

**BRAHMAPUTRA BOARD, GUWAHATI—  
IDLE OUTLAY**

**Ministry of Water Resources**

**PUBLIC ACCOUNTS  
COMMITTEE  
1992-93**

**TENTH LOK SABHA**

**MR. SAMIA SECRETARIES  
NEW DELHI**

**FORTY NINTH REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(1992-93)**

**(TENTH LOK SABHA)**

**BRAHMAPUTRA BOARD, GUWAHATI—**  
**IDLE OUTLAY**

**MINISTRY OF WATER RESOURCES**



*Presented to Lok Sabha on 29.4.1993*  
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**LOK SABHA SECRETARIAT**  
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### PART II\*

Minutes of the sittings of the Public Accounts Committee held on 7  
January and 22 April, 1993

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\* Not printed. One cyclostyled copy laid on the Table of the House and 5 copies placed in Parliament Library.

**PUBLIC ACCOUNTS COMMITTEE**  
(1992-93)

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\* Elected w.e.f. 23 July, 1992 vice Shrimati Krishna Sahi ceased to be a member of the Committee on her appointment as a Minister.

£ Ceased to be members of the Committee consequent upon their appointment as Ministers w.e.f. 18 January, 1993.

\$ Ceased to be member of the Committee consequent upon his appointment as Minister w.e.f. 19 January, 1993.

## INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 49th Report on Paragraph 49 of the Report of the Comptroller & Auditor General of India for the year ended 31 March, 1991 (No. 11 of 1992), Union Government (Other Autonomous Bodies) regarding Brahmaputra Board, Guwahati—Idle Outlay.

2. The Report of the C&AG of India for the year ended 31 March, 1991 (No. 11 of 1992), Union Government (Other Autonomous Bodies) was laid on the Table of the House on 12 May, 1992.

3. In this Report, the Committee have observed that the quantum of achievements made so far in the finalisation of the different facets of the Master Plan for control of floods and bank erosion and improvement of drainage in Brahmaputra Valley, clearly reveals lack of urgency and seriousness on the part of the concerned authorities. The Committee have accordingly, emphasised that serious efforts should now be made to complete the pending activities of the Master Plan in accordance with the new forecasts. In view of the enormous financial requirements for the execution of the Master Plan, the Committee have also desired that the Ministry of Water Resources should chalk-out a comprehensive scheme in consultation with the other concerned authorities for a phase-wise execution of the Master Plan.

4. Taking note of the fact that an expenditure of about Rs. 64.77 crores has been incurred upto March, 1992 over the various activities undertaken by the Brahmaputra Board since its coming into being in 1981, the Committee have expressed their unhappiness that the results achieved are far from satisfactory. As of date, the Brahmaputra Board has taken up the execution of only one scheme viz., the setting up of the North Eastern Hydraulic and Allied Research Institute. The Committee have been distressed to find both time and cost over-runs in the execution of this scheme. The Committee have also found that delays in implementation have resulted in infructuous expenditure on updating data and avoidable cost and time over-runs. The Committee have taken a serious view of all these aberrations on the part of Brahmaputra Board and urged the Ministry of Water Resources to initiate necessary steps immediately to improve the working of the Board eliminating the possibility of incurring any further avoidable expenditure.

5. The Committee have also been distressed to find that there was an unconscionable delay of about five years on the part of the Brahmaputra Board in getting the defective eight imported sets of recorders repaired. They are not convinced by the arguments advanced by the Ministry that the details of the defects in the equipments had to be ascertained and pinpointed by the expert agency and that the location of installation sites in the interior places delayed the whole process. The Committee have been

convinced that there was gross negligence on the part of concerned authorities in pursuing the matter with the agent for getting all the defective sets repaired in time with the result that two imported sets could not be utilised at all and even the other 6 sets were very inadequately utilised as they remained operational only for a period ranging from 86 days to 218 days right from their installation in January 1986. In the opinion of the Committee, the entire expenditure of about Rs. 30 lakhs incurred on the procurement of these eight sets proved to be totally infructuous. The Committee have accordingly, recommended that an enquiry should be instituted with a view to fixing responsibility for the unduly long delay on the part of the concerned authorities to take timely steps for getting the defective sets repaired.

6. The Audit Para was examined by the Public Accounts Committee at their sitting held on 7 January, 1993. The Committee considered and finalised this Report at their sitting held on 22 April, 1993. Minutes of the sitting form Part II of the Report.

7. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix III to the Report.

8. The Committee would like to express their thanks to the officers of the Ministry of Water Resources for the cooperation extended to them in giving information to the Committee.

9. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
26 April, 1993

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6 Vaisakha, 1915 (Saka)

ATAL BIHARI VAJPAYEE,  
Chairman,  
Public Accounts Committee.

## **REPORT**

### **BRAHMAPUTRA BOARD, GUWAHATI — IDLE OUTLAY**

This Report is based on Paragraph 49 of the Report of Comptroller and Auditor General of India for the year ended 31 March, 1991 (No. 11 of 1992), Union Government (Other Autonomous Bodies) which is reproduced at Appendix-I.

#### **I. Activities of Brahmaputra Board**

##### *(a) Introductory*

2. Brahmaputra Board was constituted under the Brahmaputra Board Act, 1980 and it came into being in 1981. The Board started functioning at Guwahati from January, 1982. The Board was to prepare Master Plan for the control of floods, bank erosion and improvement of floods in three parts viz. Part I pertaining to the river Brahmaputra, Part II pertaining to the river Barak and Part III pertaining to the tributories of Brahmaputra and rivers of Tripura. The objective of the Board are underlines as follows:

- (i) The Board is to carry out surveys and investigation in the Brahmaputra Valley (which also includes the Barak Valley) and prepare a Master Plan for the control of floods and bank erosion and improvement of drainage in the valley. The Board may prepare the Master Plan in parts. In preparing the Master Plan, the Board shall have regard to the development and utilisation of water resources of the Brahmaputra Valley for irrigation, hydropower, navigation and other beneficial purposes and shall as far as possible indicate in such plans the works and other measures which may be undertaken for such development.
- (ii) (The Board shall also prepare detailed reports and estimates in respect of the dams and other projects proposed in the Master Plan as approved by the Central Government. The Board shall construct with the approval of the Central Government multipurpose dams and works connected therewith proposed in the Master Plans as approved by the Central Government and maintain and operate such dams and works.

3. The expenditure of the Brahmaputra Board is budgeted on the basis of Grants-in-Aid received from the Ministry of Water Resources, Government of India. Funds are provided in the Demands for Grants of the Ministry of Water Resources and released as Grants-in-aid to Brahmaputra Board.



4. In regard to the various schemes undertaken by the Brahmaputra Board since its inception, the Ministry of Water Resources have, in a note, stated as follows:

"The Board on its formation took up the works of preparation of Master Plan. Due to enormity of the task the work had been divided into three parts; Part-I dealing with main stem of Brahmaputra river; Part-II dealing with the river Barak and its tributaries and Part-III dealing with the tributaries of Brahmaputra and rivers of Tripura."

#### ***Master Plan Part-I***

Master Plan Part-I of the Brahmaputra river was completed in December, 1986 and submitted to the Ministry of Water Resources and other organisations. It was revealed from the comments received that the Master Plan of Brahmaputra river was inter-linked with that of its tributaries. The work of Master Plan for the tributaries was, therefore, taken up. In the meantime some basic supplementary studies like identification of social services requiring flood proofing, adequacy of waterways in existing bridges and culverts etc. are being carried out by the field formation of Brahmaputra Board and likely to be completed by March, 1993.

#### ***Master Plan Part-II***

(Barak river and its tributaries)

Suggestions have been received from the Government of India Departments and Govt. of Assam and Manipur. The comments from other states, have not so far been received.

The Brahmaputra Board has taken up the field work in compliance with the comments received from the various agencies and these are likely to be completed by March, 1993.

#### ***Master Plan Part-III***

The formation of Master Plan Part-III i.e. 38 tributaries of Brahmaputra and 8 rivers of Tripura was started in 1989-90. Master Plan for 9 sub-basins including 6 rivers of Tripura have been completed during 1991-92. All the Master plans have been submitted to the Govt. of India and State Governments as well as to the members of the Board for suggestions and comments.

The Brahmaputra Board after its functioning since March, 1982 gave major stress on taking up investigation of major multipurpose projects on important tributaries of the Brahmaputra. brief description of each multipurpose project is as follows:

#### ***Subansiri Dam Project***

The project report for Subansiri Dam project was submitted in four volumes during December, 1984 and December 1985. In compliance of the

comments, additional investigation like collection of hydrometeorological data etc. has been taken up. Reservoir simulation and optimisation studies have been taken up at CWPRS and CWC.

The estimate for the project has been revised at 1991-92 price level and works out to Rs. 5255.34 crores. Necessary survey for preparing comprehensive rehabilitation plan and environmental impact assessment could not be done so far due to non-availability of concurrence from the Government of Arunachal Pradesh. Government of India has requested the Government of Arunachal Pradesh for extending cooperation to Brahmaputra Board for preparation of rehabilitation plan and environmental action plan.

#### *Tipaimukh Dam Project*

47 special studies have been taken up on Tipaimukh dam project in a association with CWC, CEA, CSMRS, GSI, WAPCOS, etc. for furnishing the various proposals in the project report, 40 nos. of studies have so far been completed and the rest excepting overall appraisal shall be completed by March, 1993.

#### *Pagladiya Dam Project*

The project envisages irrigation in net irrigable area of 34360 hac. of land with an intensity of irrigation of 156 percent. Studies were carried out in consultation with CGWB for conjunctive use of surface water and ground water. This will help in generation of hydro-power of 1.25 MW.

The modified project report incorporating the flood control, irrigation and power benefits have been submitted to the GOI in December, 1992.

#### *Dihang Dam Project*

The detailed investigation of Dihang Dam Project was completed by the Brahmaputra Board and the project report was submitted to GOI in May, 1983. At present, as per the direction of the Ministry of Water Resources, reservoir simulation for Dihang towards optimisation of power and flood benefits has been taken up in collaboration with CWPRS and CWC. The study is similar to that of Subansiri dam project.

#### *Lohit Dam Project*

Investigation of this project was started in 1984-85. All aspects of investigation for a multipurpose project were taken up. The project envisages construction of a 296 m. high rockfill dam with installed capacity of 3300 MW. Live storage will be around 0.33 m. ha m. Preparation of the feasibility report has been taken up. The expenditure incurred upto March, 1992 against investigation of multipurpose projects is Rs. 2308.57 lakhs.

#### *Construction of NEHARI*

For attending to the complex problem of flood, bank erosion and drainage congestion alongwith integrated development of the water resources of the north eastern region, the proposal for setting up of the

research institute of specialised nature was sanctioned in 1985 at an estimated cost of Rs. 4.7 crores. The revised estimated cost at 1991 price level is Rs. 9.21 crores. The research station was to be operational in March, 1992. However, due to various contractual problems, the construction work could not be speeded up and it is now proposed to operationalise the research by March, 1993.

The expenditure upto March, 1992 is Rs. 124.70 lakhs.

### *Drainage Schemes*

Brahmaputra Board has taken up the preparation, investigation, data collection of 30 nos. identified drainage scheme, out of which 20 nos. are in Brahmaputra, 8 nos. in Barak basin and 2 nos. in Tripura State. Upto March 1990-91, the detailed project report of 3 nos. drainage schemes were submitted to the Government of India. Out of the 3 drainage schemes, Harrang drainage scheme has already been approved for execution and detailed project report of Barbhag drainage scheme was forwarded to the NEC for technical clearance as per suggestion of CWC. Modified project estimate of Demow drainage scheme, as suggested by CWC has been submitted.

During the years 1991-93, the detailed project report of 4 nos. of drainage schemes, namely, (i) Deroi (ii) Sonai, (iii) Pola and (iv) Rudrasagar have been submitted to CWC.

The expenditure upto March, 1992 was Rs. 94.78 lakhs.

### *Pre-construction of Tipaimukh Dam Project*

The pre-construction of Tipaimukh dam project has been taken up during 1991-92 and work is in progress. The expenditure upto March, 1992 is Rs. 228.00 lakhs.

5. The details of expenditure incurred by the Board on various schemes undertaken from April, 1982 to March, 1992 were as under :

Sl. No.	Name of Scheme	Expd. upto the end of 7th Plan from 1982	Annual Expd. during 1990-91	Actual Expd. during 1991-92	Total Expd. upto March'92
1	2	3	4	5	6
Rs. in lakhs)					

#### *A. Continuing Scheme*

1.	Investigation of multipurpose projects (Subansiri, Dehang, Lohit, Tipaimukh, Pagladiya, Noa-Dehing etc.)	1859.35	262.50	186.72	2308.57
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1	2	3	4	5	6
(Rs. in lakhs)					
2.	Survey & Invtn. for preparation of Master Plan and their overall integration	1049.12	46.63	40.11	1135.86
3.	Survey & Invtn. of specific drainage scheme	26.21	36.87	31.70	94.78
4.	Construction of NEHARI	26.55	30.92	67.23	124.70
5.	Repair and maintenance of assets created by the Brahmaputra Board	0.17	16.11	22.83	39.11
Total A		1961.40	393.03	348.59	3703.02

#### *B. New Scheme*

1.	Construction of Tipaimukh Dam Project				
	(i) Survey & Invtn. (Pre-constn.)	—	—	228.00	228.00
Total (A+B) Establish-ment		1996.25	267.28	282.40	2545.93
Grand Total :					6476.95

#### *(b) Preparation of Master Plans*

6. In the light of the fact that the Brahmaputra Board was to prepare Master Plan for the Control of floods and bank erosion in three parts, the Committee desired to know the targeted dates of the preparation of three parts of Master Plan *vis-a-vis* the actual date of completion. In their note, the Ministry of Water Resources have furnished the following information:

Name of Master Plan	Name of River	Target date of completion	Actual date of completion
Part-I	Main stem of Brahmaputra river	December, 1986	Submitted to MOWR in December, 1986
Part-II	Barak river	March, 1988	Submitted to MOWR in May, 1988
Part-III	Tributaries of Brahmaputra and Barak including those in the State of Tripura (46 Nos.)	March, 1990	30 Nos. completed upto March, 1992 and balance 16 nos. will be completed during 1992-93. (6 nos. completed during 1989-90, 9 nos. completed during 1990-91, 15 nos. completed during 1991-92).

7. According to the Ministry of Water Resources, Master Plan Part-I and Part-II were completed almost within targeted period. However, the Master Plan Part-III consisting of 38 tributaries of Brahmaputra and 8 rivers of Tripura covering extensively rugged terrains could not be completed within the stipulated time because of civil disturbances in the region.

8. During the course of the informal discussion held by the Study Group of the PAC with the representatives of the Brahmaputra Board at Guwahati on 18.6.92, the study Group were informed that the Draft Master Plan Part-I prepared in 1986-87 was sent for comments to the Ministry and the concerned States and the first revision was being made on the basis of suggestions received from them.

9. According to the Ministry of Water Resources, the following are the proposals for the completion of the different parts of the Master Plan :

- (i) Updating of Part-I (Main stem of the Brahmaputra) - 3/1994.
- (ii) Updating of Part-II (The Barak river) - 3/1993
- (iii) Completion of preparation of Part-III (Tributaries of Brahmaputra and river of Tripura) - 3/1993
- (iv) overall investigation of Master Plan Part-I and those of the Tributaries of the Brahmaputra - 3/1995

10. The estimated expenditure on the three parts of the Master Plan is as under :

- Part-I: Rs. 32,085 crores (1983 price level)
- Part-II: Rs. 32,085 crores (1983 price level)
- Part-III: Rs. 20,748 crores (1992 price level)

11. According to the Ministry, the necessary allocation of funds will have to be made by the Planning Commission.

11A. Asked about the details of any concrete flood protection works undertaken by the Board, the Secretary of the Ministry stated as follows during evidence :

"Various flood protection works are being taken over through the State sector or through the Central sector according to the fund provisions that are made available. Various flood protection works are identified in the master plan. They are being implemented also. Some of them are already there. The execution is by the State. Brahmaputra Board itself has not taken any execution or implementation of the scheme."

12. The Committee desired to know whether the Master Plan has been approved by the Government. The Secretary, Ministry of Water Resources deposed:

"Not accepted by Government in totality because the total is quite large. But on identified schemes, action is being taken".

13. On being asked whether it implied that the Government has accepted the Master Plan in a partial form, the Secretary, Ministry of Water Resources stated :

"On case to case basis, we can say. All these reservoirs are identified by the Brahmaputra Board".

14. In reply to a question, the Secretary, Ministry of Water Resources admitted that no reservoir has been created so far.

15. Asked about the actual extent of achievement made in the implementation of the Master Plan, the Secretary, Ministry of Water Resources stated as follows:

"Dihang-nil; Subansiri-nil. Tipaimukh, we have decided to go ahead with dam construction. The detailed project report is in the making. Hopefully, by June, 1993, the detailed project report will be ready".

16. The witness further added:

"We have taken some action like approach roads and certain staff quarters which are immediately needed for preparation of the detailed report and preliminary work that has already been approved. Now detailed project report preparation is being coordinated by Central Water Commission because this is part of the Government of India".

*(c) Project under execution*

17. According to the Ministry of Water Resources, the Brahmaputra Board has so far taken up the execution of only one scheme, namely, the setting up of the North Eastern Hydraulic and Allied Research Institute

(NEHARI). It is for doing hydraulic and applied research for catering to the needs of the north-eastern region. Its work commenced during 1988-89 with the completion scheduled within 4 years, i.e. during 1988-89 to 1992-93. The programme of completion of the scheme has been rescheduled by March, 1994 due to the following reasons:

- (i) Lengthy process in land acquisition resulting in delay of land development of the project site.
- (ii) Work suspended from 12/91 to 3/92 due to litigation.
- (iii) Actual working period is available only for 5-6 months in a year due to heavy monsoon in this region.
- (iv) Works suffered for 12 to 15 months during the last three seasons due to civil disturbances.

18. To a query as to how would NEHARI benefit the local people, the Secretary, Ministry of Water Resources stated:

"Their problem are related basically with hydraulic problems. In the master plan, suppose there are two alternatives. For these alternatives, certain model studies have to be done".

19. The Committee desired to know the significance of hydraulic research, when there has not been any progress in the implementation of the Master Plan. The Secretary of the Ministry stated as follows:

"It can sharpen the faces of the master plan".

20. According to the Ministry of Water Resources the extra expenditure due to the shifting of the date of completion of NEHARI from March, 1993 to April, 1994 would be as under:

- (i) Extra expenditure on the establishment cost for 1 (one) year = Rs. 14.00 lakhs
- (ii) 10% cost escalation in the balance work of —
 

1. Workshop Building	— Rs. 16.40 lakhs
2. Field Hostel	— Rs. 24.00 lakhs
3. Model tray No. III, IV, & V	— Rs. 32.00 lakhs
4. Boundary Wall	— Rs. 28.00 lakhs
5. Water Supply	— Rs. 12.00 lakhs
6. Flume	— Rs. 10.00 lakhs
	Rs. 122.40 lakhs
	= Rs. 12.24 lakhs

Total (i + ii) = Rs. 26.24 lakhs

21. As regards the progress of the NEHARI Scheme the Secretary, Ministry of Water Resources informed during evidence that "work on NEHARI is going on full steam" and "some model studies have already been started without the institute fully coming into being".

*(b) Investigation of Dihang and Subansiri Dam Projects*

22. According to the information furnished to the Committee the detailed investigations of Dihang Dam Project and Subansiri Dam Project were completed by the Brahmaputra Board and the Project Reports submitted to the Government of India in July, 1983. Both the projects are stated to be under scrutiny of CWC and CEA. Further, the Government of Arunachal Pradesh has been expressing serious reservations on implementation of these projects from 1980 onwards because of the involvement of submergence of vast area of land. However, investigations of routine nature are stated to be in progress at present in respect of both the projects and the Brahmaputra Board has been incurring expenditure on these projects even after submission of project reports for the collection of hydrometeorological data only so that the data already incorporated in the detailed project reports may be updated accordingly.

23. The expenditure incurred on investigations of both the dam projects upto March, 1992 is as under:

For Dihang	— Rs. 5.92 crores
For Subansiri	— Rs. 6.07 crores
Total	<hr/> = Rs. 11.99 crores <hr/>

24. The Committee desired to know whether the Government of Arunachal Pradesh has finally agreed to the implementation of the above two projects and if not, how do the Ministry justify incurring expenditure uptill now on the ground of conducting investigations of routine nature. The Ministry of Water Resources have in their note, stated:

"The Government of Arunachal Pradesh are yet to agree to the implementation of the above two projects. Arunachal Pradesh Government is expected to be persuaded to give concurrence. The investigations are necessary for full assessment of the potential, benefits from the projects and their susceptibility for implementation and as such the expenditure on the investigations is justified."

25. The Committee have also been informed that the Project Reports of both these dam projects have not been cleared by the Government of India for want of details of ecology and environmental aspects, relief and rehabilitation master plan of the project affected people because of the reservations of the Government of Arunachal Pradesh.



26. On being asked about the reasons due to which the Government of Arunachal Pradesh opposed the execution of these two dam projects, the Secretary, Ministry of Water Resources stated during evidence:

"Displacement is the first and environment is the second objection. I have studied the subject. On environment side, bio-diversity is the problem. In the north-eastern region, it has been the gene bank for the entire world. We have got bio-diversity in a number of places. Now, we have got the latest technology like the gene bank. Then we can propagate genes which can ensure for posterity, the right kind of genes availability and the right type of crops."

27. In reply to a question as to how the Ministry of Water Resources proposed to take care of the problems of displacement of people and disturbance of the local culture and ecology as raised by Government of Arunachal Pradesh, the Secretary, Ministry of Water Resources stated:

"About rehabilitation and resettlement, we have got one of the best policies for Sardar Sarover and Narmada projects which have not been accepted as National Policies. We have prepared separately a well-defined draft national policy on that. Each state will have certain changes from the policy according to the needs etc. According to geo-climatic needs, some changes will have to be there. The policy is drafted and has gone to Irrigation Ministers Conference in September and will go to National Water Resources Council in a short time. Similarly, policies that have developed are acceptable to Ministry of Environment and Forests on environment side of it."

28. On being asked whether the Ministry was confident of removing the apprehensions of the Government of Arunachal Pradesh, the Secretary, Ministry of Water Resources replied in affirmative.

## **II. Purchase of DR 200 digital type Micro Earthquake (MEQ) Recording System**

### ***(a) Procurement of MEQ Recorders***

29. The project areas of Subansiri and Dihang are situated in a seismically active region of the country. The high level Committee for utilisation of Water resources of the Brahmaputra in its meeting held in Calcutta in Feb. 1980 decided that micro-earthquake recorder should be installed in the area surrounding Dihang & Subansiri Dam sites for recording microshock on a continuous basis.

30. According to the information furnished to the Committee, the selection of observation sites for micro earthquake studies in the vicinity of Subansiri and Dihang Projects was entrusted to Geological Survey of India (GSI) as micro-seismic study is a part of geophysical investigation. The GSI selected 6 sites for each project for Phase-I study programme. So the requirement for Digital Recorder for these two projects was assessed at 12

units. These requirements were subsequently finalised by the Central Water & Power Research Station (CWPRS), Pune a National Apex Organisation in the field of earthquake studies. Since CWPRS offered the Brahmaputra Board 4 digital recorders on loan basis, the net requirement of the equipment for procurement purposes was reduced to nos. The decision for procurement of 8 units of digital MEQs was conveyed to the Chairman, Brahmaputra Board by the CWPRS *vide* their letter dated 8.9.1982.

31. The Committee desired to know the reasons for delay of over two years for conveying the decision for procurement of digital MEQ by the CWPRS in September, 1982 when the High Level Committee had decided to instal such recorders in their meeting held in February, 1980. The Ministry of Water Resources in a note furnished to the Committee have stated:

"Micro earthquake studies in the vicinity of project area were initiated by CWPRS, Pune long before inception of Brahmaputra Board under Flood Control Department, Government of Assam. During 1979 to 1980 analog type recorder was used. As the Board came into being in 1981 and the responsibility for investigation of Subansiri and Dehand Project was also entrusted to Board, so procurement/installation of Digital Recorder could be initiated during 1982. Some time elapsed during taking over charges of these two projects from flood control Department, Govt. of Assam."

32. On being asked as to when was the order for procurement of equipment actually placed, the Secretary, Ministry of Water Resources stated during evidence:

"The order was placed in November, 1984."

33. When the Committee desired to know the reasons for delay of over two years between conveying the decision for procurement of digital recorders in September, 1982 and the placing of procurement order in November, 1984, the Secretary, Ministry of Water Resources deposed:

"Lot of processing is involved when the instruments required are of special variety and special type and if there is foreign import."

34. In reply to another related question, the Secretary, Ministry of Water Resources stated that the "processing was initiated after September, 1982 while the tender notice was issued in December, 1982".

35. In the light of the fact that the detailed investigation of both the dam projects was completed by Brahmaputra Board and the project reports submitted to Government of India in July, 1988 the Committee desired to know the justification for award of order for purchase of MEQ recorders in November, 1984. The Ministry of Water Resources have, in their note, stated:

"It is true the project reports were submitted during July, 1983. The Report of the Micro-seismic studies to be conducted by using Digital Recorder was not incorporated. The project report was prepared on

the basis of data collected by the Flood Control Department, Government of Assam as the investigation of these two projects were conducted by them since early sixties. After creation of Board the part of investigation which was not conducted by the Flood Control Department, Government of Assam was only taken up by the Board to complete the detailed investigation."

36. According to the information furnished by Brahmaputra Board at the instance of the Study Group of the Committee which visited Guwahati in June, 1992, the quotations for procurement of 8 nos. of Digital Recorders were invited by Brahmaputra Board on global basis and altogether 10 firms responded out of which two firms submitted their quotations directly while other 8 firms submitted their quotations through their Indian Agents. The Brahmaputra Board prepared comparative statement and sent it to CWPRS, Pune for Technical comparison of various offers and quoted price. The Brahmaputra Board is also stated to have been guided by the recommendations of the electronic equipment Committee of CWPRS for drawing up the specification and selection of the equipments for the project. The proposals/recommendations of CWPRS were also examined by the Department of Electronics and necessary clearance was given by them for import of 8 nos. of MEQ Recorders vide their letter dated 17.4.1984. After going through the recommendations made by CWPRS; Central Water Commission; Department of Electronics; and the Ministry of Finance, the erstwhile Ministry of Irrigation conveyed the sanction of the Government of India to the release of foreign exchange for the import of 8 sets of DR-200 Digital type MEQ Recorders by Brahmaputra Board from the U.S.A. The procurement of the equipment was to be made from M/s. Sprengnether Instrument Inc., U.S.A. through their Indian Agent M/s. Gannon Dunkerly & Co. Ltd. Bombay.

37. According to the Ministry, the decision to award work order to M/s. Sprengnether Instruments, USA was taken at the level of Vice-Chairman, Brahmaputra Board.

38. In reply to a question about the factors which weighed with the agency of the Ministry in choosing the particular firm for supply of MEQ sets, the Ministry of Water Resources have, in their note, stated as follows:

"The Digital Recorder offered by M/s Sprengnether Instrument Inc., USA has the following advantages over the equipment offered by other agencies.

- (a) Recording density 1600 bits per inch against 800 bits per inch for T/s Teledyne. This will allow recording more data in the same length of cassette.
- (b) The current drain is 60 milliamps as against 100 milliamps for Teledyne which will result in longer battery life in the field.

- (c) The sensor is of electrodynamic type which allows adjustment of natural period which is a desirable feature considering the background noise present in the field. Further more, the transducer measures velocity directly and is not required to derive velocity from an integration of the acceleration output as in the case of the sensor offered by Teledyne.
- (d) The equipment offered by M/s Sprengnether Instrument has seven pole—antialiasing filter against four pole offered by M/s. Teledyne Geotech. The seven pole filter will give sharper roll off rate in the frequency response which is desirable for eliminating high frequency noise.
- (e) The sampling rate is also high at 800 samples per second as against 600 samples per second offered by Teledyne.
- (f) Pre-event memory available with equipment offered by M/s Sprengnether is about 10 times that offered by Teledyne.

Weighing the pros and cons as stated above, the equipment offered by M/s Sprengnether instrument was considered superior and more suited to our requirements."

39. On being enquired whether the Ministry tried to explore the possibility of getting similar equipment from within the country, the Ministry of Water Resources have stated as under:

"A meeting was held in the Department of Electronics on 09-03-1984 among representatives of Central Water Commission, Department of Electronics, Govt. of India and M/s Saraswati Engineering, an Indian firm to explore the possibility of getting similar equipment from this firm. Accordingly, a meeting was convened by the CWC on 20-03-84 to discuss the above subject. At that meeting it was decided to place trial order on M/s Saraswati Engineering Agency for 1(one) such recorder conforming to technical specification included in their original offer for encouraging the young entrepreneurs. Board placed order immediately and revised order was also placed by requested the firm subsequently. But the firm could not supply the same till to day."

*Terms and conditions of the supply order.*

40. From the information furnished to the Committee, it is seen that the supply order for 8 sets of DR-200 Digital type MEQ Recording system with accessories and spares was issued by the G.M., Brahmaputra Boud in November/December, 1984. The terms and conditions of the order is stated to have been approved by Vice-Chairman, Brahmaputra Board.

Some of the important terms and conditions contained in the aforesaid supply order were as follows:

**PAYMENT:**

**(A) FOREIGN CURRENCY:** The payment to the supplier will be made through an irrevocable and confirmed Letter of Credit. The L.C. will be established for 100% Nett. CIF New Delhi value (Excluding Indian Agents Commission).

**(B) INDIAN AGENTS COMMISSION:**

**BY INDIAN CURRENCY:**

- (i) 95% of the Indian Agent's Commission will be paid to M/s. Gannon Dunkerley & Co., Bombay on receipt of the stores.
- (ii) Balance 5% will be payable to them after the ultimate satisfactory commission of the equipment.

**WARRANTY:**

The stores shall be guaranteed against any manufacture defects for a period of one year from the date of commission. Any defect observed during this period shall be made good by the supplier or his agent free of charges.

**AFTER SALES SERVICE:** Your Indian Agent M/s. Gannon Dunkerley & Co. Ltd., Bombay will render after sales service as and when necessary.

41. The above terms and conditions stipulated in the contract were accepted by the firm.

*Receipt and Inspection of the Equipment*

42. According to the information made available to the Committee, all the 8 units of MEQ Recorders were received at Gerukamukh (Subansiri project site) on 9.8.1985 and the joint inspection of these sets was carried out from 21.1.1986 to 25.1.1986.

The joint inspection team consisted of the Service Engineer of M/s. Gannon Dunkerley & Co. Ltd.; SRO from CWPRS; two other personnel from Electronic Instrument Department of CWPRS; and one Assistant Engineer from Brahmaputra Board trained at Pune. As per the Ministry, all these personnel were technically qualified.

*(b) Defective sets and delay in repairing*

43. According to the information made available to the Committee, one MEQ Recorder was found defective during the joint inspection of the instruments conducted in January, 1986. During evidence, the Committee

wanted to know whether the originally defective set was to be replaced or repaired in terms of the contract. In his reply, the Secretary, Ministry of Water Resources stated:

"Contract says that defect will be removed."

44. On being asked as to what was done in case of the set originally found defective, the witness deposed:

"It has been repaired."

45. In reply to a question as to why that instrument was not replaced, the Secretary, Ministry of Water Resources stated:

"In an instrument like this, there must be 100 odd components and out of that if we find that two are defective and send it to the agent, he may not replace the entire thing."

46. On being asked whether such an eventuality should have not been taken care of in warranty clause of the contract, the Secretary, Ministry of Water Resources stated:

"It is a matter of opinion unless we have got strong doubts. Where there are number of items, we will go from component to component."

47. The Committee desired to know whether the Indian Agent of the supplier was approached for rectification of defects immediately after the inspection was over. In his reply, the Secretary, Ministry of Water Resources stated:

"That took lot of time."

48. When enquired as to why immediate steps were not taken by the Board to get originally defective set replaced by the firm, the Ministry of Water Resources have, in their note, stated as follows:

"The originally defective set was detected during joint verification in January, 1986 duly represented by firm's Bombay agent. This office pursued the matter with the Bombay agent for repair. The Bombay agent in turn referred the case to their principal firm (in USA) concerning repair of the set. Finally, when it was agreed to repair the set, the Bombay agent said that it would be repaired at Delhi whereas on our part we considered that it would not be advisable to transport such a delicate machine all the way to Delhi only for repair. We, therefore, suggested that it should be repaired at the site. This whole process took time. Moreover, during the first phase of the investigation, only six sites were identified by the Geological Survey of India (GSI) for installation of the recorders thereby leaving two sets aside as reserve. Accordingly during that phase there was no immediate/urgent requirement for replacement/repair of the set."

49. In reply to Committee's query whether there was any clause in the warranty contract about the place where the repairs would be carried out in case of manufacturing defects in the equipments, the Secretary, Ministry of Water Resources stated during evidence:

"There-is no such clause."

50. On being enquired whether the fact of originally defective set should have not been reported straightaway to the Agent for rectification as it attracted warranty clause as contained in the supply order, the Secretary, Ministry of Water Resources stated during evidence:

"When the joint inspection was done they were told that the instrument was defective and they also agreed to it."

51. In reply to a question as to why did Brahmaputra Board accept the originally defective set in the first instance, the Ministry of Water Resources have stated in their note:

"As per terms of the Work Order No. BB(W&B) 26/84/79 dt.21.11.1984, 100% payment in foreign currency (CIF) had already been released prior to effecting the delivery of the instruments. As such, the Brahmaputra Board had to accept all the sets including the one found to be defective after joint verification."

52. On being enquired whether any attempts were made to stop payments to the Indian Agent's commission at least for the set found defective on receipt, the Ministry of Water Resources have stated that 95% of Indian Agent's commission was released by Brahmaputra Board on 31.1.1986 as per the terms and conditions of the work order and the balance 5% commission is still with the Board.

53. The Audit paragraph also reveals that one set kept in stock was also found defective when checked in November, 1986. Of the six installed sets, two sets were withdrawn in May and September, 1986 as they had also developed defects and had become inoperative.

54. In the course of evidence, the Committee was further informed by the Secretary, Ministry of Water Resources that the remaining four sets had also become defective in January, 1988.

55. As regards the date upto which the warranty for these sets was available, the Ministry of Water Resources have stated:

"The date of commission was 21st January, 1986. According to the warranty clause the warranty period existed upto 20th January, 1987."

56. The following are the dates on which the position about the occurrence of defects in the sets was formally reported to the Indian Agent:

12.06.1986 ..... (for the set found defective in January, 1986)

19.09.1986 ..... (Reminder for the set found defective in January, 1986)

01.01.1987 ..... (for the sets found defective in January, May, September & November 1986)

57. During evidence, the Committee were informed that out of the four sets found defective within the warranty period, three sets (found defective in May, Sept. & Nov., 1986) involved non-manufacturing defects.

58. In reply to question as to when were the defective sets examined with a view to ascertain whether they suffered from manufacturing defects or not, the Ministry of Water Resources have stated in their note as follows:

"The CWPRS officials were invited time to time to observe/check the instruments. However, Dr. Arun Bapat, Sr. Research Officer and his electronic staff came during March 1987 and checked all sets and certified that all sets worked satisfactorily. So instruments were found free of manufacturing defects beyond warranty period."

59. On being enquired whether there was any clause in the agreement with the supplier to deal with the defects other than manufacturing defects, the Ministry of Water Resources replied in negative.

60. According to the information made available to the Committee, six defective machines were handed over to the Indian Agent on 23rd November, 1990 for necessary repairs.

61. At the instance of the Committee, the Ministry of Water Resources have furnished a statement indicating the defects noticed in each set and the same is reproduced at Appendix-II.

62. The Ministry of Water Resources have also informed that five repaired instruments have so far been received and they are programmed to be installed at Tikaimukh Dam shortly. According to the Ministry, 3 sets were repaired in September, 1992 and two sets in January, 1993. The remaining sixth one is expected to be got back by February, 1993.

63. Explaining the reasons for delay in repair of the defective sets, the Ministry of Water Resources have, in their note, stated as under:

"There were many factors beyond our control for pursuing the case for repairs of the defective sets, which were found to be out of order in May and September, 1986. When the Brahmaputra Board reported about the defects of these sets to the Indian agent in Bombay, they in turn had to approach their principal firm in the USA. Moreover, details of the defects had to be ascertained and pinpointed by the expert agency.



(CWPRS) at Pune. These factors coupled with the installation sites being located in the interior places of Assam and Arunachal Pradesh, delayed the whole process."

64. The Secretary, Ministry of Water Resources furnished a note to the Committee in the Course of evidence which *inter-alia* contained the following reason for the slow progress on repairs:

"Instruments were meant for Dehang and Subansiri dams initially. By the time instruments were received, it was decided to go slow on Dehang. Subsequently, because of mounting resistance, Board had to go slow on Subansiri too. Need for instruments therefore reduced. This explains slow progress on repairs."

65. In a note furnished subsequently to the Committee the Ministry of Water Resources have explained the position further in this regard as under:

"M/s. Gannon Dunkerlay & Co. Ltd., the Indian Agent vide their letter of January 22nd, 1987 had agreed that the instrument found defective in the month of January, 1986 was under warranty and arranged to repair the same for which the instrument has to be sent to New Delhi for arranging repair of the same and they had also indicated that the other three instruments are no longer under warranty and repairs will be chargeable. The Board vide letter dated 13.02.87 requested M/s. Gannon Dunkerlay & Co. Ltd. To depute their service Engineer to Gerukamukh for carrying out the repairs in view of the sensitiveness of the instruments. In response to the Board's request, the Indian agent intimated the charges of the Service Engineers to be paid by the Board vide their letter of 10.04.87. The Board, however, found it not necessary to get the instruments repairs. Since the necessity of installation of those instruments was not called for. As and when necessity arose, the board requested M/s. Gannon Dunkerlay & Co. Ltd. to get the instruments examined and repairs be carried out if necessary. Orders for the supply of the spares for six numbers of instruments were placed by the Board on 25.9.91 to M/s. Sprengnether Instruments, USA and order for carrying repair of the same was placed by the Board to M/s. Ganon Dunkerlay & Co. Ltd."

66. In reply to audit observations, the Brahmaputra Board stated in October, 1990 that it did not consider it necessary to get the sets repaired immediately as the field study was completed by other instruments and they would be utilised in some other projects after getting these repaired.

67. As per the Ministry of Water Resources, the total expenditure incurred so far on rectification of the defects noticed from time to time on all the sets is as follows:

(a) Spare parts cost 8415.62 US Dollar	Rs. 2,18,356.00
Rs. 100.00 per 3.8450 US Dollar	
(b) Landing charge	Rs. 2,189.00

(c) Custom Duties	Rs. 3,34,817.00
	<hr/>
	Rs. 5,55,862.00
(d) Repair charge for six sets	Rs. 41,000.00
	<hr/>
Total	Rs. 5,96,862.00
	<hr/>

### *Utilisation of Instruments*

68. According to the Ministry, actual extent of utilisation of each of the instruments is as follows:

	<b>Instrument No.</b>	<b>Details of Recording</b>
1.	9046	25-01-86 to 12-05-86 (Phase-I) 13-11-86 to 3-3-87 (Phase-II) Total 218 days in operation.
2.	9047	1-7-86 to 23-9-86 = 86 days in operation.
3.	9054	23-01-86 to 30-04-86 (Phase-I) 1-5-86 to 1-7-87 (Phase-II) 21-12-87 to 7-1-88 (Phase-III) = 176 days in operation.
4.	9055	21-1-86 to 5-7-86 = 165 days.
5.	9057	22-1-86 to May 86 = 129 days.
6.	9058	10-11-86 to 4-3-87 = 115 days 9-1-88 to 13-1-88 = 5 days. Total (115+5) = 120 days.
7.	9053	Not installed due to faulty recording head - fails to record data in track No. 1. Now available at Tipaimukh for commissioning.
8.	9059	Kept at Store and will be utilised at Tipaimukh.

69. It would be seen from the above table that while two instruments have not been installed since its receipts, the remaining six sets had remained in operation for a period ranging from 86 days to 218 days.

70. In the absence of effectively harnessing the huge water resources of the north-eastern region, this region has perpetually been beset with acute and complex problems of floods, bank erosion and drainage congestion. With a view to overcome the havoc created by these uncontrolled water resources and to utilise them for irrigation, hydro-power navigation and other beneficial purposes, the Government of India constituted the Brahmaputra Board on 31 December, 1981 to carry out surveys and investigation in the

Brahmaputra vally (including Barak Valley) and prepare a Master Plan for control of floods and bank erosion and improvement of drainage in this valley. The Board was also to prepare detailed reports and estimates in respect of dams and other projects proposed in the Master Plan, as approved by the Central Government and to undertake the construction and maintenance of the approved projects. Due to enormity of the task, the work of preparation of Master Plan was divided into three parts: Part-I dealing with the main stem of the Brahmaputra river; Part-II dealing with the Barak river and its tributaries; and Part-III dealing with the tributaries of the Brahmaputra and the rivers of Tripura. The targeted dates of preparation of these three parts of the Master Plan were December, 1986; March 1988; and March, 1990 respectively. While Parts I and II of the Master Plan were prepared and submitted to the Ministry of Water Resources and concerned State Govts. etc., almost within the target dates, the Committee are unhappy to find that the preparation of Part III of the Master Plan is yet to be completed even after a lapse of three years from the target date in March, 1990. What is more disquieting is the fact that even the updating of the Parts I & II of the Master Plan submitted as early as in December, 1986 and March, 1988 respectively on the basis of comments received from various quarters still remains to be achieved. The Committee are unhappy over the abnormally long time taken in the completion of the different parts of the Master Plan. Keeping in view the enormous benefits envisaged to the entire region in the implementation of the Master Plan, the Committee emphasize that concerted efforts should be made by all concerned to urgently complete the remaining activities on all the three parts of the Master Plan so that its eventual clearance by the Ministry is considered.

71. The total estimated expenditure on the execution of the three facets of the Master Plan is of the order of Rs. 55, 333 crores, and the break up of this expenditure for parts I, II and III is Rs. 32,085 crores (1983 price level), Rs. 2500 crores (1988 price level) and Rs. 20,748 crores (1992 price level). Obviously, these estimates will further escalate if these are recalculated at the current prices. According to the Ministry of Water Resources the updating of Parts I and II of the Master Plan would be completed by March, 1994 and March 1993 respectively. Further the work on the completion of Part III of the Master Plan would be completed by March, 1993 and overall investigation of Part I and those of the tributaries of the Brahmaputra would be completed by March, 1995. The quantum of achievements made thus far in the finalisation of the different facets of the Master Plan clearly reveals lack of urgency and seriousness on the part of the concerned authorities. The Committee emphasize that serious efforts should be made to complete the pending activities of formulating the Master Plan in accordance with the aforesaid forecasts. In view of the enormous financial requirements for the execution of the Master Plan, a comprehensive scheme should be chalked out by the Ministry of Water Resources in consultation with the other concerned authorities for a phase-wise execution

of the Master Plan. It is understood that part of the financial requirements are proposed to be met by taking assistance from the Global Investment Fund. The Committee urge that all necessary steps to tie up this assistance should be taken well in advance. Meanwhile, efforts should be continued to be made to resolve the objections raised by various State Governments expeditiously so that there is no slippage on this account. The Committee would like to know the details in this regard.

72. The Committee note that an expenditure of about Rs. 64.77 crores has been incurred upto March, 1992 over the various activities undertaken by the Brahmaputra Board since its coming into being in 1981. The Committee are unhappy to find that the results achieved are far from satisfactory. For instance, Part III of the Master Plan which was to be completed by March, 1990 is yet to be completed. The Board has not undertaken the execution of any of the flood protection works so far identified in the Master Plan. In spite of the fact that there is no progress in the execution of Dihang Dam Project and Subansiri Dam Project, project reports for which were submitted to the Govt. in July, 1983, the Board has incurred an expenditure of Rs. 11.99 crores upto March, 1992 for the collection of Hydrometrological data for updating the data incorporated in the project reports, submitted in July, 1983. The Board had also taken up the preparation, investigation, data collection of 30 identified drainage schemes, out of which it has been able to submit project reports in respect of 7 schemes only so far. The Board has taken up as of date of execution of only one scheme viz., the setting up of the North Eastern Hydraulic and Allied Research Institute. The Committee are distressed to find both time and cost over-runs in the execution of this scheme. The Institute originally stated to be completed by March, 1993 is now scheduled for completion in April, 1994, resulting in cost escalations to the tune of Rs. 26.24 lakhs. The Committee find that delays in implementation have resulted in infructuous expenditure on updating data and avoidable cost and time over-runs. The Committee take a serious view of all these aberrations on the part of Brahmaputra Board and urge the Ministry to look into the matter and initiate necessary steps immediately to improve the working of the Board eliminating the possibility of incurring any further avoidable expenditure.

73. The areas of the proposed Dihang and Subansiri dam projects are situated in a seismically active region with view to conducting micro earthquake studies in the vicinity of these projects, the high level Committee for utilisation of water resources of the Brahmaputra, in its meeting held in February, 1980 decided that micro earthquake recorders should be installed in the areas surrounding both dam sites. The Committee, however, find that the protracted procedure followed by the various agencies and departments of Government of India took more than 4 years to finalise the details for the equipment in question and consequently the supply order for import of 8

units of DR-200 digital type MEQ recording system could be finally placed by the Brahmaputra Board on a foreign firm through their Indian agent only in November 1984. The Committee are not convinced by the arguments adduced by the Secretary, Ministry of Water Resources that "lot of processing is involved when the instruments required are of special variety and special type and if there is foreign import", as the facts narrated in the succeeding paragraphs clearly reveal that despite unduly long time taken by various agencies in finalising the relevant details there was not only failure in stipulating proper terms and conditions in the contract for ensuring operational efficiency of the sophisticated instruments but also lack of serious approach on the part of the Brahmaputra Board to effectively safeguard their financial interests.

74. All the 8 imported sets of recorders costing Rs. 23.65 lakhs, were received in August, 1985. The Committee are surprised to find that inspite of the fact that warranty for these sets was only for one year, the joint inspection of the sets was not conducted immediately on receipt and was only conducted in January, 1986, when one set was found defective. The sets were installed in January, 1986. It is unfortunate to note that all the seven sets became defective and inoperative one after another. The dates of occurrence of defects in these sets were May, 1986, September, 1986, November, 1986 and January, 1988 (Four sets). The Committee are deeply concerned to find that the Brahmaputra Board sent the defective sets to the Indian agent of the firm at Bombay only in December, 1991 after an inordinate delay. These sets were eventually repaired between June 1992 and January, 1993 at an additional cost of about Rs. six lakhs.

75. The Committee are distressed to find that there was an unconscionable delay of about five years on the part of the Brahmaputra Board in getting the defective instruments repaired. They are not convinced by the arguments advanced by the Ministry that the details of the defects in the equipments had to be ascertained and pin-pointed by the expert agency and that the location of installation sites in the interior places of Assam and Arunachal Pradesh delayed the whole process. The other plea advanced by the Ministry that due to the decision to go slow on Dihang and Subansiri Projects, the Brahmaputra Board went slow on repairs of defective sets is also not tenable as the Brahmaputra Board had stated in October, 1990 in reply to the audit observation that the field study had to be completed by other instruments and that the defective sets after repairs would be utilised in some other projects. The Committee are convinced that there was gross negligence on the part of concerned authorities in pursuing the matter with the agent for getting all the defective sets repaired in time with the result that two imported sets could not be utilised at all and even the other six sets were very inadequately utilised as they remained operational only for a period ranging from 86 days to 218 days right from their installation in January, 1986. This clearly shows that the entire expenditure of about Rs. 30 lakhs incurred on the procurement of these eight sets proved to be totally infructuous in the view of the Committee. The Committee

recommend that an enquiry should be instituted with a view to fixing responsibility for the unduly long delay on the part of the concerned authorities to take timely steps for getting the defective sets repaired. The Committee would like to stress again the environmental importance of the project and emphasize that no slippages should be allowed to hamper the progress of the project. The Committee would therefore, like to know the outcome of this enquiry within a period of three months and further action taken thereon.

ATAL BIHARI VAJPAYEE,

*Chairman,*

*Public Accounts Committee.*

NEW DELHI;

*April 26, 1993*

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*Vaisakha 6, 1915(S)*

**APPENDIX-I**  
**(Vide Para 1)**

**BRAHMAPUTRA BOARD, GUWAHATI—IDLE OUTLAY**

***Audit Para***

To study micro-earthquake effects at the dam sites of Siang and Subansiri Dam Projects, the Brahmaputra Board (Board) purchased (November 1985) eight sets of DR 200 digital type Micro Earthquake Recording System costing Rs. 23.65 lakhs (including custom duty, agent's commission, warehousing charges etc.) from a foreign firm through their Indian agent. Out of eight sets, one was found defective on receipt and of the remaining seven sets, six were installed between January 1986 and November 1986 through the Central Water Power and Research Station (CWPRS) at a cost of Rs. 1.97 lakhs and the remaining set was lying in store since November 1985.

Two of the installed sets were withdrawn (May and September 1986) from site as they had developed defects and had become inoperative. The set in stock when checked was also found (November 1986) defective. While the defects of the set originally found defective was reported to the agent in June 1986, defects in the other three sets (two installed and one uninstalled) were also reported to the agent in January 1987. The firm agreed (January 1987) to repair the first defective set without cost, but claimed cost of repair of the other three sets on the ground of expiry of warranty period. Although the Board requested (February 1987) the Indian agent of the firm to carry out the repairs, the defects remained unrectified (December 1990). Thus, owing to delay in taking timely action four sets (cost: Rs. 11.83 lakhs) remained unutilised (September 1991) even after five years of their procurement and the expenditure for rectification of the defects has become the liability of the purchaser.

The Board stated in October 1990 that it did not consider it necessary to get the sets repaired immediately as the field study was completed by other instruments and they would be utilised in some other projects after getting these repaired. The Board again stated in December 1990 that action had been taken to repair the sets, the cost of which was yet to be finalised. Reasons as to why the sets were purchased and kept idle when these were not needed immediately resulting in blocking of funds of Rs. 11.83 lakhs, were not indicated.

The matter was referred to the Ministry in May 1991; reply has not been received (March 1992).

**APPENDIX-II***(Vide Para-61)***STATEMENT INDICATING THE DEFECTS NOTICED IN EACH SET.**

<b>Set No</b>	<b>Defect(s) noticed at the time of repair</b>
1. (9058)	(i) Capstan Belt broken (ii) Motion power supply board fused.
2. (9046)	(i) Both fuses for external & internal batteries blown. (ii) DC/DC converter (Plus/minus 7) bad (iii) No rewind of cassettes to load point. (iv) Capstan drive belt bad. (v) Hand held terminal circuit needs resetting-improper display. (vi) Display/Key board module faulty
3. (9053)	(i) No filter frequency due to zero voltage of battery (dry cell) (ii) Main ADC chip bad (iii) No display on terminal (iv) DC/DC converter (+5) bad. (v) O/P shorted. (vi) No rewind to load point.
4. (9055)	(i) Plus/minus 7v DC/DC converter shorted at point.
5. (9054)	(i) Plus/minus 7v DC/DC converter bad shorted at point. (ii) 1 fuse blown. (iii) No filter frequency/battery voltage. (iv) No dock display-clock board bad.
6. (9047)	(i) DC/DC converter bad.



### APPENDIX-III

#### STATEMENT OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para Ministry/Deptt. concerned	Observations and Recommendations	
1	2	3	4
1.	70	Water Resources	<p>In the absence of effectively harnessing the huge water resources of the north-eastern region, this region has perpetually been set with acute and complex problems of floods, bank erosion and drainage congestion. With a view to overcome the havoc created by these uncontrolled water resources and to utilise them for irrigation, hydro-power navigation and other beneficial purposes, the Government of India constituted the Brahmaputra Board on 31 December, 1981 to carry out surveys and investigation in the Brahmaputra valley (including Barak valley) and prepare a Master Plan for control of floods and bank erosion and improvement of drainage in this valley. The Board was also to prepare detailed reports and estimates in respect of dams and other projects proposed in the Master Plan, as approved by the Central Government and to undertake the construction and maintenance of the approved projects. Due to enormity of the task, the work of preparation of Master Plan was divided into three parts: Part-I dealing with the main stem of the Brahmaputra river; Part-II dealing with the Barak river and its tributaries; and Part-III dealing with the tributaries of the Brahmaputra and the rivers of Tripura. The targeted dates of preparation of these three parts of the Master Plan were December, 1986; March 1988; and March, 1990 respectively. While Parts I and II of the Master Plan were prepared and submitted to</p>

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the Ministry of Water Resources and concerned State Govts. etc., almost within the target dates, the Committee are unhappy to find that the preparation of Part III of the Master Plan is yet to be completed even after a lapse of three years from the target date in March, 1990. What is more disquieting is the fact that even the updating of the Parts I & II of the Master Plan submitted as early as in December, 1986 and March, 1988 respectively on the basis of comments received from various quarters still remains to be achieved. The Committee are unhappy over the abnormally long time taken in the completion of the different parts of the Master Plan. Keeping in view the enormous benefits envisaged to the entire region in the implementation of the Master Plan, the Committee emphasize that concerted efforts should be made by all concerned to urgently complete the remaining activities on all the three parts of the Master Plan so that its eventual clearance by the Ministry is considered.

2. 71 Water Resources The total estimated expenditure on the execution of the three parts of the Master Plan is of the order of Rs. 55,333 crores, and the break up of this expenditure for parts I, II and III is Rs. 32,085 crores (1983 price level), Rs. 2500 crores (1988 price level) and Rs. 20748 crores (1992 price level). Obviously, these estimates will further escalate if these are recalculated at the current prices. According to the Ministry of Water Resources the updating of Parts I and II of the Master Plan would be completed by March, 1994 and March 1993 respectively. Further the work on the completion of Part III of the Master Plan would be completed by March, 1993 and overall investigation of Part I and those of the tributaries of the Brahmaputra would be completed by March, 1995. The quantum of the achievements made thus far in the finalisation of the

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different facets of the Master Plan clearly reveals lack of urgency and seriousness on the part of the concerned authorities. The Committee emphasize that serious efforts should now be made to complete the pending activities of formulating the Master Plan in accordance with the aforesaid forecasts. In view of the enormous financial requirements for the execution of the Master Plan, a comprehensive scheme should be chalked out by the Ministry of Water Resources in consultation with the other concerned authorities for a phase-wise execution of the Master Plan. It is understood that part of the financial requirements are proposed to be met by taking assistance from the Global Investment Fund. The Committee urge that all necessary steps to tie up this assistance should be taken well in advance. Meanwhile, efforts should be continued to be made to resolve the objections raised by various State Governments expeditiously so that there is no slippage on this account. The Committee would like to know the details in this regard.

3. 72 Water Resources The Committee note that an expenditure of about Rs. 64.77 crores has been incurred upto March, 1992 the various activities undertaken by the Brahmaputra Board since its coming into being in 1981. The Committee are unhappy to find that the results achieved are far from satisfactory. For instance, Part III of the Master Plan which was to be completed by March, 1990 is yet to be completed. The Board has not undertaken the execution of any of the flood protection works so far identified in the Master Plan. In spite of the fact that there is no progress in the execution of Dihang Dam Project and Subansiri Dam Project, project reports for which were submitted to the Govt. in July, 1983, the Board has incurred an expenditure of Rs. 11.99 crores upto March, 1992 for the
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collection of Hydrometrological data for updating the data incorporated in the project reports, submitted in July, 1983. The Board had also taken up the preparation investigation, data collection of 30 identified drainage schemes, out of which it has been able to submit project reports in respect of 7 schemes only so far. The Board has taken up as of data the execution of only one scheme viz., the setting up of the North Eastern Hydraulic and Allied Research Institute. The Committee are distressed to find both time and cost over-runs in the execution of this scheme. The Institute originally slated to be completed by March, 1993 is now scheduled for completion in April, 1994, resulting in cost escalations to the tune of Rs, 26.24 lakhs. The Committee find that delays in implementation have resulted in infructuous expenditure on updating data and avoidable cost and time over-runs. The Committee take a serious view of all these aberrations on the part of Brahmaputra Board and urge the Ministry to look into the matter and initiate necessary steps immediately to improve the working of the Board eliminating the possibility of incurring any further avoidable expenditure.

#### 4. 73 Water Resources

The areas of the proposed Dihang and Subhansiri Dam Project are situated in a seismically active region. With a view to conducting micro earthquake studies in the vicinity of these projects, the high level Committee for utilisation of water resources of the Brahmaputra, in its meeting held in February, 1980 decided that micro earthquake recorders should be installed in the areas surrounding both dam sites. The Committee, however, find that the protracted procedure followed by the various agencies and Departments of Government of India took more than 4 years to finalise the details for the equipment in question and consequently the supply order for import of 8 units of DR-200

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digital type MEQ recording system could be finally placed by the Brahmaputra Board on a foreign firm through their Indian agent only in November 1984. The Committee are not convinced by the arguments adduced by the Secretary, Ministry of Water Resources that "lot of processing is involved when the instruments required are of special variety and special type and if there is foreign import", as the facts narrated in the succeeding paragraphs clearly reveal that despite unduly long time taken by various agencies in finalising the relevant details there was not only failure in stipulating proper terms and conditions in the contract for ensuring operational efficiency of the sophisticated instruments but also lack of serious approach on the part of the Brahmaputra Board to effectively safeguard their financial interests.

5. 74 Water Resources All the 8 imported sets of recorders costing Rs. 23.65 lakhs, were received in August, 1985. The Committee are surprised to find that inspite of the fact that warranty for these sets was only for one year, the joint inspection of the sets was not conducted immediately on receipt and was only conducted in January, 1986, when one set was found defective. The sets were installed in January, 1986. It is unfortunate to note that all the seven sets became defective and inoperative one after another. The dates of occurrence of defects in these sets were May, 1986, September, 1986, November, 1986 and January, 1988 (Four sets). The Committee are deeply concerned to find that the Brahmaputra Board sent the defective sets to the Indian agent of the firm at Bombay only in December, 1991 after an inordinate delay. These sets were eventually repaired between June 1992 and January, 1993 at an additional cost of about Rs. six lakhs.

6. 75 -Do- The Committee are distressed to find that there was an unconscionable delay of about

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five years on the part of the Brahmaputra Board in getting the defective instruments repaired. They are not convinced by the arguments advanced by the Ministry that the details of the defects in the equipments had to be ascertained and pin-pointed by the expert agency and that the location of installation sites in the interior places of Assam and Arunachal Pradesh delayed the whole process. The other plea advanced by the Ministry that due to the decision to go slow on Dihang and Subansiri Projects, the Brahmaputra Board went slow on repairs of defective sets is also not tenable as the Bramaputra Board had stated in October, 1990 in reply to the audit observation that the field study had to be completed by other instruments and that the defective sets after repairs would be utilised in some other projects. The Committee are convinced that there was gross negligence on the part of concerned authorities in pursuing the matter with the agent for getting all the defective sets repair in time with the result that two imported sets could not be utilised at all and even the other six sets were very inadequately utilised as they remained operational only for a period ranging from 86 days to 218 days right from their installation in January, 1986. This clearly shows that the entire expenditure of about Rs. 30 lakhs incurred on the procurement of these eight set proved to be totally infructuous in the view of the Committee. The Committee recommend that an enquiry should be instituted with a view to fixing responsibility for the unduly long delay on the part of the concerned authorities to take timely steps for getting the defective sets repaired. The Committee would like to stress again the environmental importance of the project and emphasize that no slippages would be allowed to hamper the progress of the project. The Committee would therefore,

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like to know the outcome of this enquiry  
within a period of three months and further  
action taken thereon.