIGATION:</b>		
Gross Expenditure	1.64	41.12
Less receipts by sale of water	(—) 0.10	(—) 0.15
Net	1.54	40.97
<b>FLOOD CONTROL:</b>	0.39	18.75
<b>SUBSIDIARY OBJECTS:</b>	0.78	7.67
<b>TOTAL</b>	<b>5.88</b>	<b>146.58</b>

*Allocation of Expenditure under Sections 32, 33 and 34 of the D.V.C. Act—Pages 77—79, para 2.*

(a) *Allocation under Section 32:*

The expenditure booked under the head 'Subsidiary Objects' upto the end of 1960-61 amounted to Rs. 7.67 crores. According to Section 32 of the D.V.C. Act, expenditure on these objects is to be treated as common expenditure payable out of the funds of the Corporation before allocations are made among the Participating Governments. The question of allocation was referred to the Attorney-General who gave the opinion that the expenditure should be shared equally by the Participating Governments. While the Governments of India and Bihar accepted the opinion of the Attorney-General, the Government of West Bengal stated in March, 1961, that they would not agree to bear any share of the expenditure in question incurred by the Corporation for purposes other than Irrigation, Power and Flood Control.

During the course of evidence, the Committee were informed that according to the view held by the Government of West Bengal, the expenditure incurred by the Corporation on objects other than



Irrigation, Power and Flood Control should be met by the Corporation from its own resources, and not allocated among the Participating Governments. The West Bengal Government, in this connection, referred to Section 42 of the D.V.C. Act which authorised the Corporation, subject to the approval of the Central Government, to borrow money in the open market or otherwise for the purpose of carrying out its functions under the Act.

As regards the latest position, it was stated that a retired Chief Justice of the Madras High Court had been appointed as arbitrator in this case. The Corporation had filed its 'statement of the case' on the 5th July, the Bihar Government on the 7th July and the West Bengal Government on the 10th August, 1962. The hearing, which was scheduled to commence on the 1st September, 1962, had, at the instance of the West Bengal Government, been postponed.

In a note furnished to Study Group 'A' of the Committee who visited the D.V.C. Headquarters on the 5th November, 1962, it has been stated that the matter was heard last on the 4th November, 1962, and the regular hearing of the case would commence from 17th December, 1962. In case adjournment is necessary, the next hearing will be in February, 1963.

*(b) Allocations under Section 33:*

According to Section 33(2) of the D.V.C. Act, expenditure which cannot be solely attributed to any of the three main objects, namely, Irrigation, Power and Flood Control and is common to two or more of them, has to be allocated to each object in proportion to the expenditure which, according to the Corporation's estimates, would have been incurred in constructing a separate structure solely for that object. The total expenditure common to more than one of the three main objects to the end of 1960-61 amounted to Rs. 53.09 crores.

The allocation, on this basis, of the cost of the dams at Tilaiya, Konar, Maithon and Panchet which serve more than one of the three main objects, was finalised and adjusted by the Corporation in the Accounts for 1958-59. The Government of West Bengal did not, however, accept the allocation, and suggested arbitration under Section 49 of the Act.

During the evidence, the Committee were informed that an ex-Judge of the Supreme Court had since been appointed an arbitrator under Section 49 of the D.V.C. Act. The Arbitrator had originally called upon the parties to file their 'Statements of Case' by the 31st July, 1962. At the instance of the D.V.C. and the West Bengal Government, this date had been extended to the 1st September, 1962.

In a note furnished to Study Group 'A' of the Committee who visited the D.V.C. Headquarters in November, 1962, it has been stated that the different parties had since filed their statements. The matter was heard last at Madras on 4-11-1962. The hearing of the case is due to commence from 7th January, 1963. In case adjournment is considered necessary the next hearing will be in March, 1963.

(c) *Allocation under Section 34:*

Under Section 34 of the D.V.C. Act, the total amount of capital allocated to Irrigation has to be shared between the West Bengal and Bihar Governments, as follows:—

- (i) The Government concerned shall be responsible for the capital cost of works constructed exclusively for Irrigation in its State.
- (ii) The balance of capital cost under 'Irrigation', for both the States, has to be shared by the two Governments in proportion to their guaranteed annual off-takes of water for agricultural purposes with the proviso that the divisible capital cost would provisionally be shared in accordance with the previously declared intentions regarding their respective guaranteed off-takes, and, any payment made on this basis would be subsequently adjusted after determining the guaranteed off-takes.

The Governments of Bihar and West Bengal advised the Corporation in March, 1957, and January, 1957, respectively, that the annual guaranteed off-takes of water for agricultural purposes would be as follows:—

Bihar	..	13,537 acre ft.
West Bengal	..	12,20,000 acre ft.

But no adjustment of expenditure was made on this basis. In January, 1959, consequent on the re-allocation of the cost of dams under section 33 of the Act, the Corporation requested the State Governments of Bihar and West Bengal to review their guaranteed off-takes for agricultural purposes. In April, 1961, the Government of West Bengal intimated that they did not propose to calculate the final guaranteed off-take of water for agricultural purposes for the following reasons:—

- (i) As the principle of allocation of cost of dams among the main objects was to be referred to arbitration any attempt to allocate cost of irrigation between the two States at this stage would be premature.

- (ii) **The ultimate irrigable command was still to be determined.**
- (iii) **The prospect of rabi irrigation by Damodar Valley Corporation was very uncertain.**

In June, 1961, the Government of Bihar intimated that they would not require any water for irrigation from any of the reservoirs of Damodar Valley Corporation and that the irrigation expenditure debited to them so far should be readjusted on that basis.

While agreeing with this contention, the General Manager, Damodar Valley Corporation decided, in August, 1961, to postpone the readjustment of irrigation expenditure pending the award of the arbitrator on the question of allocation of the cost of the dams.

The amount of the expenditure on Irrigation thus awaiting adjustment was Rs. 17.73 crores upto the end of 1960-61 according to the Corporation and this amount itself had not been accepted by the State Governments, pending allocation under Section 33.

The Committee regret to observe that though the imperative need for the expeditious settlement of the questions of allocation under Sections 32—34 of the D.V.C. Act has been emphasised by the successive Public Accounts Committees in the past, no settlement could be reached because of divergent views on the matter. As the Project has already entered upon the final phase of its execution, and the Revenue Accounts of the Project are due to be opened from 1963-64 for evaluation of its financial working, the Committee urge that the arbitration proceedings should be speeded up. The Committee also trust that, after the arbitrator has given award on the question of allocation under Section 33, immediate steps will be taken to resolve differences on the question of allocation under Section 34.

*Non-recovery of irrigation dues from the West Bengal Government—  
Foot-note to the Balance Sheet of the D.V.C. (as on 31st March, 1961), page 49.*

2. A sum of Rs. 1.68 crores was outstanding against the Government of West Bengal for water rates for the period 1954—1960, of which post-1958 claims amounting to Rs. 1.42 crores had been disputed by the Government of West Bengal on legal grounds. Pre-1958 claims amounting to Rs. 26 lakhs had also been questioned on other grounds.

During the course of evidence, the General Manager, D.V.C., stated that the Corporation had fixed rates for the bulk supply of water under the D.V.C. Act, and issued bills to the West Bengal Government on the basis of these rates. Later on, in 1958, the West Bengal

Legislature passed an Act in terms of which, out of the total amount realised by the West Bengal Government from the cultivators on account of water rates, deductions would be made on account of collection charges, etc. and the balance shared between the D.V.C. and the West Bengal Government on a basis to be agreed upon. The West Bengal Government held the view that the State Act would over-ride the provisions of the D.V.C. Act. The matter was referred to the Attorney-General who, while generally feeling that the State Act was *ultra vires*, stated that the position was not altogether free from doubt.

As regards the pre-1958 bills, the witness stated that there was a difference of opinion between the Corporation and the West Bengal Government as to the acreage served by the D.V.C. water. As the test notes of the irrigated area had been prepared by the West Bengal Government officials, the Corporation was now agreeable to accept payment from the State Government on the basis of the latter's records.

Explaining the stand taken by the West Bengal Government in the matter, the representative of that Government on the Corporation stated that the State Government were not agreeable to the rate of Rs. 10 per acre, fixed by the Corporation, from the very beginning. That Government proposed that, in consonance with the recommendations of the Taxation Enquiry Commission and the Irrigation Seminar, the irrigation rates for the first few years should be lower and gradually increased to reach the maximum (Rs. 10). Calculated on this basis, the amount payable by the West Bengal Government worked out to Rs. 85 lakhs only. Asked as to why the State Government did not pay Rs. 85 lakhs to the Corporation, pending the settlement of the dispute between them and the Corporation, the witness stated that the liability for this amount had been admitted by the State Government although it had not actually been paid.

The Committee are glad to learn that differences between the Corporation and the State Government in respect of pre-1958 bills have been narrowed down, and the matter is now nearer solution. As regards the post-1958 bills, they, however, regret to observe that the stalemate between the Corporation and the State Government still continues. The Committee would, once again, emphasise that whatever the constitutional position, a satisfactory solution to the question can be arrived at only on practical considerations. The Committee desire the Corporation to examine the feasibility of accepting the payment of Rs. 85 lakhs from the West Bengal Government on a provisional basis, pending final settlement in the matter.

**They would also desire the Central Government to evince greater interest in the matter and help the parties reach an agreement, as undue delay in the realisation of irrigation revenue cannot but seriously jeopardise the financial interests of the Corporation.**

## II

### IRRIGATION, NAVIGATION & POWER

*Utilisation of irrigation potential—page 6 of Annual Report, 1960-61.*

3. According to departmental reports, 6,39,235 acres were irrigated during the Kharif season against the irrigation potential of 9,19,000 acres. The entire potential created at the outlet heads could not be utilised because of lack of village channels and appurtenant works the construction of which was the responsibility of the State Government concerned and also unauthorised cutting of bunds etc., by the public due to which smooth operation of the canals was not possible.

The target of Rabi irrigation was fixed at 40 thousand acres, but, according to the Engineers of the Corporation, only about 15,576 acres received such irrigation.

The matter was considered by the Public Accounts Committee (1961-62) who desired that high priority should be assigned to the construction of field channels in the Third Five Year Plan.

During the course of evidence, the Committee were informed that under the Third Five Year Plan, Rs. 325 lakhs had been provided for the construction of field channels and Rs. 250 lakhs for the construction of water courses (i.e., channels bringing water upto a block of 150 acres). These courses would be constructed by the Corporation. The construction of field channels would be the responsibility of the State Government. A sum of Rs. 32 lakhs had been sanctioned by the Corporation for the construction of water courses during the current year, and a special designs organisation with a Superintending Engineer, as its incharge, had been set up for the purpose. The entire irrigation potential was expected to be utilised by the end of the Third Five Year Plan. In reply to a question, it was stated that due to scanty rainfall in the D.V.C. canal area this season, great shortage of water for irrigation was felt.

During the course of their visit to the D.V.C. Headquarters on the 5th November, 1962, the Study Group 'A' of the Public Accounts Committee were given to understand that there had not been any substantial improvement in the utilisation of the D.V.C.'s irrigation potential during 1961-62.

**The Committee feel greatly concerned at the continued shortfall in the utilisation of the D.V.C.'s irrigation potential during both the Kharif and Rabi seasons. It is unfortunate that while the shortage of water for irrigation was keenly felt in the lower valley, nearly 30% of the D.V.C.'s irrigation potential intended for the purpose could not be utilised due to lack of proper planning. Such shortfalls, the Committee would like to point out, not only jeopardise the financial interests of the Corporation, but also undermine one of the avowed objects of the setting up of the Corporation. In view of the imperative need for raising the agricultural production of the area to the maximum, the Committee desire that not only the pace of excavation of field channels and water courses should be accelerated but also all other measures for the fuller utilisation of the created irrigation capacity be taken without any further delay.**

*Irrigation-cum-Navigation Canal—pp. 6-7 of Annual Report, 1960-61 and paras 20-27 of 39th Report of P.A.C. (1961-62).*

4. An Irrigation-cum-Navigation canal, 85 miles long, was constructed by the Corporation in June, 1959, at a cost of about Rs. 4 crores, the last 35 miles of the canal being intended mainly for navigational use. In June, 1958, an annual revenue of Rs. 33 lakhs was estimated from the navigation canal. The Navigational Canal was scheduled to go into operation from 1st July, 1959, but in September, 1959, a bridge-cum-regulator, constructed in July, 1958, at a cost of Rs. 2.3 lakhs, collapsed, rendering the canal unfit for use. The P.A.C. (1961-62) who considered the case were informed that no responsibility could be fixed as the cause of this collapse of structure had not been finally established. In a statement furnished by the Ministry of Irrigation & Power (Part III, S. No. 20)\*, it has been stated that views expressed by the Chief Engineer of the Corporation are at variance with the views expressed by the then Member (Designs and Research) of the Central Water & Power Commission which have now received support from the tests conducted at the Poona Research Station. The matter was considered by the Corporation who decided that, in view of the difference in technical opinions, the matter might be referred to a Committee of Engineer representatives from the C.W.P.C., West Bengal Government and the Corporation for further study and advice in regard to the causes of failure of the regulator. The same Committee would also recommend remedial measures, if any, after inspection of other structures of similar design on the canal.

From the evidence tendered before the P.A.C. (1961-62), the Committee observe that the same artesian well-like phenomenon, which had occurred in the case of the structure which had collapsed, had been noticed at some other points also in the canal system (vide

---

\*Not Printed.

para 28 of 39th Report, 1961-62). The Committee, therefore, trust that the Technical Committee of Engineers will finalise their findings at an early date so that remedial measures, if necessary, may be applied to other structures of this design, well in time. The Committee further trust that, after the cause of collapse of the structure is finally established, the question of fixing responsibility will also be examined by the Corporation.

5. After the collapse of the said bridge-cum-regulator, water was being flowed only in the first 50 miles of the canal for irrigation and the lower part of the canal (35 miles), meant exclusively for navigation, had been kept dry. To a question from P.A.C. (1961-62) whether the water available would be sufficient for both irrigation and navigation, when the canal was opened for navigation, the reply was that the existing reservoirs could supply water either for irrigation or for navigation. In order to meet the anticipated requirements of water for both the purposes, the Corporation had suggested the construction of another Dam—Fifth Dam. The P.A.C. (1961-62) found it difficult to appreciate why the Corporation should have undertaken the construction of the navigational section, pending a decision on the construction of the Fifth Dam. They felt that if the Corporation was to avoid losses, there was hardly any alternative but to make early provision for supply of additional water to the canal. They, accordingly, called for a speedy review of the situation by the Corporation and the Participating Governments. In a note furnished by the Ministry of Irrigation and Power [Part III, S. No. 19(iii)],\* it has been stated that the matter was discussed by the representatives of the West Bengal Government and the Corporation. Final views of the State Government are awaited.

In view of the losses suffered by the Corporation in running the canal, the Committee consider the delay in arriving at a final decision in the matter as unfortunate. They would, therefore, again urge for an early decision in the matter.

6. As regards the latest position of the canal, the present Committee were informed during the course of evidence that all important works on the canal had been completed and it was now possible for the boats to enter and leave the canal. The main obstruction at present was three bamboo bridges, constructed by villagers. The dismantlement of these bridges was a law and order problem. The problem of silting was also faced at the end of the canal where it fell into the channel. A dredger would, therefore, be required for

---

\*Not Printed.



maintaining communication between the channel and the River Hooghly. With this end in view, an order for a dredger and ancillary equipment had been placed by the Corporation. An agreement had also been entered into with the West Bengal Government for the loan of a dredger by that Government to the Corporation.

The Committee observe that the Corporation is already more than three years behind schedule in opening the canal to traffic. They trust that all necessary steps will be taken by the Corporation to ensure the opening of the canal at an early date.

### POWER

*Durgapur Thermal Power Station—paras 39—44 of 39th Report (1961-62) and p. 15 of Annual Report, 1961-62, para B.*

7. The work of constructing a Power Station at Durgapur with two units of 75 MW each, and of installing a 4th unit of 75 MW at Bokaro was taken up by the Corporation in November, 1956, and the following target dates were fixed for their commissioning: Durgapur, First Unit—30.6.1959; Second Unit—31.10.1959; Bokaro, Fourth Unit—31.8.1959. None of these units had, however, been commissioned by the target dates. A test of the Fourth Unit revealed the failure of thrust bearings of turbo-generators. The commissioning of the other two units had been held in abeyance till the 4th unit was commissioned as all the three units were supplied by the same contractor. The failure was ascribed to inadequate experience of the suppliers (Messrs. MAN) in the manufacture of turbines of the specified size and design.

During the course of evidence, the Committee of 1961-62 were informed that the duplicate copy of the supplier's tender was not sent to the Consulting Engineers for their written opinion, on the suitability of the firm, in accordance with the usual procedure. The P.A.C. (1961-62) had deplored that, having secured the services of the Consulting Engineers at a cost of Rs. 42 lakhs, the Corporation should have failed to utilise fully their expertise in the selection of a tender for the complicated machinery like the turbo-generators.

In a statement\* furnished by the Ministry of Irrigation and Power, the above comments of the Committee of 1961-62 are stated to have been 'Noted'.

The Committee would like to observe that mere 'Noted' does not meet the requirements of the P.A.C.'s comments referred to above. They desire the Corporation to examine the question of fixing responsibility for deviation from the normal practice in the case of the tender from Messrs MAN.

---

\*Part III, S. No. 24 (i). Not Printed.

8. As regards the question of imposing penalty on the suppliers, it has been stated\* that no penalty had been imposed for delayed commissioning of generation units as the Corporation and the suppliers had not yet come to an agreement about the dates on which these units should be treated as commissioned. The contract also provides for penalty under Performance Guarantee. The suppliers are now engaged in preparatory work for carrying out performance tests. When these tests have been completed, the question of imposition of penalty for delayed commissioning and for unsatisfactory performance (if any) will be considered. **The Committee would like to have a further report in the matter.**

9. As regards the latest position regarding the functioning of the units, the Committee were informed during the course of evidence that the defects found in the turbo-generators were of a serious nature, necessitating large-scale modifications. Holes were being drilled in the rotors. This process would take about 2-3 months, and would have to be repeated in case of each unit.

**The Committee feel concerned over inordinate delay in the commissioning of the three units. It is hardly necessary for them to emphasise the key importance of the D.V.C. power system in the industrial build-up of the region. They desire that all-out efforts should be made by the Corporation to put the plant in the proper working order at the earliest possible date.**

---

\*Part III, S. No. 24 (ii). Not Printed.

### III

#### FINANCIAL IRREGULARITIES AND LOSSES

*Execution of works without entering into agreements with contractors—Page 80, para 4.*

10. In para 25 of the Eighteenth Report, the Public Accounts Committee (1955-56) had re-affirmed the views of a previous Committee that, save in exceptional circumstances, no work of any kind should be commenced without the prior execution of contract documents, as such a course made the liability of Government wholly indeterminable and placed them entirely at the mercy of the contractors.

In the period 1958-59 to 1960-61, one hundred and twenty-one works estimated to cost over Rs. 47.5 lakhs (approximately) were entrusted to contractors by the Engineers in different projects of the Corporation before entering into formal agreements with them. Of these, in 62 cases estimated to cost approximately Rs. 25 lakhs, formal agreements were entered into only after the stipulated dates of completion and extension had to be granted automatically as no penalty could be imposed.

In extenuation, the representatives of the Corporation stated that during the period under review about 3,000 contracts were awarded by the Corporation. Of these, the number of contracts in which the condition of prior execution of contract documents was not observed, was only 121. Most of these contracts related to desilting and repair works, to keep the irrigation canals going. As all these works had to be carried out within the working season (from 1st April to 15th June), the Engineers concerned, acting under a sense of urgency, issued work-orders, without prior execution of contract documents. The C. & A. G., however, pointed out that the contracts referred to in the Audit para were almost uniformly spread over the whole year, and not concentrated during the period of 1st April—15th June. He further pointed out that in quite a number of cases, the contractors had taken 8 to 18 months in completing the works. In the light of these facts, the Committee find it difficult to accept the explanation of the Corporation. They feel that due regard as not paid by the officers of the Corporation to the aforesaid oft-repeated recommendation of the Public Accounts Committee.

11. As regards the risks involved in cases of the present type, the General Manager, DVC, stated that although contract documents had not been formally executed before the commencement of works, the

contractors concerned had bound themselves to abide by the conditions laid down in the tender form. The acceptance of the Corporation had also been conveyed to the contractors in writing. As such, the liability of both the parties—the contractors as well as the DVC—had become more or less defined. It was also stated that the earnest money deposited by the contractors at the time of submitting their tenders could be forfeited by the Corporation in cases of default. The C. & A. G. pointed out that these safeguards were not adequate against defaults by contractors and suggested that, in cases of the present type, the Engineers issuing work-orders prior to execution of contract documents might be required to make an immediate report to the General Manager to enable him to examine whether the circumstances of the case justified a departure from the normal practice. The Secretary, Ministry of Irrigation and Power agreed with this suggestion.

**The Committee desire that immediate effect should be given by the Corporation to the above suggestion of the C. & A.G. They further desire that, even in cases where a departure from the normal practice is found to be justified on grounds of urgency, care should be taken by the Corporation to ensure that the codal requirements are fulfilled within the minimum possible period after the commencement of works.**

*Loss on running a Cold Storage Plant—page 81, para 5*

12. In 1956-57, the Corporation set up a Cold Storage Plant as an industrial venture and incurred an expenditure of about Rs. 6 lakhs on it. The Plant worked at a loss up to 1959-60, except during 1958-59 when a profit of Rs. 2,499/- was made. The cumulative net loss up to 1959-60 was Rs. 1.67 lakhs (approximately) against the anticipated profit of 12.9% on the capital.

In April, 1957, the Corporation approached the Government of West Bengal to take over the plant, but in November, 1957, they declined to take it over on the ground that it was not possible to run it as a commercially successful scheme. Later, in 1959, the Government of West Bengal agreed to take over the Plant but it was stated in October, 1961, that they were still considering the question.

During the evidence, the Committee desired to know the justification on the part of the Corporation in undertaking this venture. The General Manager, DVC, stated that the intention of the Corporation in undertaking this venture was to promote the agricultural well-being of the area by providing the farmers with cold storage facilities for their produce. In this connection, he referred to section 12(b) of the DVC Act which authorised the Corporation to promote the

"agricultural, economic and general well-being" of the area. The C. & A.G., however, pointed out that while the words used in section 12(a) of the DVC Act were "promotion and operation of schemes for irrigation, water supply and drainage", the word used in section 12(b) was "promotion" only. He, therefore, felt that, in undertaking this venture, the Corporation had exceeded the powers vested in it by the DVC Act. The Secretary, Ministry of Irrigation & Power also felt that this was hardly a project which could be appropriately handled by the Corporation.

In the opinion of the Committee, there was no justification on the part of the Corporation to have undertaken the Cold Storage Scheme which did not come within the purview of the specific functions assigned to the Corporation by the DVC Act. They trust that the Corporation will, henceforth, take care to desist from schemes, not specifically authorised by the Act.

13. The Committee, then, desired to know the basis on which the anticipated profit of 12.9% was calculated. The General Manager, D.V.C., stated that the scheme as originally envisaged was to buy seed potatoes when prices were low and to sell them when prices were high. A profit of 12.9% was expected under the market conditions then prevailing. Later on, however, the Corporation felt that the public funds should not be invested in a venture, having an element of speculation. It was, accordingly, decided to restrict the scope of the Plant to hiring out of storage space only. Appearance of private competitors who offered more favourable rates and facilities resulted in the loss.

The Committee are not satisfied with the above explanation of the Corporation. In their opinion, the wide disparity between the anticipated and actual financial results of the Scheme as also the decision of the Corporation to change the scope of the plant hardly when it had been set up indicate that the Corporation had embarked upon the Scheme without having weighed it in all its aspects.

14. As regards the question of handing over of the plant to the West Bengal Government, the Secretary, Ministry of Irrigation and Power, stated that the West Bengal Government had agreed to take over this plant alongwith the Spun Pipe Factory, run by the Corporation, on a cost-minus-depreciation basis. Before the Plant and the Factory could be actually handed over to the State Government, a few formalities had to be settled, which would take about a month or so. The Committee would like to be informed of the date of actual handing over.

*Short-realisation of Bihar-Sales Tax from buyers of surplus equipment—pages—81-82, para 6.*

15. In November, 1954, the Superintendent of Sales Tax, Dhanbad (Bihar) wrote to the Damodar Valley Corporation requiring it to register itself as a "dealer" under the Bihar Sales Tax Act. The Corporation did so only on 27th November, 1956.

The Corporation made payments of sales-tax amounting to Rs. 4.70 lakhs on sales of surplus stores during the period April, 1954 to September, 1959. Of this amount, the Corporation had realised only Rs. 1.44 lakhs approximately from buyers upto January, 1962.

Even after 27th November, 1956 (the date on which the Corporation registered itself as a "dealer"), the Corporation delayed including a provision in the release orders which would enable it to recover sales-tax from the buyers of surplus material. In January, 1958, the Corporation preferred an appeal to the Deputy Commissioner, Sales Tax, but it was dismissed in September, 1960. It was only thereafter that the Corporation took steps to present supplementary bills to the concerned parties for the recovery of Sales Tax.

In extenuation of the delay on the part of the Corporation in getting itself registered under the Bihar Sales Tax Act, the General Manager, DVC, stated that the Corporation was in doubt whether it could be a "dealer" under the Sales Tax Act, as it was not in the business of "selling". The sale of surplus stores by the Corporation was only incidental to its main functions. The matter was also referred to the Ministry of Law who furnished the Corporation with two opinions of the Attorney-General in November, 1956. In his second opinion, the Attorney-General had stated that in similar cases, it was open to doubt whether the Government of India could be registered as a "dealer". He also stated that, according to certain decisions of Sales-tax Authorities of West Bengal and Bihar, surplus stores were not to be subject to sales-tax. Having in view the opinion of the Attorney-General, the Corporation decided not to get itself registered.

The Comptroller & Auditor General, however, pointed out that in December, 1954 (long before the Attorney-General's opinions had been received), orders were issued by the Corporation directing the Maithon Project to get itself registered immediately under the Bihar Sales Tax Act. No action was, however, taken on these orders. On the 29th June, 1956, the Corporation issued another 'immediate' order, marked to all officers, which, *inter alia* stated. "the Corporation has decided that the actual amount of sales-tax calculated at the prevailing rate on the value of surplus and unserviceable stores should be recovered in the shape of sales-tax". No action was taken on these orders also. On the 26th July, 1956, the Corporation requested the

Commissioner of Sales-tax to allow the Corporation to get itself registered with the Hazaribagh Circle under Rule 10 of the Bihar Sales-tax Rules. This permission was granted on the very next day, viz., the 27th July, 1956. In spite of this no tax was charged on the sales made after that date.

In the light of the sequence of facts mentioned above, the Committee are unable to accept the explanation offered by the Corporation. They feel concerned that the Corporation should have been so oblivious of its financial interests as not to have taken any steps for charging sales-tax from the purchasers for a period of nearly six years. The plea of 'doubt' advanced by the Corporation for its inaction during all this period does no credit to an organisation like the D.V.C., run on commercial lines. Another unfortunate aspect of the matter is the manner in which 'immediate' orders issued by the Corporation in 1954 and 1956 were disregarded by its officers. In the opinion of the Committee, this was a serious lapse on the part of the officers concerned for which disciplinary action is called for.

*Writes-off and losses—Page 82, para 7(i)*

16. Six tractors and one Power-wagon were purchased by the Mechanised Earth Moving Division during the period September, 1949 to May, 1950, at a cost of Rs. 2.65 lakhs. These machines worked between 9% and 47% of their life during December, 1951 and April, 1955. The machines were declared as surplus to the Division in 1955 and to the Corporation in 1956. In 1959, the equipment was sold to private parties for Rs. 10,600/- against the depreciated value of Rs. 1.94 lakhs, resulting in loss of Rs. 1.84 lakhs.

During the evidence, the Committee were informed that all the machines were in a dilapidated condition and had been reduced virtually to junks. The Power Wagon was a Dodge pick-up with high gear ratio. It had worked for over 42,000 miles and exhausted its life. The tractors were of three types, viz, Allis Chalmers' H. D. 10, Hanomag K.V. 10 and Minneapolis Memphis. H.D. 10 had become an obsolete model, and its spares were difficult to procure. After these tractors had gone out of order, there was no alternative but to cannibalise them. Hanomag K.V. 10 was tried at Panchet. It failed to drag even a small water tanker behind it and became unserviceable after working for 754 hours, as against its normal life of 8,000 hours. (It was sold for Rs. 654 only). The other tractors also did not fare well. The poor performance of the tractors was ascribed to inherent defects in the machines and their unsuitability for earth-moving and land reclamation work for which they had been purchased. Asked why these tractors were purchased when they were not suitable for the job, it was stated that the Corporation did not have sufficient experience at the time and were guid-

ed in the purchase by the then Chief Engineer who was considered to be an expert in the matter.

The Committee regret to observe that all the tractors purchased by the Corporation had inherent defects and became unserviceable after working for only 9% to 47% of their normal life. It is clear to the Committee from the facts of the case that, before making purchases, the Corporation had failed to make a proper assessment of the quality of the tractors, and their suitability for the intended jobs. The Committee trust that the Corporation will draw upon their experience in the present case and exercise greater care while making such purchases in future.

17. To examine the matter further, the Committee desired the Corporation to furnish the following information:—

- (i) whether, in view of the poor performance of the tractors (particularly, Hanomag KV 10), the Corporation had taken up the matter with the manufacturers with a view to rectification of defects therein;
- (ii) whether, there is anything on the record of the Corporation to show which parts had been removed from these tractors, and used in other tractors.

This information is still awaited. The Committee would defer their comments till the information is received from the Corporation.

*Loss of cash amounting to Rs. 19,000/- Page 83, para 7 (iii)*

18. In April, 1961, a shortage of Rs. 19,000/- was noticed with one of the cashiers of Transmission System Construction Division III (Gaya).

The Accounts Officer in charge of the Division was asked to investigate the case and a report was also made to the police. Further action on the basis of the police investigation was awaited.

The Committee were informed that four officers—Executive Engineer-in-Charge of the Division, Cashier, Divisional Accountant and Assistant Grade II—had been placed under suspension, and a case had been lodged against them. No departmental action had been taken as the matter was *sub-judice*, and the relevant documents were in police custody.

The Committee regret to observe that, though nearly one and a half years have elapsed since the irregularity came to light, disciplinary action in the matter has not yet been initiated. The explanation of the Corporation for delay in instituting disciplinary proceedings is not acceptable to the Committee. They would, in this connection,



**Mr.** to draw attention to para 30 of their 5th Report and para 13 of their 13th Report (1st Lok Sabha) wherein they recommended that departmental proceedings against suspected officials should not be held up pending the outcome of criminal proceedings and that photostat copies of all documents having an important bearing on the disposal of the case should invariably be kept. The Committee trust that the Corporation will deal with disciplinary cases with greater promptness in future. The Committee would like to be informed about the final outcome of this case.

The Committee have from time to time come across cases of delay in instituting departmental proceedings on the ground that the matter was either *sub-judice* or under investigation by Police. The Committee desire the Ministry of Home Affairs to issue clear instructions in the matter with a view to obviating delays of this type.

## IV

### MAINTENANCE OF ACCOUNTS

*Acquisition of lands for D.V.C. Projects—Pages 79-80, para 3.*

19. The D.V.C. deposited a total amount of Rs. 3·88 crores during the period 1949-50 to 1960-61 with the Land Acquisition Officers for the acquisition of lands for Tilaiya, Bokaro, Konar, Maithon and Panchet Hill Projects. Even though the projects were completed in 1952, 1953, 1955, 1957 and 1959 respectively, it was reported by the Director of Rehabilitation and Land Acquisition in March, 1961, that, as the accounts of the amounts deposited had not been finalised even in a single case, an approximate amount of Rs. 30 lakhs due to the Corporation from the advance deposits could not be refunded to the Corporation. The land accounts in the forms prescribed by the Corporation in 1954 and 1956 were not maintained properly by the respective Accounts Officers and Project Officers with the result that correct information regarding the extent of land acquired and taken possession of, the amount of compensation awarded and the amount refundable to the Corporation, was not available.

In respect of the lands acquired for the Barrage & Irrigation Project, West Bengal, the Corporation paid a sum of Rs. 2·02 crores up to 1960-61, but the records prescribed by the Corporation had not been maintained properly to exhibit the correct position of the lands actually acquired and taken possession of, against those paid for.

During the course of evidence, the General Manager, D.V.C., stated that the position regarding land accounts revealed in the Audit para related to the period prior to May, 1962. As a result of efforts made since by the Corporation, the position had improved. The Land Registers maintained by the Director of Rehabilitation and Land Acquisition and the Corporation were now, by and large, complete, and furnished all the material particulars. In some cases where postings were not yet complete, the main reason was that the Corporation had not been able to obtain all the information called for from the Land Acquisition Officers concerned, who were State Government Officials.

While the Committee are glad to learn that the Land Registers maintained in the Corporation are now, by and large, complete, they cannot help observing that the officers of the Corporation had failed to maintain proper land accounts even years after the lands had been

acquired till the matter was included in the Audit Report. This the Committee consider as indefensible. The Committee now desire that a leeway in the maintenance of upto date land accounts should be made without any further delay. They would like the Comptroller & Auditor General to re-examine the position in this regard and bring the matter to the notice of the Committee through his next year's Audit Report. The Committee also desire that the question of refund of Rs. 30 lakhs due to the Corporation from advance deposits made with the State Governments should be pursued vigorously.

*Outstanding Objections—Pages 84-85, para 8*

20. Thirty-six objections, brought to the notice of the Corporation up to the end of 1960-61 through the reports of Monthly Results of Audit, were not disposed of up to 31st August, 1961. There were also other objections covering an amount of Rs. 16.07 crores issued upto the end of 1960-61 and remaining undisposed of upto 31-8-1961. Some of these date back to the years 1952-53, 1956-57, 1957-58 and 1958-59.

During the course of evidence, the Committee were informed that a circular was issued by the Corporation in 1960 which enjoined on the field officers to dispose of Audit queries within ten days. A register showing the progress of replies received from the field officers was opened at the Headquarters which was checked every fortnight. In case replies were pending from any field officer, reminders were issued by the Deputy Secretary-in-Charge. It was, however, added that while every effort was being made to adhere to the prescribed time-limit, it was not possible to do so in each case.

While the Committee appreciate the difficulty in adhering to the prescribed time-limit in each case, they see no reason why it should not have been possible for the Corporation to settle old objections which were pending since 1952-53. The Committee disapprove of such delays as this often results in continuance of irregular expenditure which might involve the Corporation in losses, etc. They desire that determined efforts should be made by the Corporation to ensure speedy disposal of Audit objections. They would like to watch the position through future Audit Reports.

*Proforma Accounts—page 86, para 9(C)*

21. The proforma Accounts of the Fishery Scheme for the year 1960-61 had not been received by Audit upto 25th August, 1962.

In evidence, the Committee were informed that the Accounts of the Fishery Scheme had been maintained since the inception of the Scheme, but not in the form of Proforma Accounts. It was suggested by Audit that the Accounts of the Scheme should be in the form of

proforma accounts showing total receipts and expenditure (including capital, operations and maintenance expenditure). This required calculation of stock-in-hand, taking into account the quantity and size of fish, rate of mortality, etc. As the Corporation was new in the line, a reference was made to the West Bengal and Madras Governments who informed that they were not maintaining fishery accounts in any specific form. The Corporation then evolved an elaborate form showing the accounts of the Scheme from its inception to the end of 1960-61. The new form had been sent to Audit for comments. The Fisheries Adviser to the Government of India would also be consulted.

The Committee note the difficulties experienced by the Corporation in preparing Proforma Accounts of the Fishery Scheme. They, however, feel that eight years is too long a period for evolving just the draft form of these Accounts. The Committee expect greater promptness from an autonomous organisation like the DVC. The Committee trust that after comments from Audit and Fisheries Adviser on the draft form are received by the Corporation, it will lose no time in finalising the accounts.

*Suspense Balances—Pages 36—88, para 9(E)*

22. Against the total outstandings of Rs. 1.31 crores (debit) under the head "Miscellaneous Advances", Rs. 27.84 lakhs (debit) under "Transfers Divisional" and Rs. 37.50 lakhs (credit) under "Purchases" at the end of March, 1961, the amounts which remained uncleared for more than two years amounted to Rs. 33.93 lakhs (debits), Rs. 5.58 lakhs (debits) and Rs. 13.92 lakhs (credit) respectively representing 26%, 20% and 37% of the total outstandings. Of the outstandings awaiting clearance for more than two years under "Miscellaneous Advances", Rs. 1.96 lakhs was recoverable from private parties and Rs. 11.49 lakhs from other Projects/Governments on account of value of stores and equipment sold to them. Some of the items under the head "Transfers Divisional (Debit)" were outstanding since 1955-56.

The Committee were informed that the outstandings had come down to Rs. 72.45 lakhs under the head 'Miscellaneous Advances', to Rs. 9.96 lakhs under the head 'Transfers Divisional' and to Rs. 14.95 lakhs under the head 'Purchases' as on 31.3.1962. To improve the position further, a number of measures were proposed to be taken. These would include the setting up of a special cell for the clearance of outstandings. The Committee referred to the outstandings under the head 'Transfers Divisional' and desired to know the difficulties in the intra-departmental adjustment of debits. The General

Manager, D.V.C., admitted that the delay in the adjustment of these debits had been inordinate.

While the Committee are glad that the amount of outstandings under 'Suspense' has considerably come down, they feel that the position is still not satisfactory. The Committee are particularly concerned at old outstandings, some of which have been pending clearance since 1955-56. Another unsatisfactory aspect of the matter is large outstandings under the head 'Transfers Divisional'. The Committee fail to understand why there should have been so much delay in the intra-departmental adjustment of debits. With a view to reducing the outstandings to the barest minimum the Committee urge that transactions under suspense heads should be reviewed at frequent intervals so that no item remains unadjusted longer than is reasonably necessary to bring about its clearance in the ordinary course. The Committee trust that the setting of the special cell would accelerate the pace of clearance of outstandings.

23. As regards the outstandings amounting to Rs. 1.96 lakhs due from private parties for over two years, the Committee were informed that steps were being taken to recover these. In respect of one of the items falling in this category, viz., outstandings on account of sales-tax, it was stated that the Corporation was finding it difficult to effect recoveries. The Committee desire that determined efforts should be made to recover these outstandings and a report made to them before they take up Accounts for the next year. They would also like to be furnished with a report regarding the adjustment of Rs. 11.49 lakhs due from other Projects/Governments on account of sale of stores and equipment.

*Reconciliation of Stores Ledger Balances with those appearing in the Financial Accounts—Page 88, para 9(F)*

24. At the end of 1960-61, the Financial Accounts of the 38 divisions and store depots of the Corporation showed a closing stock balance of Rs. 4.72 crores. Of these, 17 units had completed (January, 1962) reconciliation of the balances as shown in the stores ledgers with those appearing in the Financial Accounts (Rs. 1.39 crores). In 7 units, reconciliation had been completed and was under check in the Accounts Department of the Corporation. In the rest of the Units the delay in completing reconciliation was due to the ledger balances not having been extracted and totalled.

During the course of evidence, the General Manager, D.V.C., stated that reconciliation of Store Ledger balances with those appearing in the Financial Accounts had been completed in all the units except two. In one of these divisions, a theft had taken place and

the person concerned had been committed to Sessions. In the other Division, the Stores Officer had been placed under suspension for an irregularity. Internal Audit had been asked to assess the value of stores missing and to find out whether it was a case of misappropriation. Further action in the matter would be taken on the finalisation of the detailed enquiry being held. The matter would also be reported to the Special Police Establishment, if necessary. **The Committee would like to be furnished with a further report in the matter.**

## V

### OUTSTANDING RECOMMENDATIONS

*Loss due to acceptance of materials below specification (M.E.M. Division)—paras 20-21 of the 36th Report of P.A.C. (1960-61).*

25. In paras 20-21 of their 36th Report (Second Lok Sabha), the P.A.C. (1960-61) considered a case in which the purchase order issued by the Corporation provided that the stores (Phosphor Bronze Bar and Cores) to be supplied by the sellers must be strictly according to specification and if, within 7 days of the date of the receipt of the materials, any deviations from the specification were found, replacement would be made free of all charge by the sellers. The bills for the materials supplied were, however, paid in October and December, 1952, without subjecting the materials to any test, and on the basis of the supplier's own certificates that the supplied materials were according to the approved specifications and that, if at any stage, they were not found upto specification, they would accept the decision of Industry and Supplies Department or replace the materials. Subsequently, the chemical examination of the samples made at the Alipore Test House revealed that the materials were far below specification. The Corporation, instead of referring the matter to the Industry & Supplies Department, as per the terms of the certificate, filed a suit in January, 1954, for the recovery of Rs. 66,615. The suit was dismissed in February, 1958. The Legal Adviser advised the Corporation in May, 1958, that an appeal should be filed in High Court by the 30th June, 1958. This letter was, however, misplaced, and the Corporation came to know of the dismissal of the suit in September, 1958, by which time the suit had become time-barred.

In a note furnished to the Committee (Part III, Annexure I)\* the Corporation has regretted the mistake on the part of the Corporation authorities in not having referred the question of sub-standard quality of the material to the Industry and Supplies Department on receipt of the test-results from the Alipore Test House. The Corporation has also regretted the lack of inter-departmental co-ordination in this

---

\*Not printed.

case. The Committee trust that adequate remedial measures will be taken by the Corporation to obviate the recurrence of such cases. The Committee, however, cannot help expressing their unhappiness over the manner in which the disciplinary aspect of the case had been handled by the Corporation. Three of the officers involved in this case—the Director of Rehabilitation and Land Acquisition and two Controllers of Purchase—were allowed to leave service of the Corporation unscathed long after the lapses had come to light. Two other officers involved in the case were able to get their Provident Funds released while the enquiry was on. The Committee feel that if the case had been processed more expeditiously, the officers could not have escaped penalty.

26. In regard to another officer involved in this case, the Corporation has stated that the question of release of his Provident Fund did not arise as he was a permanent employee of the Bihar Government to whose service he reverted in the ordinary course. The Corporation, however, served a charge-sheet against him through his Controlling Officer on 19th January, 1960, but his explanation had not so far been received. The Committee would like to be furnished with a further report in the matter.

*Loss of Bricks—paras 20—22 of 14th Report of P.A.C. (1958-59).*

27. In paras 20-22 of their Fourteenth Report (Second Lok Sabha), the Public Accounts Committee (1958-59) considered a case in which the Corporation suffered a loss of Rs. 42,124 on account of abandonment and shortage of bricks manufactured at Panchet. Although the manufacturing operation was completed in June, 1953, the losses were reported to the Corporation in October, 1956, i.e., after a lapse of more than three years. The Committee of 1958-59 desired that a stern view of the lapses should be taken and the officers concerned dealt with expeditiously.

In a statement furnished to the Committee (Part III, S. No. 3)\* it has been stated that there appears to be no scope at this stage for any disciplinary action against the delinquent officials as all of them except one (who had died), had left the service of the Corporation on different dates in 1953.

The Committee regret that no action could be taken against the delinquent officials as they had left the service of the Corporation before the irregularity came to its notice. As pointed out elsewhere in this Report, such cases not only undermine the financial interests of the public exchequer but also impair the standard of efficiency of

---

\*Not printed.



public services. The Committee, therefore, desire the Corporation to examine the feasibility of introducing some concurrent internal checks whereby the time-lag between the occurrence and detection of irregularities is reduced to the barest minimum. This would enable the Corporation to take timely action against delinquent officials.

*Economy in Establishment Expenditure—Para 85 of the 3rd Report (1957-58)*

28. The question of economy in establishment expenditure came up before the Committee of 1957-58. From a statement showing posts carrying pay of Rs. 500 and above, the Committee felt that the Corporation was overstaffed in respect of high-salaried posts. The Committee, accordingly, desired that the existing strength of the staff (both technical and non-technical) should be examined with reference to the present work-load.

From a note\* furnished by the Ministry of Irrigation and Power pursuant to the above recommendation, the Committee observe that the administrative charges of the Corporation have been received by a Manpower Committee set up by the Corporation. In the permanent set-up envisaged by the Manpower Committee, a number of high-salaried posts have been proposed to be reduced/downgraded. Although the recommendations of this Committee have, by and large, been accepted by the Corporation, it has been stated that these will be given effect to when there is sufficient reduction in work-load.

The Committee would like to be informed of the latest position regarding economy in establishment expenditure, consequent on the implementation of the recommendations of the Manpower Committee. In cases where the recommendations of the said Committee have not so far been given effect to, the reasons therefor may also be intimated.

---

\*Not printed.

## VI

### GENERAL

#### *Delays in taking disciplinary action*

29. While examining the Accounts of the D.V.C., the Public Accounts Committee came across cases in which disciplinary action against the delinquent officials could not be taken as they had already left the service of the Corporation. The Committee had occasions to point out that such cases not only undermined the financial interests of the Corporation but also impaired the efficiency of public services. They, accordingly, urged upon the Corporation to initiate disciplinary action as soon as the irregularities came to its notice. The Committee, however, regret that despite the repeated exhortation in the matter, the position is still far from satisfactory.

While examining the statement of Outstanding Recommendations, the present Committee hardly came across a case in which the Corporation did not plead their inability to take disciplinary action as the officers concerned had already left the service of the Corporation. On examining the matter in detail, the Committee found that while in some of the cases, the officers had left the service before the irregularities came to the notice of the Corporation, in a large number of cases, they had left after the irregularities had already come to its notice. As regards the first category, while granting that it may not always be possible to bring the guilty persons to book, the Committee feel that in quite a number of such cases, it would be possible to do so, if the time-lag between the occurrence and detection of irregularities had been reduced. With this end in view, the Committee have, in a previous Chapter, desired the Corporation to examine the feasibility of introducing concurrent internal checks. As regards the latter category, the Committee feel that had the Corporation acted quickly, it would have been quite possible to punish the guilty officials in most cases.

#### *Other cases of delay*

30. In addition to the cases of delay in taking disciplinary action referred to above, the Committee came across several other cases of delay on the part of the administration. In one case, the Corporation had failed to maintain proper land accounts even years after the lands had been acquired till the matter was included in the Audit Report. In another case, the Corporation took six years in coming to a deci-

sion regarding charging of sales tax on the surplus stores sold by it. In yet another case, debits raised by some Divisions/Projects of the Corporation in 1955-56 were yet to be accepted by other Divisions/Projects of the Corporation. **The Committee are concerned that such delays should occur in spite of the autonomy vested in the D.V.C. in the interest of efficient administration. They trust that the Corporation will show greater promptness in future.**

*Shortfalls in targets and need for review of the working of the D.V.C.*

31. The Committee have examined the actual achievements of the Corporation *vis-a-vis* planned targets in the fields of Irrigation, Navigation and Power. **They observe that there have been shortfalls not only in achieving planned targets but also in utilising built-up targets.** As against the irrigation capacity of 9,19,000 acres for *Kharif* created at the outlet heads, the area actually irrigated was 6,39,235 acres. The target of *Rabi* irrigation was fixed at 40,000 acres, against which less than sixteen thousand acres received *Rabi* irrigation. As regards Navigation, a Navigation Canal, scheduled to go into operation with effect from July, 1959, is yet to be opened to traffic. There has been a similar delay in the commissioning of the Durgapur Thermal Power Station. **In the opinion of the Committee, such shortfalls in targets in different fields, as also the various irregularities referred to in the earlier Chapters, indicate that the working of the D.V.C. is not as satisfactory as would be expected of such an autonomous Corporation. The Committee have also come across instances of continuing differences on various points between the Corporation and the Participating Governments as regards the legal interpretation of the Act. They feel that time has come to make an overall assessment of the working of the Corporation and also to examine what amendments, if any, in the D.V.C. Act are called for to achieve the objectives for which the Corporation was set up.**

NEW DELHI:

The 12th December, 1962  
Agrahayana 21, 1884 (Saka).

MAHAVIR TYAGI,

Chairman,  
Public Accounts Committee.

## APPENDIX

### *Summary of Main Conclusions/Recommendations*

Sl. No.	Para No.	Ministry/ Department concerned	Conclusions/Recommendations
1	2	3	4
1	1	I&P <hr style="width: 50px; margin: 0 auto;"/> DVC	The Committee regret to observe that though the imperative need for the expeditious settlement of the questions of allocation under Sections 32-34 of the D.V.C. Act has been emphasised by the successive Public Accounts Committees in the past, no settlement could be reached because of divergent views on the matter. As the Project has already entered upon the final phase of its execution, and the Revenue Accounts of the Project are due to be opened from 1963-64 for evaluation of its financial working, the Committee urge that the arbitration proceedings should be speeded up. The Committee also trust that, after the arbitrator has given award on the question of allocation under Section 33, immediate steps will be taken to resolve differences on the question of allocation under Section 34.
2	2	I&P <hr style="width: 50px; margin: 0 auto;"/> DVC	The Committee are glad to learn that differences between the Corporation and the State Government in respect of pre-1958 bills have been narrowed down, and the matter is now nearer solution. As regards the post-1958 bills, they, however, regret to observe that the stalemate between the Corporation and the State Government still continues. The Committees would, once again, emphasise that whatever the constitutional position, a satisfactory solution to the question can be arrived at only on practical considerations. The Committee desire the

1	2	3	4
			<p>Corporation to examine the feasibility of accepting the payment of Rs. 85 lakhs from the West Bengal Government on a provisional basis, pending final settlement in the matter. They would also desire the Central Government to evince greater interest in the matter and help the parties reach an agreement, as undue delay in the realisation of irrigation revenue cannot but seriously jeopardise the financial interests of the Corporation.</p>
3	3	<p>I&amp;P ----- DVC</p>	<p>The Committee feel greatly concerned at the continued shortfall in the utilisation of the D.V.C.'s irrigation potential during both the <i>Kharif</i> and <i>Rabi</i> seasons. It is unfortunate that while the shortage of water for irrigation was keenly felt in the lower valley, nearly 30% of the D.V.C.'s irrigation potential intended for the purpose could not be utilised due to lack of proper planning. Such shortfalls, the Committee would like to point out, not only jeopardise the financial interests of the Corporation, but also undermine one of the avowed objects of the setting up of the Corporation. In view of the imperative need for raising the agricultural production of the area to the maximum, the Committee desire that not only the pace of excavation of field channels and water courses should be accelerated but also all other measures for the fuller utilisation of the created irrigation capacity be taken without any further delay.</p>
4	4	<p>I&amp;P ----- DVC</p>	<p>(.) From the evidence tendered before the P.A.C. (1961-62), the Committee observe that the same artesian well-like phenomenon, which had occurred in the case of the structure which had collapsed, had been noticed at some other points also in the canal system (<i>vide</i> para 26 of the 39th Report 1961-62). The Committee, therefore, trust that the Technical Committee of Engineers will finalise their findings at an early</p>

1	2	3	4
			<p>date so that remedial measures, if necessary, may be applied to other structures of this design, well in time.</p> <p>(ii) The Committee further trust that, after the cause of collapse of the structure is finally established, the question of fixing responsibility will also be examined by the Corporation.</p>
5	5	I&P DVC	In view of the losses suffered by the Corporation in running the canal, the Committee consider the delay in arriving at a final decision on the question of providing additional water to the canal as unfortunate. They would, therefore, again urge for an early decision in the matter.
6	6	I&P DVC	The Committee observe that the Corporation is already more than three years behind schedule in opening the canal to traffic. They trust that all necessary steps will be taken by the Corporation to ensure the opening of the canal at an early date.
7	7	I&P DVC	The Committee would like to observe that mere 'Noted' does not meet the requirements of the P.A.C's comments made in para 43 of their 39th Report (Second Lok Sabha). They desire the Corporation to examine the question of fixing responsibility for deviation from the normal practice in the case of the tender from Messrs MAN.
8	8	I&P DVC	The Committee would like to have a further report regarding the imposition of penalty on the suppliers.
9	9	I&P DVC	The Committee feel concerned over inordinate delay in the commissioning of the three units. It is hardly necessary for them to emphasise the key importance of the D.V.C. power system in the industrial build-up of the region. They desire that all-out efforts should be made by the Corporation to put the plant in the proper working order at the earliest possible date.

1	2	3	4
10	10	I&P <hr/> DVC	The Committee find it difficult to accept the explanation of the Corporation for award of contracts without prior execution of contract documents. They feel that due regard was not paid by the officers of the Corporation to the oft-repeated recommendation of the Public Accounts Committee referred to in para 25 of their 18th Report (First Lok Sabha).
11	11	I&P <hr/> DVC	The Committee desire that immediate effect should be given by the Corporation to the suggestion of the C. & A.G. that the Engineers issuing work-orders, prior to execution of contract documents, should be required to make an immediate report to the General Manager to enable him to examine whether the circumstances of the case justified a departure from the normal practice. They further desire that, even in cases where a departure from the normal practice is found to be justified on grounds of urgency, care should be taken by the Corporation to ensure that the usual requirements are fulfilled within the minimum possible period after the commencement of works.
12	12	I & P <hr/> DVC	In the opinion of the Committee, there was no justification on the part of the Corporation to have undertaken the Cold Storage Scheme which did not come within the purview of the specific functions assigned to the Corporation by the DVC Act. They trust that the Corporation will henceforth take care to desist from schemes, not specifically authorised by the Act.
13	13	I & P <hr/> DVC	The Committee are not satisfied with the explanation of the Corporation for the losses suffered in running the Cold Storage plant. In their opinion, the wide disparity between the anticipated and actual financial results of the Scheme as also the decision of the Corporation to change the scope of the plant hardly when it had been set up indicate that the Corporation had embarked upon the Scheme without having weighed it in all its aspects.

1	2	3	4
14	14	I & P ----- DVC	The Committee would like to be informed of the date of actual handing over of the Cold Storage Plant to the West Bengal Government.
15	15	I & P ----- DVC	<p>(i) The Committee are unable to accept the explanation offered by the Corporation in the case referred to in para 6 of the Audit Report. They feel concerned that the Corporation should have been so oblivious of its financial interests as not to have taken any steps for charging sales-tax from the purchasers for a period of nearly six years. The plea of 'doubt' advanced by the Corporation for its inaction during all this period does no credit to an organisation like the D.V.C., run on commercial lines.</p> <p>(ii) Another unfortunate aspect of the matter is the manner in which 'immediate' orders issued by the Corporation in 1954 and 1956 were disregarded by its officers. In the opinion of the Committee, this was a serious lapse on the part of the officers concerned for which disciplinary action is called for.</p>
16	16	I & P ----- DVC	The Committee regret to observe that all the tractors purchased by the Corporation had inherent defects and became unserviceable after working for only 9% to 47% of their normal life. It is clear to the Committee from the facts of the case that, before making purchases, the Corporation had failed to make a proper assessment of the quality of the tractors, and their suitability for the intended jobs. The Committee trust that the Corporation will draw upon their experience in the present case and exercise greater care while making such purchases in future.
17	17	I & P ----- DVC	<p>The following information desired by the Committee is still awaited :</p> <p>(i) whether, in view of the poor performance of the tractors (particularly, Hanomag KV 10), the Corporation had</p>



1	2	3	4
			<p>taken up the matter with the manufacturers with a view to rectification of defects therein ;</p> <p>(ii) whether, there is anything on the record of the Corporation to show which parts had been removed from these tractors, and used in other tractors.</p> <p>The Committee would defer their comments till the information is received from the Corporation.</p>
18	18	<p>I&amp;P</p> <hr/> <p>DVC</p>	<p>(i) The Committee regret to observe that though nearly one and a half years have elapsed since the irregularity came to light, disciplinary action in the matter has not yet been initiated. The explanation of the Corporation for delay in instituting disciplinary proceedings is not acceptable to the Committee. They would, in this connection, like to draw attention to para 30 of their 5th Report and para 13 of their 13th Report (1st Lok Sabha) wherein they recommended that departmental proceeding against suspected officials should not be held up pending the outcome of criminal proceedings and that photostat copies of all documents having an important bearing on the disposal of the case should invariably be kept. The Committee trust that the Corporation will deal with disciplinary cases with greater promptness in future. The Committee would like to be informed about the final outcome of this case.</p>
		Home Affairs.	<p>(ii) The Committee have from time to time come across cases of delay in instituting departmental proceedings on the ground that the matter was either sub-judice or under investigation by police. The Committee desire the Ministry of Home Affairs to issue clear instructions in the matter with a view to obviating delays of this type.</p>
19	19	<p>I &amp; P</p> <hr/> <p>DVC</p> <hr/> <p>C. &amp; A.G.</p>	<p>(i) While the Committee are glad to learn that the Land Registers maintained in the Corporation are now, by and large, complete, they cannot help observing that the</p>

1	2	3	4
			<p>officers of the Corporation had failed to maintain proper land accounts even years after the lands had been acquired till the matter was included in the Audit Report. This the Committee consider as indefensible. The Committee now desire that a leeway in the maintenance of upto date land accounts should be made without any further delay. They would like the Comptroller &amp; Auditor General to re-examine the position in this regard and bring the matter to the notice of the Committee through his next year's Audit Report.</p>
		<p>I&amp;P DVC</p>	<p>(ii) The Committee also desire that the question of refund of Rs. 30 lakhs due to the Corporation from advance deposits made with the State Governments should be pursued vigorously.</p>
20	20	<p>I&amp;P DVC</p>	<p>While the Committee appreciate the difficulty in adhering to the prescribed time-limit in each case, they see no reason why it should not have been possible for the Corporation to settle old objections which were pending since 1952-53. The Committee disapprove of such delays as this often results in continuance of irregular expenditure which might involve the Corporation in losses, etc. They desire that determined efforts should be made by the Corporation to ensure speedy disposal of Audit objections. They would like to watch the position through future Audit Reports.</p>
21	21	<p>I&amp;P DVC</p>	<p>The Committee note the difficulties experienced by the Corporation in preparing Proforma Accounts of the Fishery Scheme. They, however, feel that eight years is too long a period for evolving just the draft form of these Accounts. The Committee expect greater promptness from an autonomous organisation like the D.V.C. The Committee trust that after comments from Audit and Fisheries Adviser on the draft form are received by the Corporation, it will lose no time in finalising the Accounts.</p>

1	2	3	4
22	22	I&P <hr/> DVC	While the Committee are glad that the amount of outstandings under 'Suspense' had considerably come down, they feel that the position is still not satisfactory. The Committee are particularly concerned at old outstandings some of which have been pending clearance since 1955-56. Another unsatisfactory aspect of the matter is large outstandings under the head 'Transfers Divisional'. The Committee fail to understand why there should have been so much delay in the intra-departmental adjustment of debits. With a view to reducing the outstandings to the barest minimum, the Committee urge that transactions under suspense heads should be reviewed at frequent intervals so that no item remains unadjusted longer than is reasonably necessary to bring about its clearance in the ordinary course. The Committee trust that the setting up of the special cell would accelerate the pace of clearance of outstandings.
23	23	I&P <hr/> DVC	The Committee desire that determined efforts should be made to recover outstandings amounting to Rs. 1.96 lakhs due from private parties for over two years, and a report made to them before they take up Accounts for the next year. They would also like to be furnished with a report regarding the adjustment of Rs. 11.49 lakhs due from other Projects/Governments on account of sale of stores and equipment.
24	24	I&P <hr/> DVC	The Committee would like to be furnished with a further report regarding reconciliation of Stores Ledger Balances with those appearing in the Financial Accounts in the case of the remaining two units.
25	25	I&P <hr/> DVC	(i) The Committee trust that adequate remedial measures will be taken by the Corporation to obviate the recurrence of cases of the type referred to in para 20-21 of their 36th Report (Second Lok Sabha).

1	2	3	4
			(ii) The Committee cannot help expressing their unhappiness over the manner in which the disciplinary aspect of the case had been handled by the Corporation. Three of the officers involved in this case—the Director of Rehabilitation & Land Acquisition and two Controllers of Purchase—were allowed to leave service of the Corporation unscathed long after the lapses had come to light. Two other officers involved in the case were able to get their Provident Funds released while the enquiry was on. The Committee feel that if the case had been processed more expeditiously, the officers could not have escaped penalty.
26	26	I&P DVC	The Committee would like to be furnished with a further report regarding action taken against the other officer referred to in this para.
27	27	I&P DVC	The Committee regret that no action could be taken against the delinquent officials as they had left the service of the Corporation before the irregularity came to its notice. As pointed out elsewhere in this Report, such cases not only undermine the financial interests of the public exchequer but also impair the standard of efficiency of public services. The Committee, therefore, desire the Corporation to examine the feasibility of introducing some concurrent internal checks whereby the time-lag between the occurrence and detection of irregularities is reduced to the barest minimum. This would enable the Corporation to take timely action against delinquent officials.
28	28	I&P DVC	The Committee would like to be informed of the latest position regarding economy in establishment expenditure, consequent on the implementation of the recommendations of the Manpower Committee. In cases where the recommendations of the said Committee have not so far been given effect to, the reasons therefor may also be intimated.

1	2	3	4
29	29	I&P DVC	<p>The Committee regret that despite the repeated exhortation by the Public Accounts Committee that disciplinary action should be initiated as soon as the irregularities came to the Corporation's notice, the position is still far from satisfactory.</p> <p>While examining the statement of Outstanding Recommendations, the present Committee hardly came across a case in which the Corporation did not plead their inability to take disciplinary action as the officers concerned had already left the service of the Corporation. On examining the matter in detail, the Committee found that while in some of the cases, the officers had left the service before the irregularities came to the notice of the Corporation, in a large number of cases, they had left after the irregularities had already come to its notice. As regards the first category, while granting that it may not always be possible to bring the guilty persons to book, the Committee feel that in quite a number of such cases, it would be possible to do so, if the time-lag between the occurrence and detection of irregularities had been reduced. With this end in view, the Committee have, in a previous Chapter, desired the Corporation to examine the feasibility of introducing concurrent internal checks. As regards the latter category, the Committee feel that had the Corporation acted quickly, it would have been quite possible to punish the guilty officials in most cases.</p>
30	30	I&P DVC	<p>In addition to the cases of delay in taking disciplinary action, the Committee came across several other cases of delay on the part of the administration. The Committee are concerned that delays of the type mentioned in this para should occur in spite of the autonomy vested in the D.V.C. in the interest of efficient administration. They trust that the Corporation will show greater promptness in future.</p>

1	2	3	4
31	31	I&P <hr/> DVC	<p>The Committee have examined the actual achievements of the Corporation <i>vis-a-vis</i> planned targets in the fields of Irrigation, Navigation and Power. They observe that there have been shortfalls not only in achieving planned targets but also in utilising built-up targets. In the opinion of the Committee, shortfalls in targets in different fields as also the various irregularities referred to in the earlier Chapters indicate that the working of the D.V.C. is not as satisfactory as would be expected of such an autonomous Corporation. The Committee have also come across instances of continuing differences on various points between the Corporation and the Participating Governments as regards the legal interpretation of the Act. They feel that time has come to <u>make an overall assessment of the working of the Corporation and also to examine what amendments, if any, in the D.V.C. Act are called for to achieve the objectives for which the Corporation was set up.</u></p>

43. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.
4. Jayana Book Depot, Chaapparwala Kuan, Karol Bagh, New Delhi.
45. Oxford Book & Stationery Company, Sci ndia House, Connaugh Place, New Delhi-1.
46. People's Publishing House, Rani Jhansi Road, New Delhi-1.
47. Mehra Brothers, 50-G, Kalkaji, New Delhi-19.
48. Dhanwantra Medical & Law Book House, 1522-Lajpat Rai Market, Delhi-6.
49. The United Book Agency, 48, Amrit Kaur Market, Paharganj, New Delhi.
50. Hind Book House, 2, Jan Path, New Delhi.
51. Bookwell, 4, Sant Narankari Colony, Kingsway Camp, Delhi-9.

#### MANIPUR

52. Shri N. Chaoba Singh, Newspaper Agent, Ramlal Paul High School, Annexe, Imphal, Manipur.

#### AGENTS IN FOREIGN COUNTRIES

##### U.K.

53. The Secretary, Establishment Department, The High Commission of India, India House, Aldwyeh, LONDON, W.C.-2.



1963 BY LOK SABHA SECRETARIAT

PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND CONDUCT OF  
BUSINESS IN LOK SABHA (FIFTH EDITION) AND PRINTED AT THE PARLIA-  
MENTARY WING OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI

---



