

**PUBLIC ACCOUNTS COMMITTEE
(1964-65)**

THIRTY-FOURTH REPORT

(THIRD LOK SABHA)

[Grants, loans, contracts and facilities given by
the Central Government Departments/Minis-
tries to Bharat Sevak Samaj—paras 65, 86,
86(A), 86(B), 86(C), 86(D), 88(d)
and
117 of Audit Report (Civil), 1964]



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1965/Chaitra, 1887 (Saka)

Price : Rs. 0.70

336.3951R
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**CORRIGENDA TO THE THIRTY-FOURTH REPORT
OF P.A.C. (1964-65)**

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PUBLIC ACCOUNTS COMMITTEE

(1964-65)

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Shri R. R. Morarka

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3. Shri Ramchandra Vithal Bade
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22. Shri Atal Bihari Vajpayee.

SECRETARIAT

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

Shri R. M. Bhargava—*Under Secretary.*

INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee do present on their behalf this Thirty-Fourth Report on paragraphs 65, 86, 86(A), 86(B), 86(C), 86(D), 88(d), and 117 of Audit Report (Civil), 1964 relating to Bharat Sevak Samaj.

2. Audit Report (Civil), 1964 was laid on the Table of the House on the 11th March, 1964. The Committee decided to examine all the paragraphs in the Audit Report referred to above together as they related to matters pertaining to the Bharat Sevak Samaj, a private body which is receiving grants, loans, contracts, facilities and assistance from various Ministries, Deptts. and Organisations of the Central Government (apart from State Governments). For this purpose the Committee sent to the Ministries, etc. concerned a list of points arising out of the Audit paras asking for written information so that as much information could be available to the Committee as possible, before the examination of representatives of the Ministries etc. was taken up. Written replies received from the Planning Commission, Ministries of Information and Broadcasting, Education, Deptt. of Social Security and Ministries of Works and Housing and Health, have been printed as Appendices I—VI. A note on programmes of Bharat Sevak Samaj which are being assisted by the Planning Commission through grants and loans furnished by the Public Co-operation Division of the Planning Commission is enclosed as Appendix VII.

The Committee examined the Audit paras concerned at their sittings held on the 19th January, 1965 (forenoon and afternoon) and 23rd January, 1965 (forenoon and afternoon). A brief record of the proceedings of each sitting of the Committee forms Part II* of the Report.

3. The Committee considered and finalised this report at their sitting held on the 30th March, 1965.

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

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

(viii)

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

They would also like to express their thanks to the Secretaries and other representatives of the Ministries of Education, Health, Information and Broadcasting, Works and Housing and of Deptt. of Social Security and Planning Commission, the Chairman, Central Social Welfare Board and Member, Central Board of Direct Taxes (Ministry of Finance—Deptt. of Revenue) for the co-operation in giving detailed information asked for by the Committee during the course of evidence.

NEW DELHI;
The 31st March, 1965.
Chaitra 10, 1887 (Saka).

R. R. MORARKA,
Chairman,
Public Accounts Committee.

I

ORIGIN, CONSTITUTION AND FUNCTIONS OF BHARAT SEVAK SAMAJ

The Bharat Sevak Samaj is a body registered in 1952 under the Societies Registration Act, 1860. "It is a non-official voluntary Organisation engaged in multifarious activities which concern different Central Ministries and the State Governments." The Planning Commission have stated the history of the creation of the Bharat Sevak Samaj as under (Appendix VII).

"The Resolution setting up the Planning Commission had emphasised the fact that the success of the Commission 'will depend on the extent to which it enlists the association and co-operation of the people at all levels.' In a note prepared in May 1950 by the then Deputy Chairman of the Commission, it was pointed out that public co-operation was needed both because it was necessary that the real and felt needs of the people should receive the fullest consideration in the formulation of the Plan and because the people should play an important part in the implementation of the Plan. It was necessary to ascertain public opinion through a proper machinery devised for the purpose and also to educate and re-train 'the minds of the people so that they have a better understanding of facts and their own needs and problems, and may be ready to join in a large scale constructive effort.' It was also necessary to evolve a method and an agency for making the best use of the hitherto untapped energy and resources of the people. The idea of evolving a new national non-official agency for this purpose was suggested for meeting these requirements."

2. At a meeting of the Members of the Panel on Social Welfare held on 25th January, 1951 in the room of the Deputy Chairman, Planning Commission, a proposal to set up the Bharat Sevak Samaj (referred to in the minutes as Bharat Seva Sangh) was considered (Appendix VIII—Point No. 3). At that meeting, the aims and objects of the Bharat Seva Sangh, a draft constitution of which was circulated by the Deputy Chairman, were briefly discussed. "The Commission's panel on Social Welfare in June, 1951, approved the proposal to set up the Bharat Sevak Samaj, a non-political and non-official voluntary organisation, to meet the requirements," as enunciated at

para 1 above. The Planning Commission, in its Draft Outline of the First Five Year Plan, endorsed the proposal. At the first meeting of the National Advisory Committee on Public Co-operation held on 12th August, 1952, the constitution of the Bharat Sevak Samaj was considered and approved. The Bharat Sevak Samaj was then set up on 12th August, 1952.

3. At pages 150 and 151 of the First Five Year Plan information about the setting up of the Bharat Sevak Samaj, its aims and objects etc. have been incorporated. The primary objects of the Samaj as stated therein are as follows:

- (1) to find and develop avenues of voluntary service for the citizens of India—
 - (a) to promote national sufficiency and build up the economic strength of the country,
 - (b) to promote the social well-being of the community and to mitigate the privations and hardships of its less favoured sections; and
- (2) to draw out the available unused time, energy and other resources of the people and direct them into various fields of social and economic activity. Information about the working of the Samaj has also been given at page 143 of Second Five Year Plan and at page 296 of the Third Five Year Plan.

The objects of the Bharat Sevak Samaj have been enunciated in their Constitution (amended upto 15th July, 1962) (Appendix IX) as follows:

Objects: The objects of the Samaj are:

- (i) To find and develop avenues of voluntary service for the citizens of India (a) to promote national sufficiency and build up the economic strength of the country, (b) to promote the social well-being of the community and to mitigate the privations and hardships of its less favoured sections.
- (ii) To draw out the available unused time, energy and other resources of the people and direct them into various fields of social and economic activity.
- (iii) To take all steps which are necessary for the fulfilment of the aforesaid objects.

4. The Bharat Sevak Samaj has State and District Units also and these have not been separately registered under the Societies Registration Act, 1860. According to the Planning Commission, "the activities for which the State Units of the Bharat Sevak Samaj receive grant-in-aid from the State Governments, they render the accounts therefor to the State Governments concerned."

5. The participation of the Bharat Sevak Samaj in construction work commenced in early 1955 with the construction work of flood protection embankments along the Kosi River in Bihar. The Central Construction Service was started in 1958, with a defined constitution of "Construction Service of Bharat Sevak Samaj" (Appendix X). It was later decided by the National Advisory Committee on Public Cooperation in the Planning Commission as to how the B.S.S. Construction Service was to be organised. The consequent reorganisation of the B.S.S. Construction Service is given in Appendix XI.

6. The Bharat Sevak Samaj is financed by grants given by the Central Government, State Governments, donations from the public etc. According to the information furnished to the Committee, the total grants-in-aid given to the Bharat Sevak Samaj by the Planning Commission, Ministries of Education and Information and Broadcasting alone amounted to about Rs. 2 crores and 30 lakhs upto 1964-65 as detailed below:

(Amount in Lakhs of Rs.)

S. No.	Year	Ministry of Education	Planning Commission	Ministry of I. & B.
1.	1953-54		2.67	0.19
2.	1954-55	4.85	2.96	0.30
3.	1955-56	22.39	4.69	0.63
4.	1956-57	13.16	11.03	2.63
5.	1957-58	11.58	4.65	4.04
6.	1958-59	18.05	5.68	3.87
7.	1959-60	15.00	11.39	3.19
8.	1960-61	14.19	5.78	4.46
9.	1961-62	5.32	9.79	3.66
10.	1962-63	5.37	8.64	3.26
11.	1963-64	3.05	10.30	3.23
12.	1964-65	0.72	5.10*	3.00**

(Appendices VIII, XII, XIII, XIII A & XIII B)

*(upto December 1964)

** (Proposed to be raised to Rs. 4.68 lakhs)

In addition, Planning Commission advanced a loan of Rs. 15.80 lakhs for purchase of machinery and equipment etc. **The Committee could not get the information regarding the grants given to B.S.S. by different State Governments. The information has been promised to the Committee and is still awaited.***

7. In connection with the Construction Works undertaken by the Bharat Sevak Samaj, Government have afforded a large number of unusual facilities and concessions which are dealt within a separate chapter.

According to the minutes of the Meeting of the Working Group on Construction Service of Voluntary Organisations and Labour Contract and Construction Co-operatives held on the 2nd March 1964, the targets of Construction Service for the Fourth Plan were approved as under:

1966-67	..	Rs. 12 crores
1967-68	..	Rs. 15 crores
1968-69	..	Rs. 18 crores
1969-70	..	Rs. 21 crores
1970-71	..	Rs. 24 crores
	TOTAL	.. Rs. 90 crores

8. Other concessions and facilities afforded by Government which have come to the notice of the P.A.C. are as follows:

- (i) The Bharat Sevak Samaj has been treated as a limb of the Planning Commission for purposes of allotment of Government accommodation and as such, no rent, except service charges is recoverable (Ministry of Works, Housing and Supply order dated 28-9-54).
- (ii) Free Railway passes are issued to the office bearers/workers of the Bharat Sevak Samaj (Appendix XIV).
- (iii) Exemption from payment of Income-tax has been granted to the Bharat Sevak Samaj, including its Construction Service.

*The information has since been received from the Planning Commission. According to the statement furnished the total grants given by various State Govts. to the Bharat Sevak Samaj during the period 1952-53 to 1964-65 comes to about Rs. 96 lakhs, which includes a sum of about Rs. 53 lakhs given as grant by the Gujarat Govt. for Local Development works.

9. In the constitution of the Bharat Sevak Samaj provisions regarding Membership etc. have been laid down as follows:

Membership: There shall be following classes of membership:

- (i) **General Members:** Any person who has attained the age of 18 years, signs the membership pledge and offers to devote at least two hours a week to voluntary work in furtherance of the activities of the Samaj and pays an annual membership fee of Re. 1.
- (ii) **Active Members:** Any person who having been enrolled as a General Member, devotes at least five hours a week to any specific item or items of the programme of the Samaj for a minimum period of six months, is confirmed thereafter as an active member by the appropriate authority as prescribed under the rules.
- (iii) **Life Members:** Any active member who after two years of active work in the Samaj offers to dedicate his life to the work of the Samaj and agrees to work whole time, may be admitted as a life member by the President of the Samaj on the recommendation of the Bharat Sevak Samiti (Central Board).
- (iv) **Associate Members:** Any person who has attained the age of 18 years, signs the membership pledge and agrees to pay at least twelve rupees per annum as his contribution to the funds of the Samaj.
- (v) **Institutional Members:** Institutions engaged in social welfare or constructive work which agree to associate themselves in the work of the Samaj.

Enrolment:

- (a) Persons seeking membership shall sign the admission form and undertake to abide by the Constitution and rules of the Samaj.
- (b) Institutions seeking enrolment as members of the Samaj shall agree to collaborate with the Samaj on the basis of its Constitution.

Helpers: Any person who pays a minimum subscription of Re. 1/- per annum to the Samaj or who agrees to volunteer his services occasionally or for a special purpose may be enrolled as a Helper.

Disqualifications:

- (i) No person or organisation shall be admitted as, or continue to remain, a member who engages or professes faith in violent or subversive activities or communal hatred or has connection with any organisation countenancing such activities.
- (ii) Any member who uses or attempts to use the platform or organisation of the Samaj for political advantage or personal gain shall be removed from the list of members.
- (iii) Any Life Member whose work is prejudicial to the objects of the Samaj shall be liable to expulsion from the Samaj, as described under the rules.

10. A list of office-bearers of the Bharat Sevak Samaj since its inception in 1952 to 1965 is appended. (Appendix XV). List of Members of the Administrative Committee of the B.S.S. for the years 1960-61 to 1964-65 is also appended. (Appendix XVI). The present membership of the Samaj is estimated at 41,560.

Since the Bharat Sevak Samaj is registered under Societies Registration Act, 1860, the Committee had desired to be furnished with list of names and addresses etc. of Governors, Directors, etc. filed by the Bharat Sevak Samaj with the Registrar of Societies under Section 4 of the Act for every year. Section 4 lays down that 'Once in every year, on or before the fourteenth day succeeding the day on which, according to the rules of the Society, the annual general meeting of the society is held, or, if the rules do not provide for an annual general meeting, in the month of January, a list shall be filed with the Registrar of Joint Stock Companies, of the names, addresses and occupations of the Governors council, directors, committee or other governing body then entrusted with the management of the affairs of the society.'

The Committee has been furnished with a list of Members of the Kendriya Pradhan Mandal (Administrative Committee) of the Bharat Sevak Samaj—being the Governing Body entrusted with the management of the affairs of the Samaj—for the year 1964-65 duly filed with the Registrar of Societies Delhi with reference to Sec. 4 of the Societies Registration Act, 1860. While furnishing the list, the Planning Commission have stated "the Samaj have regretted that no such list was filed with the Registrar of Societies previously."

It is indeed surprising to the Committee that the list of names etc. which 'shall be filed' once in every year, has been filed for the first time since the registration of the Society and that too on the 19th March, 1965 after the Committee desired to be furnished with such a list. The Committee feel unhappy that provisions of the legal requirements had not been complied with by the Bharat Sevak Samaj.

The Committee have been informed that the Central Board and General Council of the Bharat Sevak Samaj held meetings in 1961, 1962, 1963 and 1964. All India Conventions were held in 1961 and 1963 and the number of members who attended was about 1200 and 600 respectively.

11. The Committee have held detailed discussions on matters relating to Labour and Social Service Camps, Night Shelters, execution of constructional and other works, Plan Publicity, stacking of sand, Lok Karya Kshetras etc. with the representatives of the Ministries/Deptts. etc. concerned which have given grants/loans/contracts and/or other facilities to the B.S.S. and these have been dealt with in the following chapters.

II

GRANTS GIVEN BY PLANNING COMMISSION

Bharat Sevak Samaj, Para 86. pages 106-107 of Audit Report (Civil), 1964

12. The Samaj is financed by grants given by the Central Government, State Governments, donations from the public, etc. No consolidated accounts (income and expenditure accounts and balance-sheet) showing the overall financial position (including the accounts of the branches in the States) are, however, prepared by the Samaj. Audit have not, therefore, found it possible to compare the grants given to the Samaj by Government with the amounts which the Samaj is raising by its own efforts, or as grants from other sources for the same purpose.

Since the inception of the Samaj to 31st March, 1962, grants-in-aid aggregating Rs. 1.37 crores were paid by the Planning Commission and by the Ministries of Information and Broadcasting and Education as shown below:

(In lakhs of rupees)

Year	Amount of grant-in-aid Ministry of			Total
	Planning commi- ssion	Informa- tion & Broadcas- ting	Education	
1952-57	..	3.75	27.69	31.44
1957-60	7.11	11.19	45.87	65.17
1960-61	5.26	3.48	13.24	21.98
1961-62	8.03	3.67	8.07	19.77

In addition, the Samaj was advanced a loan of Rs. 15.80 lakhs by the Planning Commission for purchase of machinery and equipment for constructional activities and for financing constructional work.

The Committee desired to know the control exercised by the Planning Commission over the grants given by them to the Bharat Sevak Samaj. It was stated by the Secretary, Planning Commission that a Financial Adviser had been appointed by the Government to look after the accounts of the Bharat Sevak Samaj; reports of the Chartered Accountants who looked into the accounts of the Samaj were received by the Commission and there was a sub-committee of the Co-ordination Committee on Public Co-operation

which ensured proper coordination of the grants given by the various Ministries to the Bharat Sevak Samaj. The Samaj was a body registered under the Societies Registration Act, and it functioned under the general control of the Planning Commission. From a note submitted to the Committee in January, 1965, it is seen that the Financial Adviser referred to above was appointed only in July, 1963 in pursuance of the following recommendation of the Public Accounts Committee contained in para 35 of their Eighth Report (Third Lok Sabha):

“The Committee also suggest that in view of the large scale grants that are being given to the Bharat Sevak Samaj, the feasibility of associating one of the officers of the Ministry of Finance with the Samaj to tender advice in financial matters may also be examined.”

The Committee understand from Audit that this officer is of the status of an Under Secretary to Government.

In reply to a question it was admitted by the Secretary, Planning Commission that State Branches of the Bharat Sevak Samaj were not individually registered and the Central Unit of the Samaj did not compile and prepare consolidated Accounts. Obviously, there was some lacuna in the arrangement. The Central Bharat Sevak Samaj made the grants to the State Units and the Planning Commission had been getting the accounts of the Central Bharat Sevak Samaj. From the Note submitted by the Planning Commission, the Committee find that the accounts of the Bharat Sevak Samaj submitted to the Commission related only upto 31st March, 1963 and that pertained only to Sections receiving grants in aid from the Government of India.

It was pointed out by the Committee that while the Planning Commission had claimed in Para 19 of a written note (Appendix VII) furnished to the Committee, “on programmes of Bharat Sevak Samaj which are being assisted by the Planning Commission through grants and loans”, that “the grant is subject to various conditions laid down in paras 148-151 of the General Financial Rules”, the Samaj had not maintained consolidated accounts as required under Rule 149(3) of the General Financial Rules. The representative of the Planning Commission admitted that “obviously there has been some slip”, and the information furnished to the Committee was not correct; but from their point of view they had been checking it. They had accounts of all the different sections receiving grants. But it was not the consolidated account of Bharat Sevak Samaj as a whole. The Committee pointed out that in order to judge the validity or suitability of the grantee, it was necessary

to have the consolidated account of the organisation. The representative of the Planning Commission stated that the view taken in the Planning Commission was that the Section-wise accounts met the needs of the rules, but admitted that, "interpreted strictly, these (the rules) would call for consolidated Accounts."

The Committee desired to know how the scope of audit had been widened from 1961-62 and a financial review of all the grants received by the Samaj conducted, as claimed in para 19.1 of the note furnished (Appendix VII) by the Planning Commission. The representative of the Planning Commission stated "As far as we are concerned we have done it grant-wise."

Secretary, Planning Commission stated further that on the basis of the Audit para, advice was given by the Financial Adviser to the Bharat Sevak Samaj in November, 1963 to maintain the consolidated accounts and the matter was also placed before the Sub-Committee of the Co-ordination Committee on Public Co-operation. No written communication was, however, sent to the Samaj.

The Committee desired to know whether under the Societies Registration Act, 1860, "there are any obligations on the Societies registered under it to prepare annual accounts and have them audited." Secretary, Planning Commission replied, "There is a provision for preparation of Accounts but they are not required to submit the accounts to the Registrar". Asked if the Commission ever verified whether the requirement was being complied with, the Secretary Planning Commission stated that "Planning Commission has confined its interest only to this grant-wise sort of accounts and not to the consolidated account."

The Committee were further informed that the Planning Commission had given some grants to the Samaj for the first time in 1953-54 for the local works programme which had not been shown in the written notes furnished to the Committee by the Planning Commission. The Planning Commission had also given grants to Bharatiya Gram Mahila Sangh (about Rs. 35,000), Association of Social and Moral Hygiene (about Rs. 20,000) and All India Panchayat Parishad.

At the instance of the Committee, the Planning Commission have furnished the following additional notes (Appendix VIII, para 1, 2):

- (i) A statement showing year-wise the amounts of grants given to the Bharat Sevak Samaj from the date when the first grant was given, upto December, 1964, and the text of the advice tendered by the Financial Adviser in the matter of grants to Bharat Sevak Samaj and

- (ii) A statement showing the details of grants to other private voluntary organisations or bodies year-wise so far, indicating whether the audited accounts of such bodies were examined or insisted upon before the grants were given.

Rule 149(3) of the General Financial Rules lays down:—

“Before any grant is paid to a public body or institution, the sanctioning authority shall as far as possible insist on obtaining an audited statement of the account of the body or institution concerned in order to see that the grant-in-aid is justified by the financial position of the grantee and to ensure that any previous grant was spent for the purpose for which it was intended. In the case of small institutions which cannot afford to pay the charges for audit, the sanctioning authority may exercise its discretion of exempting any such institution from the submission of accounts audited in this fashion.”

Audit had also been informed by the Planning Commission in October, 1963 that the Samaj was being advised to maintain “consolidated accounts showing the overall financial position.” In reply to a specific question as to the basis on which this advice was tendered, the Committee were informed in the course of evidence that it was on the basis of the Audit para. It was also admitted that it never occurred to them that the rules demand that a consolidated account of the organisation to which a grant was being made should be obtained, and no communication was addressed to the Samaj before October, 1963.

The Committee were surprised to learn that, in spite of the specific provisions in rule 149(3) of the General Financial Rules no consolidated accounts were asked for from the Bharat Sevak Samaj at any time till October, 1963. The Committee were pained to learn that in spite of the fact that audit had drawn the attention of the Planning Commission to this continuing lapse more than a year ago (July 1963) and the Planning Commission had as a consequence agreed to advise the Samaj to maintain consolidated accounts, the answer given to the Committee in evidence was: “in the Planning Commission the view taken was that section-wise accounts met the needs of the rule.” The Committee need hardly emphasise that mere section-wise accounts neither meets the requirement of the rules nor depict “the overall financial position” of the organisation, which is a

sine qua non for judging:

- (a) whether the organisation has utilised the grants for the purposes for which they were given;
- (b) whether grants to cover the same expenses have been raised from any other source; and
- (c) whether the performance and the methods of functioning of the organisation entitled it to such grants from the Government.

13. In the absence of the consolidated accounts, it is also not possible for the Committee to know the ratio of grants received by the B.S.S. from Central and State Governments and the collections made by them from the public but the sectional accounts for the year ended 1962-63 show that the receipts of the Samaj from sources other than Government amounted to less than Rs. 1 lakh as against Rs. 28 lakhs provided by Government. The question as to how far the exercise of control and supervision over the activities of Samaj has been commensurate with the large amount of funds placed at its disposal has been examined in subsequent paragraphs of this Report dealing with expenditure from the grants.

14. The Secretary, Planning Commission agreed that "I think it is necessary to insist on getting consolidated accounts." Later on in the course of examination of the contracts etc. relating to the Construction Service of the Bharat Sevak Samaj, the Secretary, Planning Commission stated in reply to the question "Do you not think it desirable to bring the Bharat Sevak Samaj under some sort of financial discipline", "Yes; certainly" and added "discipline has got to be enforced whatever be the loss and whatever be the consequences."

In the course of evidence relating to the accounts of the Ministry of Information and Broadcasting in answer to question as to why they did not comply with Rule 149(3) of the G.F.R., the Secretary of that Ministry also agreed that "I do think that consolidated accounts are absolutely necessary."

In answer to question as to why they did not comply with Rule 149(3) of the G.F.R., the Secretary, Ministry of Education also stated in the course of examination of the matter relating to Labour and Social Service Camps, that "we have not really conformed to the provision relating to the consolidated Accounts in this case," and he stated in reply to the question why it was not possible to insist on the observance of the rules, "It has not been done in the past, but it can be done in the future."

At the sitting of the P.A.C. held for examination of Audit paras of Audit Report (Civil) 1964, relating to Ministry of Finance, the Committee asked the representative of the Ministry of Finance (Deptt. of Expenditure) whether they had a machinery to see that

Rule 149(3) of the General Financial Rules were enforced before the grants were given. The Secretary, Ministry of Finance (Deptt. of Expenditure) stated that so far as they were concerned, they insisted on this rule being observed and they had also reiterated this in the instructions issued on two occasions after that point was raised last time. He added that "this is a rule which is strictly enforced." Asked if an institution did not keep the accounts for several years and had not submitted them, what could be done about it. The Secretary, Ministry of Finance (Deptt. of Co-ordination) stated "short of refusing the next grant, there is no way of enforcing the discipline." Asked further about the machinery by which such things could be checked, Secretary, Ministry of Finance (Deptt. of Expenditure) stated "the machinery is that the Financial Adviser before he agrees to the next grant insists on it. That procedure may have failed in respect of some organisation or Ministry." He added that if they had not been insisting upon it "then there is a failure of the procedure."

The Committee are surprised that the Bharat Sevak Samaj itself has never considered it necessary to prepare and submit a consolidated account of their organisation in any year from 1962 till now. The Committee are also surprised that in spite of the clear stipulation in the GFR 149(3) the concerned Ministries have been giving grants to the B.S.S. year after year without realising that this essential requirement was not being complied with. Each Ministry has a Financial Adviser attached to it. The Committee fail to understand how these Financial Advisers in all the concerned Ministries could have overall these years failed to point out that the conditions laid down in Rule 149(3) were not being fulfilled.

The Committee regret to note that the Commission has adopted a complacent attitude in respect of the contravention of the provisions of Rule 149(3) in spite of the magnitude of the grants given year after year. The Committee cannot escape the conclusion that the Planning Commission has not exercised the financial controls that the rules prescribe and that whatever check has been exercised has been perfunctory and inadequate.

The Committee, therefore, recommend that the Planning Commission should without any further delay insist on the submission of consolidated and duly audited accounts of Bharat Sevak Samaj showing the overall financial position of the organisation for every year since it started receiving grants from the Government. The Committee further recommend that no further grants should be made till the provisions of Rule 149(3) are fully complied with. However, a time-limit of six months may be allowed to B.S.S. for the submission of consolidated Accounts in respect of all the earlier years.

15. The Committee have not been able to find any provision in the Societies Registration Act, 1860 under which a body registered under the Act has the obligation to prepare its annual accounts. The Committee suggest that Government should examine whether some suitable provisions should be incorporated in the Act to make it obligatory for the societies registered under the Act to prepare and submit their consolidated and audited accounts to the Registrar of Societies.

Lok Karya Kshetras—Para 86 (C) (i), page 110

16. The following grants have been given for the running of Lok Karya Kshetras, mostly located in the rural areas to secure public participation in the development programme pertaining to the rural sector. The grants given were in excess of actual requirements.

Year	Total grant paid (including unspent balances of previous years)	Expenditure incurred
	Rs.	Rs.
1958-59	54,000	32,317
1959-60	2,17,253	1,63,647
1960-61	3,13,906	2,87,923
1961-62	6,96,183	4,61,074

Each Kshetra is paid a grant-in-aid not exceeding Rs. 5,000 per annum which is intended to cover expenditure on salaries of three paid employees (one Sahyogi and two Up-sahyogis), their travelling allowances, rent of office building and other miscellaneous expenditure. The entire expenditure of the Kshetras set up in the Central Sector of the Samaj is borne by Government while the expenditure on Kshetras set up in the States is to be shared by the Central and State Governments concerned in the ratio of 60:40.

Seven out of 156 'Kshetras' set up in the Central Sector upto 1961-62, on which an expenditure of Rs. 30,000 had been incurred, were closed down due to 'inefficient functioning'.

The Committee desired to know about the activities of the Lok Karya Kshetras. Secretary, Planning Commission stated in evidence that the Kshetras were both in rural and urban areas. At present there were 38 Lok Karya Kshetras in urban areas and 200 Lok Karya Kshetras in rural areas. Their activities more or less ran through the entire range of the rural development programme. Some of them had built Schools, Water Supply, roads, organised some Shramdan activities, minor irrigation works and things of that kind.

Asked why large grants were released by the Planning Commission without ascertaining the spending capacity (as a considerable amount of the sums granted during 1958-59 to 1961-62 had remained

unspent), the Secretary, Planning Commission stated that they got an estimate from the grantee about their capacity to spend and there was a certain yard-stick fixed for each Lok Karya Kshetra. The gap, however, was being increasingly reduced. In 1961-62 part of this was due to the fact that the Commission asked them to control the expenditure. In 1962-63, the unspent balance was Rs. 1,64,000 and in 1963-64 it was Rs. 44,000. The system prevalent was that at the time of releasing next year's grants, credit was taken of the unspent balance and grants were released accordingly. Further, there was invariably two months' gap in issuing sanction orders, and the grantee had to have in their hands funds to carry on for months of April, May and June.

The Secretary, Planning Commission admitted that there was no direct control exercised by the Planning Commission over expenditure. The witness added that in the Central Lok Karya Kshetra Committee there was several voluntary organisations which were associated. People were sent round to review the work of the Lok Karya Kshetras. There was no regular system of inspection, but nearly one third of the Kshetras were looked into every year by the persons deputed by the Central Committee. The control was exercised by the Bharat Sevak Samaj. However, in the Central Lok Karya Kshetra Committee and in the State Lok Karya Kshetra Committees, the representatives of the Planning Commission and of the State Governments were included. The money granted was actually spent on staff. There was one Lok Karya Sevak in each Kshetra and where the activities expanded, they had the discretion to appoint two or three persons. The salary of these people was between Rs. 100 and Rs. 150. The staff had to be able to enthuse public opinion, to get them to settle a programme and to do some work on that. The state-wise break up of the Lok Karya Kshetras was given as follows:

Andhra Pradesh	13
Assam	17
Bihar	18
Delhi	6
Gujarat	14
Himachal Pradesh	7
Jammu & Kashmir	6
Kerala	12
Manipur	1
Madhya Pradesh	11
Maharashtra	8
Madras	8
Mysore	13

Orissa	6
Punjab	9
Rajasthan	11
U. P.	27
West Bengal	9
Goa	4

The Committee referred to para 6.2 of the Planning Commission's Note on programme of Bharat Sevak Samaj which are being assisted by the Planning Commission through grants and loans, (Appendix VII) wherein it was claimed that "the increase in membership in the co-operatives functioning in Lok Karya Kshetras is of the order of 6.4 per cent. The Committee pointed out that the period during which the increase had been achieved had not been mentioned. Nor had it been made clear whether the increase was due to the work of the Kshetras. It was also pointed out that concessions and facilities being extended to the Co-operative Societies at present were such that even without such Lok Karya Kshetras, Co-operatives were growing and their membership was increasing. Therefore, to take credit for the increase might not be justifiable. The Secretary admitted that in the wake of the general development which was taking place such a view could be taken. He stated, however, that it was one of the imponderables, if the people (who had been induced by the Lok Karya Kshetras to become members of the co-operative societies and for which they have legitimately taken credit) would have become members it left alone.

The Committee then referred to para 6.6 of the same note of the Planning Commission wherein it was claimed that in 1962-63, 10,05,843 man-hours had been put in by local people in Shramdan activities through the efforts of the Lok Karya Kshetras, in constructing approach roads, schools, buildings etc. The Secretary stated that it was one of the activities in which some Lok Karya Kshetras had done useful work. The Committee pointed out that this impressive figure of man-hours when examined further actually came to one man working per Kshetra per day.

When the Committee pointed out that according to the report of the Programme Evaluation Organisation which studied 30 of the Lok Karya Kshetras in 1960, the level of education of the Sahayogis and Up-sahayogis was rather low and most of them were also of the higher age group, the Secretary stated that the position had changed since 1960. Now there were 39 B.As., 20 Intermediates, 20 Higher Secondary, 100 Matriculates and another 100 who were non-matriculates. As regards age, 15 were below 20 years, 32 were between

20—25 years, 95 were between 26 and 35 years and 31 were between 36 and 45 years. A few were over that limit. He admitted that all these figures were based on the figures furnished by the Bharat Sevak Samaj and there was no independent agency to assess the work done or to check the figures.

The Committee are surprised that despite the fact that there is no independent agency to assess the work done by the Bharat Sevak Samaj or to check the figures furnished by it to the Planning Commission, claims have been made before the Committee by the Commission which do not appear to be sustainable. From the facts and figures placed before the Committee, the Committee feel that neither the claim regarding the increase in the membership of co-operative nor the claim about the contribution made through shramdan activities, has been substantiated. They also cannot appreciate the position that Government which gives such large grants to a private organisation has to rely entirely on the facts and figures furnished by the grantee organisation and has no independent machinery of its own to scrutinise claims and assess and evaluate performance. . .

17. In para 6.1 of the note furnished to the Committee (Appendix VII) it has been stated "the notable work in this regard has been the unanimous election of the Panchayats in most of the Lok Karya Kshetras in Goa and in certain Lok Karya Kshetras in Rajasthan, U.P. and Bihar." The Committee desired to know if that was notable work. Secretary, Planning Commission stated in reply "It is known that Panchayat elections generate a lot of heat. So, they have helped in being able to promote unanimous elections. I suppose."

The Committee are surprised at the claim that this has been a notable work of the Lok Karya Kshetras organised by the Bharat Sevak Samaj. It is not clear to the Committee how the Planning Commission appraised the role of the Lok Karya Kshetras personnel who had been appointed after a training of three months duration and distinguished their work from that of other influential bodies or individuals in the respective areas.

18. With regard to the "inefficient functioning" of 7 Kshetras which were closed down, the Committee were informed that the Central Committee of the Bharat Sevak Samaj which arranged for regular inspection found that these Kshetras had become moribund and were not doing work, so they were closed down and a report was made to the Planning Commission. No details except the decision to close down had been given in the report. As regards evaluation of the work, the Programme Evaluation Organisation took it up and where the report of the P.E.O. was not in

agreement with the Central Committee of the Bharat Sevak Samaj, the Planning Commission took up the matter with the Samaj and it was expected that within a reasonable limit the suggestions would be implemented or the defects would be removed. The witness added that the first report of P.E.O. was made in January, 1960. The P.E.O. was already making a second review of 40 Kshetras and the report was expected by end of March 1965. It was known informally that according to tentative findings there had been improvement and the work was satisfactory.

The Committee drew attention to the paragraph under "Supervision and Guidance" at page 17 of the pamphlet "Lok Karya on the march" submitted to the Committee by the Planning Commission wherein it had been stated "the District Organising Secretary will be required to visit the Kshetras in the District at least twice a month and spend at least two nights in the Lok Karya Kshetra every time." The Committee desired to know whether this had actually been done and any reports were submitted to the Bharat Sevak Samaj, and through them to the Planning Commission. The representative of the Planning Commission stated that the Director of Public Co-operation in the Planning Commission was a member of the Central Lok Karya Committee and reports of inspection had come up before him.

The Committee then referred to the following extracts from the tour notes of the Secretary, Construction Service, Bharat Sevak Samaj dated 11th July, 1962 wherein he had concluded that "our Kshetras have been a dismal failure";—

"Viewed with this criteria, our Kshetras have been a dismal failure and it is for the high-powered committee which has been set up for guiding all the activities of Lok Karya Kshetra to consider how best to achieve the real purpose and to bring about closer collaboration among the development officers and panchayats on the one side and B.S.S. Sahayogis and other voluntary workers on the other."

The Committee desired to know what steps had been taken by the Planning Commission after July 1962, as suggested in the note. The Secretary, Planning Commission stated that their first decision was to remit it as a special problem for study by the Programme Evaluation Organisation. Secondly, no new rural Karya Kshetra had been sanctioned for the last two years. 21 Lok Karya Kshetras which were proved to be particularly inefficient had been closed down. He admitted, however, that even after the report about "dismal failure" cash grants were being released.

The Secretary, Planning Commission added however, that things might have improved or altered after what was looked upon as dismal failure after a study of some of the Lok Karya Kshetras. It was urged in extenuation that about 100 Lok Karya Kshetras were inspected annually and that the Secretary of the Construction Service who was one of their officers, inspected some of them which were a dismal failure. This did not mean that all of these were dismal failures.

In a note furnished at the instance of the Committee (Appendix VIII, para 8), it has been stated that as regards machinery for Inspection at the national level, the programme is steered and supervised by the Central Lok Karya Committee. The members of this Committee periodically visit and inspect Kshetras different States. At the State level State Lok Karya Committees have been set up. The working of the Kshetras in each State is reviewed annually by the Planning Commission and the State Governments at the time of annual plan discussions in November and December. Besides, the Planning Commission arranges for periodical evaluation of the Kshetras, through the Programme Evaluation Organisation. Planning Commission.

The Committee do not feel that the existing machinery for the inspection of the Lok Karya Kshetras is adequate. The inspection is not being done by independent authorities. Even so, the Committee find that adverse remarks about the working of L.K.K. have been made in a number of reports of Inspection that the officers of the Samaj themselves have submitted. As for instance in the tour note dated 6th June, 1961 about Lok Karya Kshetras in Jammu and Kashmir, it has been stated "This Kshetra (at Marh-Jammu) was established in the first phase of our Lok Karya activity, but not much impact appears to have been made during all this period." In the same report about Lok Karya Kshetra at Kulgam (North Kashmir) it has been stated "The real purpose of the Lok Karya Kshetra is not being served for want of collaboration and co-ordination with Block Development Authorities." The Committee, however, find it significant that the Secretary Construction Service, B.S.S. and member, Central Lok Karya Committee in his tour notes dated the 11th July, 1962 has made the following general remarks which speak for themselves:

"GENERAL REMARKS: In Jammu and Kashmir as in other Pradeshes, it was found that the main activities in the L.K.Ks. are the running of Balwadis and Women's centre and observing cultural programmes etc. All these activities are much akin to those which are being conducted in

rural projects which have been sponsored by the Central Social Welfare Board and the State Social Advisory Board."

The Committee would like the Planning Commission and the Deptt. of Social Security to take note of the duplication of activities and take urgent steps to avoid it and thereby save avoidable expenditure.

19. The other observation of the same officer of the Bharat Sevak Samaj to which reference has been made by the Committee earlier is as follows:

"The main object of the Kshetra therefore, was to assist the Government agency in the organisation of programmes mainly based on the utilisation of voluntary labour and local resources. It was also expected that the Lok Karya workers would undertake the execution of suitable tasks forming part of the accepted development programme, namely:

- (a) local works to be carried out with the help of voluntary labour;
- (b) training of non-officials in Panchayat and cooperative work;
- (c) to assist and guide the village people in making effective use of newly created assets, such as irrigation; and
- (d) organising rural and urban labour co-operatives for small and large projects and industries.

Viewed with this criteria, our Kshetras have been a dismal failure and it is for the high-powered Committee which has been set up for guiding all the activities of Lok Karya Kshetras to consider how best to achieve the real purpose and to bring about closer collaboration among Development Officers and Panchayats on the one side and B.S.S. Sahayogis and other voluntary workers on the other."

In view of the above remarks of the office bearers of the B.S.S. the Committee consider it hardly necessary to make any further comments about the working of the Lok Karya Kshetras.

20. The Committee learnt with surprise that in spite of the fact that twenty-one Lok Karya Kshetras which proved to be particularly inefficient had to be closed down and even after the report about the 'dismal failure' of the Kshetras as reported by the Secretary, Construction Service of the Bharat Sevak Samaj, grants continued to be released without any further safeguard. This gives the Committee

the impression that the Planning Commission has not been keen to exercise control over the Bharat Sevak Samaj to ensure effective utilisation of the grants released by them.

Training of Sahayogis and Up-Sahayogis Para 86(C) (ii), pages 110-111.

21. For the first two courses held, one each during 1958-59 and 1959-60, for training of Sahayogis and Up-Sahayogis engaged in Lok Karya Kshetras, 80% of the total expenditure was reimbursed by Government.

During 1959-60 and 1960-61, the number of days during which no courses were held are given below:

<i>Period during which no courses were held</i>	<i>No. of idle days</i>
19-4-59 to 18-5-59 }	30
12-3-60 to 24-5-60 }	135
25-6-60 to 24-8-60 }	

The Samaj claimed grants with reference to the expenditure on these idle days also although according to the conditions laid down by Government the payment was to be restricted to expenditure on staff, etc. required for the duration of the courses actually held. The excess grant thus paid to the Samaj amounting to Rs. 5,836 requires to be recovered.

From 1961-62, the Samaj was reimbursed the entire estimated expenditure incurred by it on training courses. No courses were, however, held for a total period of 99 days during the period of about 7 months from July, 1961 as shown below:

<i>Period during which no courses were held</i>	<i>No. of idle days</i>
24-7-61 to 3-9-61	42
4-12-61 to 3-1-62	31
3-2-62 to 28-2-62	26
	} 99.

The Ministry have stated (November, 1963) that the future programme of the training will be so planned as to reduce the idle gap between the two courses to the minimum.

The Committee desired to know if the expenditure for the days when the trainees were not working was also borne by the Planning Commission. The representative of the Planning Commission stated that the original interpretation was that according to the agreement, the payment was to be made for the whole duration of the course but in view of the specific language of the letter it was really taken as working days, and that was why B.S.S. was asked to refund the amount, which they had done. That was not the normal or usual position.

The Committee feel that in view of the specific language of the letter there was no scope for misinterpretation that was made in this case.

22. The Committee pointed out that the Programme Evaluation Organisation had gone into the working of Kshetras and they had adversely commented on the training programme arranged for the Sahayogis and Up-Sahayogis. The Committee wanted to know whether any steps were taken to rectify the defects pointed out. The representative of the Planning Commission stated that the C. & A.G. had also pointed out that the standard was very low. The witness accepted that the criticism was true. The PEO had pointed out that the training was conducted by unqualified persons who were too old. Efforts were being made to get better qualified younger people who could do little more active work, to reduce the idle period (which was now 10 to 12 days) and to improve the training and the staff. So both at the recruitment and at the training stage some improvement had been shown. The witness added that the PEO was an independent agency and their reports were very constructive. The witness added that on receipt of a further report from PEO expected by end of March a lot more about the working of Lok Karya Kshetras would be known. **The Committee regret to learn that not only was the level of education of the Sahayogis and Up-Sahayogis low, but also that their training was conducted by unqualified persons who were too old. The Committee would like to be furnished with a copy of the further report of the PEO on receipt.**

Pilot Project for mobilisation of public co-operation for socio-economic activities in the slum areas, para 86(c) (iii) pages 111-112.

23. The Samaj has been running 35 centres, the main function of which is to promote civil consciousness among the slum dwellers, educate them in public health and sanitation, create initiative and leadership among them, and to organise them for participation in the slum clearance programmes. During the years 1960-61 and 1961-62, a total grant of Rs. 5.20 lakhs was paid to the Samaj, against which a net expenditure of Rs. 4.37 lakhs was incurred, leaving an unspent balance of Rs. 83,000.

The initial accounts of the grants are maintained by the Pradesh Officers and are audited by Chartered Accountants.

During 1958-59 to 1961-62, the collections made by the Centres from students, beneficiaries, etc. amounting to Rs. 29,246 were credited by the Samaj to a separate fund. This amount was not taken

into account by the Commission while sanctioning the grant. The Commission have now stated (November, 1963) that the separate fund account has been closed from 1962-63 and that the accumulated amount would be spent on schemes approved by the Commission.

The Committee desired to know how the 35 Centres were now working and what purpose they served. The representative of the Planning Commission stated in reply that the Centres were working very well. As regards the unspent balance of Rs. 83,000 the witness added that an order had been passed that the money could be kept with the BSS for two months because non-official bodies often had great difficulties in paying salaries and allowances for the months of April and May as they got the grants late. The order was dated the 22nd April, 1964 issued by the Planning Commission with the concurrence of the Ministry of Finance. Asked what the speciality of the scheme to which this order applied was, the representative of the Planning Commission stated "We felt the need. A representation was made to us. We moved it and it has been approved." The order applied to all the voluntary organisations who were grantees of the Planning Commission. Although other organisations like Universities, Bhartiya Gramin Mahila Sangh, the Association of Social & Moral Hygiene were also concerned, the Bharat Sevak Samaj was the main beneficiary. On receipt of a representation, the Planning Commission felt the need for this pattern of financial assistance to all voluntary organisations receiving grant-in-aid from the Commission in respect of public co-operation. The activities taken up at Centres were balwadis, craft centres, libraries, adult education centres, dispensaries, family planning centre, etc. Some coaching classes for weak students were conducted and legal aid was given, apart from a few cultural activities. As regards progress on the economic front, they had been running a pilot project of co-operative for auto-riksha and taxi-drivers in Ahmedabad and it was working very well. In Delhi there was a stonebreakers' co-operative society and in Kerala there was a rice-mill in the co-operative sector.

When a representation was made to the Planning Commission they acknowledged the difficulty and issued an order on the 22nd April, 1964. The Committee are surprised to observe that though the order was ostensibly meant to cover all the voluntary organisations which were grantees of the Commission, in actuality, it resulted in the Bharat Sevak Samaj becoming the main beneficiary of the new order.

24. If a voluntary organisation faces great difficulties in paying salaries and allowances of its staff for the months of April and May, as they get their annual grants late, it is a clear indication that the

activities of such an organisation are being financed mostly by grants from the public exchequer and that the part played by public contributions donations etc. is a very minor one. In this connection, the Committee can do no better than to quote the following observations of the then Finance Minister made in the meeting of the National Advisory Committee on Public Co-operation held on the 27th and 28th August, 1960:

“if voluntary organisations were maintained or run with government grants, they would cease to be voluntary organisations. They would become official and then the very root of the matter would be lost. The organisational expenses of voluntary organisation should be met entirely by themselves. Voluntary organisations which could not raise funds to maintain their office expenses could hardly be described as voluntary in the real sense of the term. He was not personally against giving government grants for specific schemes or projects, implemented by voluntary organisations and the staff technical and others, required to work the scheme could be provided from out of the grants. But, the expenses required to run the organisations as such should not be met through government grants.”

25. As regards the collections made by the centres from students, beneficiaries, the Committee were informed that out of the sum of Rs. 29,246/- a sum of Rs. 12,000/- was adjusted in 1963-64. Out of the remaining Rs. 17,000/-, they had been permitted to withdraw Rs. 14,000/- in the current year leaving a balance of Rs. 3,000/- only. The BSS wanted to establish some dispensaries, balwadis and libraries in slum areas for which no funds were provided. So they tried to obtain donations and contributions in cash in order to supplement their activities. However, as suggested by Audit, these amounts had been taken into account in the grants given to the Samaj, which was not being done previously.

The Committee regret that while giving grants in the past, the Planning Commission has not taken into account the amount of monies collected by the Samaj, with the result that certain activities of the Samaj have been practically financed entirely by Government without laying down any specific condition to relate the quantum of Government assistance to the extent to which the Samaj was able to secure funds from non-Government sources by its own efforts. The Committee view this as a lapse and hope that the principle underlying the Finance Minister's observation quoted above would be carefully followed in future.

Accounts relating to Lok Karya Kshetras.

26. When the Committee desired to know if anyone in the Planning Commission scrutinised the Audit Reports of the Bharat Sevak Samaj, the Secretary, Planning Commission replied, "I hope so." The Committee then wanted to know what action had been taken on the Audit Report of the Chartered Accountants dated 10th October, 1961 on the Accounts pertaining to Lok Karya Group of Bharat Sevak Samaj, Central Office, New Delhi for the period ended 31st May, 1961, (Appendix XVII) wherein it was stated *inter alia*:—

1. "As mentioned in our Report for the year 1959-60 we still find that no separate record was maintained pertaining to each instalment of grant."
2. "No part of Grant remaining unspent out of Budget allocation for 1959-60 was refunded to Government."

The Secretary, Planning Commission regretted that he was not able to furnish the information. He added that they were trying to take care of the unspent balances to some extent by setting up some Central Organisation where representatives of the Planning Commission, Finance Ministry, the Financial Advisers of various Ministries were included and they were able to take some over-all view to prevent duplication, so far as Central grants were concerned, though it was not perfect. Some small improvements had been made as a result of certain things coming to light through Audit reports. Further improvements were needed from the point of view of how one consolidated account could be had.

The Committee were informed that the State Units of the Bharat Sevak Samaj are part of the Central Unit, and not separately registered. The Committee are, therefore, unable to appreciate the written reply furnished to them viz.; "The Planning Commission is, therefore not in a position to furnish any information in regard to the grants given to the Samaj by the various States. The administrative responsibility of grants/loans given by the State Governments rests with them. The activities for which the State Units of the Bharat Sevak Samaj receive grant-in-aid from the State Governments, they render the accounts therefor to the State Government concerned." Since the State Units of the Bharat Sevak Samaj are part of the Samaj it is all the more necessary that Government should insist on the preparation and submission of consolidated accounts, as required under G.F.R. 149(3).

27. The Committee pointed out that it appeared from the Audited Accounts furnished (Appendices XVII A and B) in respect of vari-

ous centres that almost the entire amount was spent on pay and allowances of staff and establishment and nothing on the activities. The representative of the Planning Commission stated that Planning Commission gave grants only for the pay. The persons were expected to do the work by getting public co-operation. Moreover, in the accounts they did not show all their activities, but only for the amount they received. When it was pointed out that it was not so, as activities like adult education etc. had also been mentioned in the accounts, the representative of the Planning Commission stated that the funds provided by the Planning Commission were largely for staff and some other items, whereas funds for their activities came from the Municipal Corporation and other Departments of State Governments for which accounts were not furnished to the Planning Commission. At this the Committee pointed out that it meant that the Accounts furnished in respect of even different centres were not complete or, if the accounts were complete, being certified by the Chartered Accountants, nothing had been spent on the actual activities. Moreover, the impression created by a study of the written information furnished that grants were given for slum clearance, etc. was not correct as the grant actually was for salaries of staff and establishment. The representative agreed that the details as to how the accounts were compiled and what were the complete accounts would be looked into and the Committee informed about it. The information has been furnished in a note (Appendix XVIII) which states as under:—

“As required by the terms of the sanction the accounts of the Urban Lok Karya Kshetras, as submitted to the Planning Commission, include the accounts of the grants given by the Planning Commission and the cash contributions and donations collected locally from the slum dwellers and others.

The accounts do not include the contribution made by the workers of the Samaj and the local slum dwellers in the form of kind and services. This is sizeable in most cases. But still it is excluded mainly on account of the difficulties experienced in assessing such contribution in financial terms on the basis of some standard norms.

The workers of the Urban Lok Karya Khsetras have also promoted and organised a number of Co-operative Societies for the welfare of the slum dwellers. Once such a society is registered, it becomes a separate entity and

is governed by the rules and regulations of the Co-operative Act applicable to the State concerned. The accounts of such societies are also excluded as they are submitted separately to the Co-operative Department of the State Governments concerned."

The Committee pointed out further that Municipalities had their own staff for slum clearance etc. and the Central Social Welfare Board also gave grants for Welfare extension projects (urban) which were meant to provide Community Welfare Centres for low income groups of slum areas of large cities and towns where such services were needed. The representative of the Planning Commission stated that the Municipalities "might also help these Centres."

It must be stated that the present system of accounts is not quite satisfactory and it does not disclose any real contribution or donation. More than that the Committee feel that the Government should be in a position to assess in concrete terms the extent to which the amount sanctioned for slum clearance achieved the purpose in view. There should be a clear distinction between the activities of the Samaj and those of local bodies and other organisations which also receive assistance from Government sources for the same purpose. If the Government grants to the Samaj were spent only on salaries and establishment, the Ministry giving the grant and the Finance Ministry should be specifically consider how far this would contribute towards the achievement of slum clearance.

The Committee would suggest that a method should be devised to assess the contributions made by the workers of the Samaj and the local slum dwellers in kind and services in financial terms and for this purpose some basis of standard norms should be decided upon. Thereafter a summary should be appended to the accounts so as to make the picture complete.

The Committee are not sure that there is no duplication or overlapping of efforts or of work in the matter of slum clearance. They would like this matter to be examined so as to eliminate any duplication of work.

Grant for purchase of Tools and equipment para 36(C) (i).
Page 112.

28. Between 1957-58 and February, 1961, the Samaj purchased tools and equipment costing Rs. 4.38 lakhs from the grants released by the Planning Commission.

These were distributed to 169 Block Development Officers and 32 functionaries of the Samaj.

1. It was reported by the functionaries of the Samaj in August, 1960 that they had made no use of the equipment.
2. No half-yearly reports about the physical availability of the tools and equipment as prescribed by the Samaj are being received from the Block Development Officers or Samaj's functionaries.
3. The purpose of release of grant to a private body for the purchase of tools and equipment for use by officers belonging to a Government department is not clear.

The Committee were informed by the representative of the Planning Commission that the grant was given for purchase of tools for the youth camps and Shramdan activities to be organised by the Bharat Sevak Samaj. The Shramdan programme was meant to attract labour in the form of 'dan' to help in the construction of village roads, culverts, etc. The work was done through Blocks with the help of the Ministry of Community Development by the B.S.S. and they distributed 169 sets of tools to Block Development Officers and 32 sets to the District Conveners of the Bharat Sevak Samaj. It was thought later that the tools could be used for other programme as might be conducted by the local officers, schools, colleges, universities etc. So 35 B.D.Os. transferred the sets of tools back to Bharat Sevak Samaj after the Commission wrote to the Ministry of Community Development, who in turn wrote to the Blocks.

When the Committee referred to one of the conditions of the grant that stock registers relating to tools and equipment would be maintained both Centrally and by the Block Development Officers and other functionaries, the representative of the Planning Commission stated that the tools etc. were taken on the Stock Register of the Central Bharat Sevak Samaj and then transferred to the B.D.Os. The Committee wanted to know how Planning Commission was concerned in the matter when they wrote to the Ministry of Community Development asking them to issue instructions to their officers to keep the stores (tools) in their custody and also to maintain stock registers. It was stated in reply that this was done evidently at the request of the Bharat Sevak Samaj or by the Planning Commission on their own. It was admitted that as pointed out in the Audit Report, no half-yearly report about the physical availability of tools and equipment with the B.D.Os. was ever called for.

The Committee regret to note that no half-yearly reports about the physical availability of the tools and equipment as prescribed by the Samaj were being received from the B.D.Os. or Samaj functionaries.

29. The Committee desired to know why Bharat Sevak Samaj were asked to buy the tools and equipment, if these were required by the Community Blocks. The representative of the Planning Commission stated that the Bharat Sevak Samaj was endeavouring to spearhead the Shramdan drive through public co-operation. The Blocks were willing to co-operate provided they were given tools and equipment. So the Bharat Sevak Samaj took the initiative to obtain the grant from the Planning Commission. About the prices paid for the tools etc. the Secretary, Planning Commission stated that these tools were simple things required for earth work. He added that the explanation furnished in writing by the Commission, (that because of shortage of time the Ministry of Community Development could not do it as tenders had to be called and so Bharat Sevak Samaj were authorised to purchase them, who being unencumbered by rules etc. and tenders were avoided) was not a very happy one. Asked whether the prices were compared with those obtained by the D.G.S. & D., it was stated that it would have to be checked up. A note has since been furnished about this matter stating that the Samaj invited quotations only from the approved firms whose list was furnished by the D.G.S. & D. The Committee pointed out that this novel procedure amounted to this that the tools were purchased by a non-official agency from Government grants and then supplied to another Government Department. The Secretary, Planning Commission stated that there was some misunderstanding as these had not been transferred to the Community Development Ministry and taken on their register. The tools etc. actually belonged to Bharat Sevak Samaj who were responsible for the works and for whom this assistance was given by the Planning Commission. When the Committee pointed out that the tools etc. were the property of the Planning Commission and the grantee had to maintain the audited accounts and records of assets created wholly or substantially out of Government Grants, the witness stated that some of the items were such as quickly got worn out. He added that the Stock Register was being maintained.

The Committee were surprised to learn that tools and equipment purchased by the Bharat Sevak Samaj from the grants released by

the Planning Commission, were taken on the Stock Register of Central Bharat Sevak Samaj and then they were transferred to the Block Development Officers who were supposed to keep the stores in their custody and also maintain the stock registers. The Committee feel that the proper course would have been for the Ministry of Community Development to sanction the expenditure for purchase of the necessary tools and equipment, in which case they would have remained with the B.D.Os. as property of Government.

30. In connection with the issue of the letter of sanction for Grant-in-aid to Bharat Sevak Samaj for the purchase of tools and equipments, it was mentioned in Planning Commission's letter to A.G.C.R. No. PC/Pub/8(2)/56 dated 22nd March, 1957 (Appendix I, Annexure III to parts VIII and IX). "The Government of India is satisfied about the financial position of the Bharat Sevak Samaj."

Asked how the Commission were satisfied about the financial position of the B.S.S. (as stated in para 4 of that letter), the representative of the Planning Commission stated "In 1957, it appears that they were satisfied."

The Committee are surprised at this reply. It really passes their comprehension how a written statement could be made that "Government of India is satisfied about the financial position of the Bharat Sevak Samaj," in an official communication without there being a satisfactory ground. The Committee cannot approve of practice of recording such certificates relating to private bodies in Government documents as a routine matter.

31. The Committee note with regret the circuitous and abnormal procedure followed in this case by the Planning Commission. They take strong exception to the procedure adopted in this case for the purchase of tools. They can find no justification for the plea of urgency adopted in this case to justify the Bharat Sevak Samaj purchasing tools and equipment costing Rs. 4.38 lakhs from the grants released by the Planning Commission on the ground that time could be saved and tenders avoided if the purchase could be made through the B.S.S. instead of Ministry of Community Development.

The Committee regret to note that to avoid the established procedure and buying stores through regular tenders, this devious method was followed. Apart from the fact that they do not find any urgency in the matter, they deprecate this method of circumventing the healthy safeguards provided for preventing wasteful expenditure.

III

GRANTS GIVEN BY THE MINISTRY OF INFORMATION AND BROADCASTING, PARA 86(A), PAGE 107

'Jan Jagran Scheme'

32. (a) Mass Contact.
 (b) Jan Sahyog Kendras (Public Co-operative Centres).
 (c) Brochures.
 (d) Bharat Sevak—A Journal.
 (e) Bulletins.

At the instance of the Committee a statement showing the total grants given has been furnished (Appendices XIII, XIII A, XIII B) which is as follows:—

Year	Amount
	Rs.
1953-54	19,318·75
1954-55	30,405·46
1955-56	62,865·37
1956-57	2,62,801·62
1957-58	4,03,911·63
1958-59	3,86,618·71
1959-60	3,18,858·30
1960-61	3,46,382·69
1961-62	3,65,914·48
1962-63	3,25,744·35
1963-64	3,22,743·16
1964-65	3,00,000·00
	Proposed to be raised to Rs. 4,68,000)

The Secretary, Ministry of Information and Broadcasting admitted in evidence that they had not been insisting on consolidated accounts but grants were being given to the Bharat Sevak Samaj on the basis of scheme-wise audited accounts. He stated, however, that the real objection to giving grants without having an overall idea about the working of the Bharat Sevak Samaj was not to serious in the case under discussion, as in each case the figures of receipts

from other sources of the Samaj were taken into account when the grants were given. He admitted, however, that it was not possible to know fully about the activities of the body or whether they deserved the grant by a scrutiny of the incomplete accounts submitted to the Ministry.

The Committee referred to D.O. No. 1|23|63-PP, dated 4th November, 1963 from the Secretary of the Ministry to the Audit wherein it had been recorded *inter alia* that:

“As the various activities of the Bharat Sevak Samaj are clearly distinguishable from one another and only one Ministry of the Central Government is concerned with one set of activities there is hardly any chance for the Samaj to get aid from more than one source for the same purpose. For the Jan Jagaran Vibhag of the Samaj for instance, the Samaj cannot ask for assistance from any other Ministry than the Ministry of Information and Broadcasting. As such no useful purpose would be served in asking the Samaj to submit the consolidated accounts in addition to the accounts in respect of grant-in-aid given by this Ministry. However, in future the Samaj would be asked to furnish a certificate that they are not getting subsidy from any other source for the activities subsidised by the Ministry of Information and Broadcasting.”

Asked about the reasons leading to the issue of this letter, the Secretary, Ministry of Information and Broadcasting replied, “I will find that out from the notings that led to this letter. As I said in the beginning, I do think that consolidated accounts are absolutely necessary.”

In this connection the Secretary, Ministry of Information and Broadcasting further deposed:—

“If I may make a submission in this connection, I think all these problems of such organisations can be solved if grants-in-aid are given only by one Ministry or by one Organisation of Government.”

The Committee desired to be furnished with a note indicating reasons which led to the issue of the d.o. letter of November, 1963 which is at Appendix XIII.

Explaining the details of the Jan Jagran Scheme, Secretary, Ministry of Information and Broadcasting stated that the Scheme was for publishing the Plans. It was started in 1953-54.

The Samanta Committee appointed in December, 1963 was reviewing the whole question as to whether the voluntary organisations (Bharat Sevak Samaj and others) were working properly or not, whether they were entitled to the continuation of grants or not. The Committee were expected to report by the 31st January, 1965.* The witness stated that the Bharat Sevak Samaj was chosen as the agency for the Jan Jagran Scheme as it was considered to be one of the most important organisations which had been doing that sort of work. No special scrutiny or survey of the activities of the Samaj had been made by the Ministry before making the selection, but he added: "the only guess that I could hazard in the absence of any enquiry done by the Ministry was that when this organisation was being assisted to such a great extent by other organisations of Government, it was taken at its face value" initially. He added that the subsequent activities in regard to three or four of the programmes of the Ministry entrusted to the Bharat Sevak Samaj justified the thinking of the Ministry that this organisation could do effective work.

The Committee have been furnished with a statement showing the total grants given by the Ministry to Bharat Sevak Samaj year-wise and scheme-wise from 1953-54 to 1964-65 and the basis on which these were given (Appendices XIII, XIII A, XIII B).

In reply to a question the Committee were informed that agencies other than the Bharat Sevak Samaj to which assistance has been given for Plan Publicity work were universities and colleges; institutes like Ramakrishna Vidyalaya, Coimbatore, Harijan Sevak Centre, Delhi, All India Women's Conference, New Delhi, Ramakrishna Mission Institute, Calcutta, Y.M.C.A., New Delhi and Bangalore, All India Boy Scouts Association, Adimjati Sevak Centre, Banaras Hindu University, Punjab University, Meerut College etc. the amount of assistance was of the order of Rs. 1,500 or Rs. 4,000 or Rs. 5,000 only.

*The Report was submitted on 16th February, 1965.

In respect of grants given to such organisations, the Secretary agreed with the suggestion that there should be an annual review of the work done by an independent body, instead of the present review once in every five years. It would help in knowing how the grants had been utilised, what were the achievements and to what extent the utilisation of the grants had resulted in awakening the people to contribute their share.

In reply to a question, it was explained that grants were given to the Bharat Sevak Samaj during the year itself in two or three instalments based on their performance of earlier years. Therefore, grant given in a particular year was more in the nature of an advance. When the audited accounts (pertaining to grants) were available after the year was over, these were examined to determine exactly the amount of grant to be given on the basis of the agreed formula. If any excess had been paid, it was deducted and if any amount remained unpaid, it was paid.

The Committee referred to the written answer furnished by the Ministry with regard to Jan Jagran Groups formed in each State wherein representatives of Government Departments dealing with plan publicity and public relations were included and wanted to know whether this practice was desirable. The Secretary, Ministry of Information and Broadcasting stated that from one point of view it was not desirable, but from another it was felt that many non-officials were prevented from going wrong or helped in going along the right lines, if officers of Government were associated with them. This also secured co-ordination between official and non-official organisation. He added that financial discipline could be imposed on Bharat Sevak Samaj even though it had not been done and this had created some misunderstanding. He further remarked "I am not speaking as Secretary, Ministry of Information and Broadcasting but it is in my personal knowledge that the picture is neither black nor white, it is grey, as in most cases. They have got some concrete achievements to their credit though there have been defalcations and embezzlement in certain areas." He further added that since, however, the Committee were concerned with the accountability of the Samaj to which money was being given by Government, this could be secured by insisting on consolidated accounts.

As regards Plan Publicity, the Secretary, Ministry of Information and Broadcasting stated that Plan Publicity was a very difficult task and even Government organisations had not been able to publicise Plans properly. He was of the opinion that the Bharat Sevak Samaj "are certainly not less effective than the Government organisations" as "both the Government Organisations and the

Bharat Sewak Samaj were equally indifferent." But ultimately, non-official organisations would be better organisation to undertake Plan Publicity.

In the course of evidence certain features, which the Committee consider to be of importance, came out. These may be summed up as follows:—

- (i) The Secretary of the Ministry had written in November, 1963 to Audit that no useful purpose would be served in asking the Samaj to submit the consolidated Accounts in addition to the accounts in respect of grant-in-aid given by the Ministry. A note has been furnished to the Committee indicating the reasons which led to the issue of this letter (Appendix XIII, Point 2. But the present Secretary is of the view that consolidated accounts are absolutely necessary.

The Committee desire that the Ministry of Information and Broadcasting should also follow the same course of action as has been suggested in para 14 of this Report in regard to insisting on the immediate submission of consolidated and duly audited accounts of the Samaj and the stoppage of grants till the provisions of Rule 149(3) of the General Financial Rules, are fully complied with.

- (ii) According to the Secretary of the Ministry no special scrutiny or survey of the activities of the Samaj has been made by the Ministry before choosing the Bharat Sewak Samaj as an agency for the Jan Jagran Scheme, but it was stated that the fact that the organisation was being assisted on such a large scale by different departments of the Government made the Ministry feel that the Samaj was a suitable agency that they could utilise.

The Committee consider this to be a wrong precedent and would desire that no Ministry/Deptt. of Government should release grants to private bodies without satisfying themselves about the suitability and capacity to undertake the task allotted to them. This also leads the Committee to the conclusion that it would be advisable that as already recommended in para 69 of their 34th Report (2nd Lok Sabha) as already recommended in para 69 of their 34th Report (2nd Lok Sabha). The Ministry so nominated will of course, have to make arrangements for consultation with the other Ministries concerned with the different subjects.

(iii) In view of the opinion on Plan Publicity expressed by the Secretary, Ministry of Information and Broadcasting, the Committee feel that a very thorough probe into the whole question of Plan Publicity with a view to making it more effective with due regard to economy in expenditure is called for without delay.

(iv) The Samanta Committee in their Report (para 3-69) have stated as follows:—

“Among the voluntary organisations doing Plan Publicity work, Bharat Sevak Samaj is the largest beneficiary receiving aid from the Ministry of Information and Broadcasting as much as 95 per cent of the total grants allotted for that purpose.”

The Committee feel that in view of the facts disclosed in this and subsequent paras relating to Jan Jagran Scheme, a review is necessary to decide upon the quantum of assistance to be given to B.S.S. and other voluntary organisations. They consider that encouragement should be given to other voluntary organisations as well to take up programme of Plan Publicity and there should not be almost exclusive dependence on the B.S.S.

(v) The Secretary of the Ministry agreed that financial discipline could be imposed on Bharat Sevak Samaj even though it had not been done.

The Committee desire that the provisions of the rules and conditions relating to grants-in-aid to private bodies should be strictly enforced in all cases and no special relaxation should be made in practices and procedures relating to financial transaction, unless in any case Government consider that there is special justification for such relaxation and place it on record.

(vi) The Committee were perturbed to learn from the Secretary, Ministry of Information and Broadcasting, who described the picture of B.S.S. as neither black nor white, but grey, that there had been defalcations and embezzlements also in certain areas. Since the Bharat Sevak Samaj is a private body, the Committee did not consider it appropriate to probe into these cases of defalcation and embezzlement in that organisation. However, keeping in view the fact

that this organisation is financed by funds from the public exchequer. the Committee would like Government to examine whether it is not necessary that all cases of defalcation and embezzlement are investigated properly by an independent agency.

Headquarters expenditure of the Samaj, para 86(A) (i), page 108.

33. It was noticed that certain items of headquarters' expenditure of the Samaj which were reimbursable to the extent of only 10 per cent were included in the expenditure relating to the field activities resulting in an excess reimbursement to the extent of Rs. 16,000 for the period 1960-62.

The Committee desired to know the correct position about the recovery of the overpayment of Rs. 16,000 (as a result of mis-classification), to the Bharat Sevak Samaj. The Secretary, Ministry of Information and Broadcasting stated that Rs. 16,000 had been recovered by adjustment against the second instalment. It was, however, understood after analysis that the over-payment was less than Rs. 16,000 and if this was confirmed by Audit, the Bharat Sevak Samaj would get credit for the difference. According to a letter received on 31st December, 1964, the actual amount came to Rs. 9,873. This Ministry had not investigated if there was any misclassification of similar nature prior to 1960 but it should have been done; it would be worthwhile in view of the fact that a cent-per-cent check of the accounts was not made by Audit.

The Committee hope that early action will be taken to review if similar misclassification had occurred in the past.

Mass-contact scheme, para 86(A) (ii), page 108.

34. Under the 'Mass Contact Scheme', about 125 'Pracharaks' and 'Mukhya Pracharaks' were appointed by the Samaj on payment of maintenance allowance ranging from Rs. 83 to Rs. 103 per month. The Scheme for having 'Pracharaks' was replaced with effect from 1st April, 1962 by another having District Information Organisers. 75 District Information Organisers were appointed by the Samaj upto March, 1963. No review of the working of the scheme was conducted by the Ministry as prescribed under the Financial Rules.

The Committee were informed that the Report of the five Member Evaluation Committee appointed to assess the work done by the Samaj was to be ready by the 31st January, 1965. With regard to

replacement of "Pracharaks" by District Information Organisers, the Committee desired to know whether any of the Pracharaks had been appointed as District Information Organiser.

The Committee have been informed that 25 Pracharaks and Mukhya Pracharaks out of a total of 88 were appointed as District Information Organisers (Appendix XIII, point 5).

The Committee find from para 3.26 of the Report of the Evaluation Committee on Plan Publicity by Voluntary Organisations (Samanta Committee) dated 16th February, 1965 that under the reorganised mass contact scheme, the programmes of which were approved by the Ministry of Information and Broadcasting, it was decided to set up a number of Plan Information Centres in a few selected Districts. The Samanta Committee visited 29 centres out of about 57 that are at present functioning. Of these, one third were very active (paras 3.32 and 3.33). But that Committee have observed:

"Some Centres, however, were in such a deplorable condition that our immediate reaction was that they should be closed down. There was hardly any display of Plan literature and any library worth mentioning. Accommodation was unimpressive. The attendance of visitors was very poor. We noticed hardly any other activity."

The Committee are greatly disappointed at this observation and hope that urgent steps would be taken either to close down such centres or to improve their working so as to avoid further wastage of funds.

Jan Sahyog Kendras, para 86(A) (iii), page 108.

35. In February, 1962, the Ministry expressed dissatisfaction about the working of 'Jan Sahyog Kendras' and pointed out that the performance of 11 kendras on which an expenditure of Rs. 23,000 had been incurred was 'nil' or much below standard. The Scheme was wound up between November, 1961 and April, 1962 and the existing kendras were converted into 'Lok Karya Kshetras' to be financed by the Planning Commission.

With regard to duplication of work as between Lok Karya Kshetras (financed by the Planning Commission) and Jan Sahyog Kendras (financed by the Ministry of Information and Broadcasting), the Secretary, Ministry of Information and Broadcasting stated that the Programme Evaluation Organisation made a report about it after making a study in 1960. On the basis of that report, the Planning Commission made a reference to the Ministry of Information and

Broadcasting in December, 1961. The matter was considered and grants for Jan Sahayog Kendras were stopped from 1st April, 1962. The Kendras were amalgamated with Lok Karya Kshetras. The duplication was really with regard to the two groups of persons doing more or less the same work.

Asked about the reason for the Secretary of the Ministry stating in his letter dated 4th November, 1963, that there was no possibility of duplication, when the report of the Programme Evaluation Organisation had pointed out that there was duplication, it was stated that orders had already been passed in 1962 in pursuance of that Report and therefore in 1963, there was no longer any possibility of duplication. The witness stated in reply to a question that in respect of other items e.g. publication of brochures, journals and other activities, there was no possibility of any duplication.

Asked if there was any co-ordination in the past between the Ministry of Information and Broadcasting and the Planning Commission in the matter of giving of funds for undertaking the same activities, the Secretary, Ministry of Information and Broadcasting stated that when provisions were made in the budget or in the Five Year Plans, the Planning Commission invariably joined in all the discussions. Provisions were being made with the consent of the Planning Commission. He added that there was no machinery for examining the matter regarding duplication or overlapping but the Planning Commission themselves were supposed to look into this aspect of the matter.

The Secretary, Ministry of Information and Broadcasting admitted that there was no machinery to see how work was being carried out in the Jan Sahayog Kendras. Only half yearly progress reports were being received, on the basis of which the Ministry expressed their dissatisfaction. The Committee have been furnished with a note on the location of the various Jan Sahayog Kendras indicating the names of officers who were in charge of each Kendra (Appendix XIII, point 6).

The Committee find from the statement furnished by the Ministry (Appendix XIII) that they had been giving grants-in-aid for Jan Sahayog Kendras from 1953-54 right upto 1961-62. But they find that the following recommendations of the Programme Evaluation Organisation of the Planning Commission were made in 1960:—

“Finally, the Bharat Sevak Samaj receives grants from the Planning Commission, the Ministry of Information and Broadcasting and certain other Government departments.

The Lok Karya Kshetras and the Jan Sahayog Kendras: (financed by the Ministry of Information and Broadcasting) operate in the same districts with much the same objective. The separate identity of the grant giving department percolates to the field level and tends to perpetuate departmentalism and separatism among the workers."

The Committee also find that the Samanta Committee have stated in para 3.20 of their Report (1965): "On the recommendations of the Programme Evaluation Organisation of the Planning Commission, the Jan Sahayog Kendras were converted into Lok Karya Kshetras and handed over to Lok Karya Section of the Bharat Sevak Samaj in 1960."

It has also been stated in the note furnished by the Ministry (Appendix II) that in the light of the above observations, the position was reviewed by B.S.S. and they decided to convert the Jan Sahayog Kendras into Lok Karya Kshetras and made a request to this effect to the Planning Commission who had to provide funds for the L.K.Ks. so formed.

It is surprising that the duplication of work by both the Kendras was not noticed earlier before it was pointed out by the Programme Evaluation Organisation in 1960, which shows lack of coordination between the Planning Commission and the Ministry of Information and Broadcasting.

. If as stated by the Samanta Committee, the work had been handed over to Lok Karya Section of the Bharat Sevak Samaj in 1960, it is not clear why the Ministry of Information and Broadcasting continued to give grants for Jan Sahayog Kendras in 1961-62. (The amount of grant given to Bharat Sevak Samaj for Jan Sahayog Kendras during 1961-62 was Rs. 63,559). It is also not clear why it took more than a year to wind up the Jan Sahayog Kendras. The Committee suggest that this matter may be investigated further.

Brochures, para 86(A) (iv) (a), pages 108-109.

36. The Samaj brought out 17 Brochures in the year 1959-60. The Ministry admitted an expenditure of Rs. 28,701 incurred on 14 of these brochures as a special case although in their opinion the material brought out in the brochures was not in conformity with the objective for which the subsidy was paid to the Samaj, namely, to supplement Plan Publicity.

The Committee desired to know what was the basis of *ad hoc* grants given to the Samaj prior to 1959-60 and why was this basis changed to the grant of 82½ per cent of the cost of brochures afterwards. The representative of the Ministry stated that the idea was that they should not make any profit. "They used to earn by way of contributions and donations." The difference between whatever was earned and whatever was spent was made good. It was added by the representative of the Ministry that as the amount of grants was increasing it was thought that it should be related to the total expenditure and it was decided that it should be limited to 82½ per cent. Later on in consultation with the samaj, for "mass contact" it was modified to 95 per cent of the gross expenditure subject to a maximum of Rs. 3,40,000. The remaining 5 per cent came from donations and contributions. In reply to a question, the witness stated that it was not possible to say whether this 5 per cent came from other Governmental Agencies, like the State Governments as sources of receipts were neither received from the Samaj nor were they asked for.

The Jan Jagran Scheme consisted of five items—(1) Publication of Bharat Sevak Samaj Journal (2) Jan Sahayog Kendras (3) publication of brochures (4) publication of bulletins and (5) mass contact. Now the Scheme consisted of 4 items.

The Committee desired to know on what basis grants for Jan Jagran Scheme were given. The information has been furnished (Appendix XIII, Para 1).

Asked whether the Ministry of Finance was consulted before deciding the waiving of recovery of Rs. 28,701 spent on pamphlets publishing the activities of the Samaj, the Secretary, Ministry of I. & B. stated that it was not necessary to take the concurrence of the Finance Ministry, as the decision to condone the lapse could be taken by the administrative Ministry.

The brochures and journal brought out by the Bharat Sewak Samaj were mostly priced publications. The Committee were however informed in evidence that most of the publications under reference, whether they were brochures or journals, were intended to be distributed free. The Samaj had not been able to distribute about 69,000 copies which showed that they were inefficient and not working properly. The brochures were distributed through Pradesh and District Chairman of the Bharat Sevak Samaj and the whole-time

workers in camps and Lok Karya Kshetras. They had not maintained any mailing list at all though the Ministry had asked them to maintain the mailing list and furnish the list.

The Committee desired to be furnished with a statement showing the amounts of grants given for the publication of brochures by the Bharat Sevak Samaj from 1961-62 onwards which has been given (Appendix XIII A).

In this connection, the Committee invited the attention of the Secretary, Ministry of I. & B. to a letter written by the Ministry to Secretary, Bharat Sevak Samaj on 13th March, 1961 (after receipt of the six-monthly Report) wherein it had been stated:

“The Ministry is very much concerned over the statement made in your letter under reply that the Samaj has now discovered that there is neither some machinery nor any clientele for the disposal of the literature in the rural areas for which this literature was primarily printed with the result that the Samaj has found it difficult to clear the stock of priced literature some of which was published about 5 to 6 years ago. It is also unfortunate that the Samaj is also experiencing difficulty even in the distribution of free literature.”

The following extracts from another letter dated the 27th February, 1961 to the Secretary, Bharat Sevak Samaj by the Ministry were also referred to by the Committee (Appendix XIII, Annexure VII):—

“I am directed to refer to your letter D.O. Nos. both dated 24th October, 1960 and to state that the brochures issued during the period under review have been examined and it is found that while most of them deal with the objectives and activities of the Bharat Sevak Samaj, they are not in conformity with the objectives for which Central subsidy is paid to the Jan Jagran group, namely, to supplement Plan publicity programme. While a certain amount of publicity for the Samaj and the work that it is aiming at and is engaged in, is understandable, exclusive and all-pervasive emphasis on that aspect and to meet the cost thereof from the Central subsidy received by the Jan Jagran group for purely Plan publicity programme, defeats the very object of that subsidy.”

The Secretary stated that these were facts and the Samaj had given an assurance on 9th March, 1961 that they would see that what had been laid down by the Ministry was followed in future. Asked about the justification for continuing the grants in view of the facts disclosed, the Secretary, Ministry of I. & B. stated that when non-official organisations went wrong, it was brought to their notice and when they assured the Ministry that they would follow the correct line in future, the Ministry could not just discontinue the grants. If, however, the Samaj persisted in doing their own publicity, the grant would be discontinued.

It was admitted by the Secretary that it did not occur to the Ministry to ask for title of brochures and scripts so as to examine them, in 1961 even when it came to notice that money was spent for the publicity of the Samaj, or even afterwards. Nor had the Ministry given any directive or order to Bharat Sevak Samaj concerning the contents of the brochures in future. Copies of brochures were examined by an officer in the Ministry when printed copies were received, but no report had been submitted by the officer since 1962 to early 1965.

The Committee have been furnished with:—

- (1) A list of titles of brochures and the number of copies printed, by the Bharat Sevak Samaj after February, 1961.
- (2) A note indicating whether the brochures brought out by the Bharat Sevak Samaj are examined in the Ministry and the result of such examinations of the brochures so far published. (Appendix XIII, Para 10).

When the Committee pointed out that even now the Ministry did not know whether the same tendency of publicising the work of the Samaj continued or not, the Secretary stated that if the same tendency continued, he would know. The written assurance given by the Samaj on 9th March, 1961 (Appendix XIII, Annexure VIII) was to the following effect:

“With regard to the general statement of policy we are unable to accept the view of the Ministry. Sidelined portions of the publication will convince you that it is primarily intended to persuade the common man to give his co-operation to the programme underlying the Plan itself. It would also be borne in mind that indirect publicity of the Plan and the programmes under it is invariably preferable to direct publicity for which our experience tells us that there exists obvious apathy.

The criticism and suggestions made in paragraphs of the letter under reply have been noted. We shall, however, be glad to discuss them again at the forthcoming meeting."

On being pointed out that the Samaj had defended themselves rather than accepted the charge, the Secretary stated that there was subsequently a meeting at which the Samaj assured the Ministry that they would carry out the directive. The Committee desired to be furnished with a copy of the minutes of the meeting in which Bharat Sevak Samaj agreed to re-orient the contents of their brochures for Plan publicity. The Committee also wanted to know if any written communication was sent to the Samaj on this matter. A note has been furnished (Appendix XIII, para 9).

The Committee referred in this connection to a statement furnished by the Planning Commission (Appendix XIX), showing the local contributions raised by the Bharat Sevak Samaj for Labour and Social Service Camps, Local Development Works and their own activities. In this statement against the Programme of the Ministry of Information and Broadcasting a sum of Rs. 3,50,000 had been shown as local contribution. The Committee desired to know how this figure was arrived at. It was stated by the representative of the Planning Commission that it was prepared on the basis of figures given by the Bharat Sevak Samaj. Then the figures were verified with the Financial Adviser of the Ministry including the figure for the sale of publications. When it was pointed out that sale proceeds of brochures etc. could not be termed as 'local contributions' the Secretary, Ministry of Information and Broadcasting stated that Bharat Sevak Samaj reported a sum of Rs. 3.99 lakhs as income over a period of years including the sale proceeds of priced publications. The amount which could be called local contribution would certainly be less by a considerable amount.

The Committee desired to be furnished with a note giving the break-up item-wise of the amount of Rs. 3,50,000 shown as local contribution and whether it included sale proceeds of brochures, journals etc. which has been given (Appendix XIII, Para 4).

The Committee do not find the break-up of the sum of Rs. 3,50,000 which is stated to have been worked out by the Planning Commission on rough and ready basis, in the note of the Ministry of Information and Broadcasting. They are, however, surprised to note that in the statement of the Planning Commission, sale proceeds of brochures, journals and bulletins have been indicated as 'local contributions raised by the Bharat Sevak Samaj'.

37. The Committee feel disturbed to learn that most of the brochures brought out by the Samaj with the subsidy given by the Ministry of I. & B. for Plan publicity 'deal with the objectives and activities of the Bharat Sevak Samaj' and were not in conformity with the objective viz., plan publicity programme for which the Ministry gave grants. In evidence the Committee were informed that the Samaj had given an assurance on 9th March, 1961 that they would see that what had been laid down by the Ministry was followed in future. The Committee find from a note (Appendix XIII, Para 9) furnished in this connection that the Bharat Sevak Samaj had stated "we find it difficult to accept that the literature produced by us contains 'exclusive and all pervasive emphasis on publicity for the Samaj and its aims and programme'." The other portions of that letter also indicate that there is no clear assurance. The Committee also find that the matter was not discussed at the meeting held on 14th March, 1961 according to the note furnished by the Ministry. The Committee very much regret that incorrect information was given by the I. & B. Secretary when he said that at a subsequent meeting this assurance was given. The Committee do not find in these circumstances any justification on the part of the Ministry in admitting an expenditure of Rs. 28,701 incurred on 14 brochures although in their own opinion the material brought out was not in conformity with the objective for which the subsidy was given.

The Secretary also admitted that they had not been examining the manuscript of the brochures etc. before publication and it did not occur to them to ask for titles of brochures and scripts so as to examine them when it came to notice in 1961 that money was spent for the publicity of the Samaj, or even afterwards. Such a lapse on the part of the Ministry, the Committee find inexplicable. The Committee has been furnished with a note (Appendix XIII, Para 10) indicating whether the Brochures are examined in the Ministry and the result of such examination. The Committee are distressed to find that despite the 'so called' assurance of the Samaj, of the three brochures brought out by the Samaj during 1963-64 it had to be decided not to admit expenditure on one "as its subject matter does not concern plan publicity."

The Committee find that the Samaj had not been able to distribute about 69,000 copies of the brochures etc. which had been attributed during evidence as indicating that either they were not efficient or they were not working properly. The Committee feel that in view of the continued tendency on the part of Bharat Sevak Samaj to publish brochures whose "subject matter does not concern plan publicity" it should now be seriously considered as to whether

it would be desirable to continue grants and subsidies to that body for plan publicity through brochures.

Para 86(A) (iv) (b) & (c), Pages 108-109

38. The stock registers of the brochures on hygiene and sanitation, short stories, poems etc. brought out by the Samaj for the period 1st April, 1959 to 31st March, 1962 showed the following position. (The registers for earlier periods were not available):

Balance in stock on 1-4-59	No. of copies printed during 1959-60 to 1961-62	Total	No. of copies distributed free	No. of copies sold	Balance in stock as on 31-3-62
1,34,508	1,55,500	2,90,008	87,332	1,33,049	69,627

It has been stated that the Samaj has started keeping proper records from August, 1963 to show the persons to whom copies are distributed free. Prior to that date, no mailing list was maintained.

The grant given by the Ministry is to be limited to 82½ per cent of the gross expenditure, the sale proceeds of the brochures are to be taken towards 17½ per cent of the cost to be borne by the Samaj. In the accounts rendered by the Samaj to the Government, the Samaj has been treating the discount allowed to the trade, ranging between 33½ per cent to 50 per cent of the marked sale price as expenditure, 82½ per cent of which is reimbursable by Government. This resulted in an excess payment of grant amounting to Rs. 8,973 for the period 1959-60 to 1961-62. The amount has not yet been recovered from the Samaj.

The Secretary of the Ministry of Information and Broadcasting was asked to reconcile the statement made in the Audit para that "the Samaj has started keeping proper records from August, 1963 to show the persons to whom copies are distributed free" with the written note furnished by the Ministry to the Committee that the "Bharat Sevak Samaj have explained that they are not maintaining any standing mailing list for distribution of brochures." Explaining the position, the Secretary, Ministry of I. & B. stated that the Samaj were now maintaining stock registers in which they mentioned the names of organisations to whom brochures etc. were being distributed, but they did not maintain a mailing list of individuals to whom brochures were sent invariably. He admitted that they had not verified the statement of the Bharat Sevak Samaj before giving it to Audit.

The Committee drew attention to the condition that grant was to be limited to 82½ per cent of the gross expenditure and the sale proceeds of the brochures were to be taken towards 17½ per cent of the cost to be borne by the Samaj, but the fact was that sale proceeds in some cases amounted to 40 per cent resulting in excess payment to the Samaj. It was explained by the representative of the Ministry that even though 82½ per cent had been given in many cases, the Samaj had not been able to make up the balance of 17½ per cent with the net result that the account now showed a loss. When the income by selling the brochures exceeded 17½ per cent the grant was proportionately reduced from 82½ per cent. Only when the income fell below 17½ per cent, the grant of 82½ per cent was given. That ceiling (of 82½ per cent) had not been exceeded.

The Committee regret that the Ministry put complete reliance on the statement made by the B.S.S. and furnished it to Audit without exercising any check of their own. The Committee would like the Ministry to ensure that a proper mailing list and Registers of sales and stock are regularly maintained by the B.S.S.

The Committee also learn from a note furnished [Appendix II, Part VII(i)] that the amount of Rs. 8973 paid in excess has been recovered from the Samaj by adjustment against the instalment of grant-in-aid released to the Samaj in March, 1964. The Committee hope that circumstances under which this excess payment occurred would be avoided in future.

IV

GRANTS GIVEN BY THE MINISTRY OF EDUCATION

Labour and Social Service Camps—Para 86 (B)—pages 109-110

39. The number of camps organised by the Samaj, the amount of grant given by Government and the expenditure incurred on the organisation of the camps are given below:

	No. of Camps held	Amount of grant paid	Net expenditure incurred	Unspent balance refunded to Government
	(In lakhs of rupees)			
1954-55 to				
1958-59	3,807	69.47	60.46	9.01
1959-60	1,590	15.00	13.10	1.90
1960-61	1,504	14.19	13.24	0.95
1961-62	1,451	6.97	8.07	..

The activities undertaken in the camps relate to agriculture, animal husbandry, extension and demonstration, irrigation and reclamation, health and sanitation, education, social education, etc., which are also covered by the Community Development Programme of the Ministry of Community Development and Co-operation. In addition, the Central Social Welfare Board carries out allied activities in their Welfare Extension Projects which are co-terminus with the Community Development Blocks. The Ministry have stated in September, 1963 that they have stopped giving further grants to the voluntary organisations for rural youth camps (non-students) from the year 1963-64.

The Committee desired to know how the Ministry had been sanctioning the grants without insisting on the consolidated accounts when the financial rules required that there should be audited accounts. The Secretary, Ministry of Education stated that the financial rules applied to the Ministry of Education, "but we have not really conformed to the provision relating to the consolidated accounts in this case." Grants were given under the Scheme of Youth Welfare according to certain principles and pattern which had been clearly laid down. The Ministry received the accounts of each camp, checked them and issued utilisation certificates to the

A.G.C.R. Insistence on observance of the financial rules "has not been done in the past, but it can be done in the future."

"The Committee desire that the Ministry of Education should also follow the course of action as has been recommended for the Planning Commission and the Ministry of Information and Broadcasting in paras 14 and 32 of this Report, in regard to securing compliance with the provisions of Rule 149(3) of the General Financial Rules."

40. Giving details about the labour and Social Service Camps, the Secretary, Education stated that in 1949 the late Prime Minister sent a note saying that some scheme should be evolved by which students should be given greater attunement to manual work and to the conditions of rural life. His idea was that there should be some provision for a long-term national service. This idea was discussed; there was reference to it in the First Five Year Plan; there was a meeting in the Planning Commission in 1950 and again in 1954. In the meeting of 1954 it was decided to start these camps on experimental and voluntary basis. This was passed on to the Ministry of Education by the Planning Commission in 1954. Since then it had been in operation. The objects of these camps were (i) to break the resistance of the students, the middle class youth usually living in urban areas, to manual work; (ii) to give them experience of rural life and make them attempt some kind of shramdan; (iii) to inculcate discipline of corporate life which comes through experience in camp life; and (iv) to a certain extent impart some practical skill which may be useful to students in earning a livelihood. The objectives of these camps had always been educational.

Asked how the Bharat Sevak Samaj were allowed to hold rural youth camps for non-students, when the scheme was for students only, the Secretary, Education stated that the Scheme was Youth Welfare Programme of the Ministry of Education which was meant for students. It was, however, thought that a certain mixing of the students with non-student youth would be educationally good and serve the purpose of camp life. About 20 per cent of non-students were included in the students camps also. The non-student camps by the Bharat Sevak Samaj were also of an educational nature and intended to serve the various purposes outlined.

As regards control of the Ministry in regard to location, composition, estimates of expenditure, etc. of these camps, there was a co-ordination committee of all the camps consisting of representatives of various Ministries and some social workers which met from time to time, determined the programme for the year and laid down the

pattern. Once the pattern was approved and the general programme was agreed to, it was left to the Bharat Sevak Samaj to decide the location of the camp and activities in consultation with local authorities. The Ministry could not do it directly and that was one of the reasons why Bharat Sevak Samaj came into it.

In reply to a question, it was stated that the extra expenditure of Rs. 1.10 lakhs incurred by the Samaj in 1961-62 (Grant paid Rs. 6.97 lakhs, net expenditure incurred Rs. 8.07 lakhs) was adjusted out of balances of the previous years.

With regard to change made in the basis of grants from April 1958 (initially grants were sanctioned for specific camps and were released in full) under which the requirements of the Samaj were determined for the whole year on the basis of the estimates and past performance, the Committee were informed that this was done on the basis of past experience. From 1958 block grants had been given to the Samaj to operate upon a certain number of camps.

As regards the recommendation of the Committee on Plan Projects in 1959 that the Scheme should be discontinued as it did not adequately serve the purpose, the Secretary, Ministry of Education stated that the Ministry considered these observations and set up an Evaluation Committee (Kunzru Committee) in 1959. Its report was received in December, 1963. This was to cover a wider field of all the schemes of youth welfare. There was also a smaller committee under Shri Asoka Mehta which was set up in January, 1962 to assess the whole operation of this scheme. Its Report was submitted in January, 1963. Therefore, no action was taken on the Report of the Committee on Plan Projects. The Committee have been furnished with copies of the Asoka Mehta Team and Kunzru Committee Reports. The Secretary added "We have received a number of reports which were adverse of the operation of the camps." The Ministry of Education consulted the Ministries of Finance and Defence and a letter was written to the Bharat Sevak Samaj to tell them that the quality of camps was uneven and they must improve. The witness admitted: "There may have been some wastage in some camps". He added that the Asoka Mehta Team had said that the camp movement was very vital and dynamic movement; that it had very important educational content and that the camps had been useful and must be improved and expanded. The Team was favourable to the continuation of the scheme, especially the use of Bharat Sevak Samaj and other voluntary agencies for operating these camps.

In reply to a question it was stated that on the Asoka Mehta Committee two out of six members were representatives of the

Bharat Sevak Samaj, but on the Kunzru Committee there was no representative of the Bharat Sevak Samaj.

The Kunzru Committee on the other hand had proposed that while camps were useful, essential, quite a good movement by which some good has been done, its operation should be improved and it should be wholly left to the educational institutions, colleges and universities. The Kunzru Committee had recorded: "in proper hands and under proper control the camp movement can lead to a development of character and personality. It is, however, essential that the organisation and control of these camps should be vested in educational organisations. Outside agencies should be excluded from managing these camps."

The Secretary informed the Committee that the matter was under consideration of the Ministry and they had for the present slowed down the whole operation guided by the recommendations of both the committees. For instance in the year 1964, a grant of Rs. 30,000 only was given for holding 100 non-student youth camps and in June 1964 a grant of Rs. 1.79 lakhs had been given and an absolute payment of Rs. 72,000 made for 140 student camps alone.

The Secretary, Education stated that they thought that Bharat Sevak Samaj's expert knowledge was of some value and Asoka Mehta Committee had also emphasised upon it. When it was pointed out that the Kunzru Committee had not recommended that Bharat Sevak Samaj or voluntary organisations should run these camps but the work should be passed on to educational institutions the Secretary, Education stated that the recommendation which had been accepted by Government was in regard to student camps. The Ministry of Education was concerned with the youth welfare programmes which included students as well as non-students.

He added that people who were not in institutions also required a certain educational influence which was the whole purpose of adult education and to that extent the Ministry of Education was concerned with non-student youth also.

The Asoka Mehta Team had said that the camps for non-students would be useful. Ministry of Community Development were asked to organise camps for non-students but they did not agree. Since the suggestion of the Asoka Mehta Committee was good, some grants were given to Bharat Sevak Samaj for non-student camps. The policy of running such camps was under review. It was being discussed with the Ministry of Defence whether the students should be given the alternative either to join the N.C.C. or go to long-term camps in vacation time. Some social service might also

be introduced. The witness added that as far as it could be seen, the Ministry would not rely in future solely or even largely on the Bharat Sevak Samaj and the camp movement would probably enter a new phase.

The Committee drew attention of the Secretary, Education to paragraph 3·28 and 3·29 of the Asoka Mehta Team Report wherein it was stated:—

“In view of the limited financial resources the Team feels that camps under the scheme have to be confined, for the present to students with an addition of only a limited number of non-students in each camp to make the camps more useful to the student community.”

Secondly,

“In the course of our discussion we have found that separate camps for non-students, urban and rural, would be quite valuable, but for that an appropriate scheme with necessary financial provision will have to be drawn up.”

The Secretary admitted that the recommendation of the Team regarding continuation of the scheme for non-students was not imperative as they realised the limitations of finances as well as of the scheme.

The Committee desired to know what were the objectives which were laid down officially to the Scheme of labour and social service camps. A note has been furnished (Appendix XX).

The Committee pointed out that the Ministry had informed audit in September, 1963 that grants for camps for non-students were being stopped from 1963-64 but in January, 1964 they gave a grant of Rs. 30,000 for conducting 100 non-student youth camps. The Secretary, Ministry of Education admitted that this was not consistent but added that when the letter was sent to the audit the thinking in the Ministry was that no grants should be given by the Ministry for the purpose and some other agency should do it. The Ministry of Community Development however refused and then the deviation from the earlier statement took place. He added that the Ministry gave grants for holiday camps also.

The Committee desired to know why the Central Government gave grants for these camps or directly run them, when all this was part of education, which was a State subject. The Secretary, Education stated that there were certain schemes for educational development and youth welfare was one of the schemes under which

the Centre gave grants to promote worthwhile activity which would be eventually taken over by the State.

The Committee then wanted to know if any attempt had been made to introduce rationality in the camp programmes in view of the over-lapping and duplication of work between Bharat Sevak Samaj, Ministry of Community Development and the Central Social Welfare Board as mentioned in the Audit Report. The Secretary, Ministry of Education assured the Committee that there was no duplication or overlapping. Ministry of Education was concerned with educational content. The Ministry of Community Development was concerned with those things in a substantive way. The Department of Social Security had a different kind of programme for women and children. Moreover, the Co-ordinating Committee made every effort to avoid duplication.

The Chairman of the Central Social Welfare Board stated that the welfare extension projects that the Board had in rural areas dealt with Balwadis, creches, social education, maternity services, etc. They could not overlap any kind of social service camps.

The Committee desired to be furnished with a statement giving the details of grants given to the Bharat Sevak Samaj by the Ministry of Education year-wise, from the inception to date. This information has been furnished (Appendix XII).

The Committee note that the recommendation of the Committee on Plan Projects made in 1959, that the scheme of Labour and Social Service Camps should be discontinued as it did not adequately serve the purpose, was ignored by the Ministry. Instead, it appointed the Committee for Co-ordination and Integration of Schemes operating in the field of Physical Education, Recreation and Youth Welfare, in 1959, with Dr. Kunzru as Chairman. This Committee submitted its report in December, 1963. In the meantime for a period of four years, the Ministry continued to give grants for the Scheme. It is, however, significant to note the following evaluation of achievements of the Scheme of Labour and Social Service Camps, made by the Kunzru Committee:

"In the labour and social service camps, as they are organised at present, the campers are required to devote about 4 hours per day to manual labour. The main emphasis appears to be on hard work rather than on the educational value of these camps. It has been found that generally there is little follow-up of the work done and, in several kinds of cases, the projects become unserviceable soon after their completion. For instance, the approach roads constructed by the campers or the trees

planted by them disappear not long after the campers leave the camp. This creates disappointment in the community and the material value of the work undertaken becomes nil. There is no real or meaningful co-ordination between the community and the campers. On the administrative side also, in the case of voluntary organisations, the Ministry of Education had recently sent a team to observe the conduct of the reoriented camps and the report presented by them revealed the fact that there was poor advance planning, poor execution and a general attitude of carelessness about the management of these camps which was quite discouraging."

The recommendations of the Kunzru Committee about Labour and Social Service Camps are, however, very clear. It has been recommended by that Committee that—

- (i) In proper hands and under proper control, the camp movement can lead to a development of character and personality. It is, however, essential that the organisation and control of these camps should be vested in educational organisations. Outside agencies should be excluded from managing these camps.
- (ii) Strict control should be kept on the financial aspect and proper accounts should be rendered to the Ministry of Education by the appointed time.
- (iii) In matters of organisation, the main emphasis should be placed on the educational values of camping. Considering the age of the campers, the social service component of these camps is not of very great value. Social service is undoubtedly useful, but need not be unduly stressed in these camps."

The Committee are sorry to note the state of affairs that the findings of Kunzru Committee reveal. The Committee are of the view that the above recommendations of the Kunzru Committee about Labour and Social Service Camps should be implemented without further delay to avoid wastage of funds.

V

GRANTS GIVEN BY THE CENTRAL SOCIAL WELFARE BOARD
(DEPARTMENT OF SOCIAL SECURITY)

Night Shelters—para 88 (d), page 116.

41. During the year 1958-59, the Central Social Welfare Board initiated a scheme to organise 'night shelters to provide relief in some of the bigger industrial cities to regular wage-earners who spend the night on street pavements. The scheme is being run through the agency of the Bharat Sevak Samaj. During the period ending March, 1963, recurring and non-recurring grants (aggregating Rs. 3.09 lakhs) had been paid to the Samaj for providing 48 such shelters. The pattern of assistance for the shelters is as follows:

	Shelters for 100 persons	Shelters for 74 persons	Shelters for 50 persons
	Rs.	Rs.	Rs.
Non recurring items like blankets, furniture, radio etc.	2,900	2,250	1,475
Recurring items per annum— Caretaker, rent and contingencies	4,440	4,440	4,020

During the period February, 1960 to April, 1962, 14 shelters were closed down, owing to unsuitability of locality (4), non-requirement (6), bad management (2) and transfer of control (2).

The total expenditure incurred on these shelters amounted to Rs. 48,917. The Board's inspectors brought out that some of the shelters were either very sparingly used or used by persons other than those for whose benefit they had been intended.

The Committee desired to know the details of the Scheme of night shelters for which grants had been released by the Central Social Welfare Board to the Bharat Sevak Samaj. The Chairman, CSWB stated that it was a very good experimental scheme and it met a growing need in the urban areas. Being an experimental scheme, it was entrusted to one of the major voluntary organisations, the Bharat Sevak Samaj, to implement the scheme. Grants

were channelised through the Central Head Office practically to all the various branches that they had to help so that they could keep an eye on the progress of the work that was being done and also to see that the expenditure was commensurate with what was being done. She added that even though there had been certain failures 50 per cent of the night shelters were still functioning and meeting the needs of those urban areas in various States. The B.S.S. themselves recognised that some 14 night shelters were not giving the result which was expected of them, and they were closed down as they were not functioning properly. Chairman of the State Social Welfare Boards and representatives of the CSWB visited these shelters which were not functioning properly. Out of 23 shelters practically closed down, accounts had been settled nearly for 15 and 8 of these were still in the process of being settled as the accounts were coming in. 26 shelters were still functioning. A close watch about the work of the shelters was being kept through State Boards. Further sanctions for the shelters had been stopped since July, 1963. When it was found that some shelters were being used by persons other than those for whose benefit these had been constructed, a little time was given to see whether they improved. Then they were closed down.

In reply to a question, the witness stated that it could not be said that working of the night shelters was completely satisfactory, as in winter attendance was greater but in summer people preferred to sleep on the pavements than inside the shelters. But on the whole they were working satisfactorily. She added that at the last Board's meeting it had been decided that the Scheme of running the night shelters would be open to other institutions also, since it was found that the Bharat Sevak Samaj could not shoulder the responsibility of running the shelters.

With regard to the assets at the shelter at Hubli, it was stated that the cheap blankets, mats, durries, cups and saucers etc. were supplied, but they were not of much value after being used for a few years. Other voluntary organisations would also not take over the blankets after they had been used in the night shelters. The Hubli Centre had been opened in 1958, the blankets were bought in 1960-61 and the grant was stopped from November, 1963. When it was pointed out by the Committee that according to the reply of the Bharat Sevak Samaj, the shelter had been shifted to a new building on 1st March, 1964, the Chairman, CSWB stated that they thought that the new shelter might improve but in fact it did not. This case was considered again in November, 1964. Since the report was outstanding, the grant was not renewed.

The witness added that certain of the equipment in the shelters which had been closed had been collected. The State Boards had taken account of them and it was proposed to hand them over to voluntary organisation who would be willing to take them. Certain items had been handed over to other shelters.

The witness stated that in the Saupal shelter (Bihar) the organiser would have to be taken to task for allowing college students to occupy the shelter. The report of the State Board Chairman was awaited.

With regard to the shelter at Varanasi which was used for storing lime, the Bharat Sevak Samaj had not replied so far. It was being pursued. No more grants were being advanced for the shelter.

The Srinagar shelter was closed down as Chairman of the State Board wrote that it was not serving the purpose.

In Ambala some students who were living there, were being charged rent at Rs. 5 per month. The shelter had been shifted to another place in Ambala as it was in a dilapidated condition. The witness added that collection of the rent was irregular as the service was meant for the needy people. It would be known who had kept the money only when the accounts were received. The amount would be deducted from the grant to Bharat Sevak Samaj. The Committee desired to know how much rent had been collected at this shelter and by whom. The witness promised to furnish the information. A note has been received (Appendix XXI). It has been stated in the note that an income of Rs. 628·80 Paise from the inmates of the Night Shelter has been shown in the Accounts during 1963-64 but there is no indication of the amount realised separately from the students as rent.

The Committee would like the Central Social Welfare Board to look into this matter.

42. With regard to the shelter at Cuttack, the Committee pointed out that it had been stated in the note furnished to the Committee, that it was running well whereas audit pointed out that the Organiser of the Bharat Sevak Samaj himself was residing at the Night Shelter. The Chairman, C.S.W.B. stated that it had been brought to the notice of the B.S.S. for necessary action and a reply was awaited. The Organiser would have to be asked to pay the rent for the accommodation. The Committee pointed out that the Organiser should have taken the permission or at least should have informed the Board. The witness added that a Zonal Inspectorate was being organised and all the organisations would be inspected independently

without depending on anybody. At present the shelters were being inspected by members of the State Board and also by the Inspectors once each every year and they sent reports regularly.

The Committee regret to learn that in some cases where defects have been pointed out, replies have not yet been furnished by the Bharat Sevak Samaj. In the opinion of the Committee if no suitable replies relating to the irregularities mentioned by the Inspectors of the Central Social Welfare Board are received within a reasonable time, strict action including stoppage of grants should be considered. The Committee would like to be informed regarding the action taken against the organiser at the Saupal shelter (Bihar), as also the action taken in the case of Ambala night shelter where rent at the rate of Rs. 5 per month was charged from students.

With regard to the night shelter at Cuttack, the Committee learn with regret that the organiser of the Bharat Sevak Samaj himself was living in the shelter where as such shelters are meant for the poor and the needy. It is indeed surprising that the organiser neither sought prior permission of the Board, nor did he inform anyone that he was occupying the shelter. The Committee note that at the last meeting of the Central Social Welfare Board it was decided that the scheme of planning of the night shelter would be opened to other institutions also, since it was found that the Bharat Sevak Samaj could not shoulder the responsibility of running the shelters.

The Committee agree with the views of the Chairman, C.S.W.B. that the scheme of night shelters is a very good scheme, since it meets the growing need in urban areas. It is, therefore, all the more regrettable that nearly 50 per cent of the Night Shelters run by the B.S.S. had to be closed down, due to inefficient or improper management.

The Committee desire that a review of the position should be made in the case of night shelters which are still being run by the Bharat Sevak Samaj and the decision taken as to whether those shelters should continue to be run by the Bharat Sevak Samaj, in view of the facts that have come to light.

VI

NON-RECOVERY OF DUES BY THE MINISTRY OF WORKS & HOUSING

Outstanding Service Charges—Para 86(D) Page 112.

43. Service Charges amounting to Rs. 26,816 for the period 5th December, 1958 to 30th June, 1963 are outstanding against the Samaj for Government accommodation, covering an area of 12,728 sq. ft., which was allotted to them free of rent in September, 1954.

The Committee desired to know the latest position about the facts mentioned in the Audit para. The Secretary informed the Committee that the arrears of service charges upto 30th December, 1964 had mounted upto Rs. 37,436, in respect of Janpath Barracks A, Theatre Communications Building and another section of the Theatre Communications Building. Including the U.S. Pavilion Building the total amount would be Rs. 47,500. The Bharat Sevak Samaj had been occupying the accommodation since July, 1952. The arrears for the period from 5th December, 1958 to June, 1963 was Rs. 26,000 and the balance amount was for the period since June, 1963. Reminders had been issued and the matter was taken up at level of the Secretary and the Minister, but the money had not been received. However, a sum of Rs. 4,996 had now been paid by cheque; a sum of Rs. 7,258 had been recovered by the C.P.W.D. by withholding certain payments due to Bharat Sevak Samaj; the Bharat Sevak Samaj had accepted further liability amounting to Rs. 6,933 and had promised to pay this very shortly. He added that another amount of Rs. 9,653 which the B.S.S. had said would be paid, related to the accommodation occupied by O.T.I. The Samaj were applying to the Delhi Administration for a grant to pay this amount because this related to a period when the building was occupied by the Occupational Therapy Institute for which Delhi Administration had given a grant. Asked if there was any amount under dispute, the witness stated that the Bharat Sevak Samaj were contesting an amount of about Rs. 10,000; for the balance amount there was no dispute.

The Committee desired to be furnished with the Demands of Service charges year-wise and building-wise due from the Bharat Sevak Samaj since 1958 and how many letters were issued to that

Organisation since 1958 asking them to pay their dues and on what dates. The Committee also desired to know what were the reasons for the service charges falling into arrears since 5th December, 1958. The information has been furnished (Appendix XXII).

The Committee pointed out that as far back as June, 1956 Government had decided that instead of granting concessions in rent, which amounted to the grant of a concealed subsidy, if financial assistance was considered necessary, it should be given in the form of a cash grant. The Secretary, Ministry of Works and Housing stated that in respect of these office buildings, a note was recorded in June, 1954 in which it was stated that the Bharat Sevak Samaj was in fact, "a limb of the Planning Commission" and as such the Ministry of Works and Housing were asked to provide accommodation free of rent. It was, therefore, decided to recover service charges only in respect of the buildings. In this connection an order of the Ministry of Works and Housing dated 28th September, 1954 recorded:

"I am to state that the President is pleased to decide that the Bharat Sevak Samaj should be treated as a limb of the Planning Commission for the purpose of allotment of Government accommodation and as such no rent need be levied on the Samaj for any accommodation allotted by Government but service charges shall be recovered from it."

As regards residential accommodation five buildings had been allotted to the Bharat Sevak Samaj and rent was charged under the provisions of F.R. 45-B in three cases, market rent in another case and in the fifth case the accommodation was allotted rent free. Asked if Government buildings could be used for non-Governmental purposes, the Secretary, Ministry of Works and Housing replied:—

"We have done so."

When the Committee were informed that the Ministry of Works and Housing had written for the first time on 19th October, 1964 to the Planning Commission to use their good offices, in helping to recover Rs. 7,258 in respect of Theatre Communication Building, it was pointed out that this was done only after the Public Accounts Committee had asked for certain information in respect of this case on 8th October, 1964.

The Secretary, Planning Commission informed the Committee that immediately on receiving the request from the Ministry the Planning Commission wrote to the Bharat Sevak Samaj that they

should pay up the service charges. They made a promise to deposit Rs. 6,000.

The Committee pointed out that a letter had been received from the Chairman Bharat Sevak Samaj, Delhi Branch (relevant extract *vide* Appendix XXIII) wherein it had been stated that sometime in 1963 they were informed that service charges had been increased w.e.f. 1st April, 1961 and 1st October, 1961 retrospectively. The Secretary, Ministry of Works and Housing stated that the initial charges were provisional and there were no separate meters either for electricity or for water. The service charges were calculated on the entire building and spread over all the occupants. Since then separate meters had been installed and now each one paid according to the meter readings. The calculation was made on certain basis in 1961, 1962 and so on. In the meantime, Municipal rates for electricity and water were raised, necessitating recalculation of the charges of various occupants. These were arrears but the bills had perhaps been sent a year or more later.

Explaining the latest position, the Secretary, Ministry of Works and Housing stated that the buildings in the Janpath Barracks were originally occupied by the Occupational Therapy Institute upto 31st December, 1962, since when it was being occupied by a Technical Training Institute. The Ministry of Works and Housing were not consulted when the tenancy was transferred; it was an internal arrangement by the Bharat Sevak Samaj themselves. When accommodation was wanted for a specific purpose, the whole question of making it available on payment of rent or free of rent was examined and the terms of allotment were based on that. But when the change over from one institute to another was made, the Ministry were aware of that. The witness admitted: "we were at fault in not asking them to justify this change or recalculate the rates." He added that on the 16th January, 1965 the Bharat Sevak Samaj wrote to them saying that they had approached Delhi Administration for a grant in respect of the Occupational Therapy Institute. In another letter dated 21st January, 1965 they had written that they were approaching the Ministry of Labour for a grant for the Technical Training Institute and asked for time till a decision was taken. If they got the grant, they would pay the charges (Rs. 28,947) for the buildings occupied by the O.T. Institute and later by the Technical Training Institute. Otherwise, Government would press them to pay from some other source.

Asked for justification for continuing the allotment of the accommodation free of rent to Bharat Sevak Samaj even after the vacation by the Occupational Therapy Institute, the representative of

the Ministry of Works and Housing stated that since the Technical Training Institute was also doing good work of a similar kind, the accommodation was allowed free of rent. As far as the witness was aware there was no sub-letting involved in this case. He, however, stated that it was correct "that at the time of any change in tenancy, particularly where the concession has been granted at a reduced rate or completely rent-free accommodation, we should be consulted before-hand and we should have the opportunity to look into the use of the successor body going into the building to take a decision on merits whether the same terms should continue or whether the terms should change or even whether at all we should agree to anybody else coming into that area."

The witness promised to check up if the Bharat Sevak Samaj had or had not included in either of the Projects an item which was shown as rent for the floor area occupied by the two Institutes. He also promised to find out if this particular accommodation was occupied by any similar organisation earlier; if they were paying rent and if the Ministry asked them to vacate it. **The information is awaited.**

The Committee then invited attention to the following contents of Estate Office Circular No. 0476/306-E.O.IV dated 5th October, 1957:—

"I am to state that due to expansion in the activities of the Government of India in various directions and consequent increase in establishment the demand for office accommodation has considerably increased. Therefore, after very careful consideration of the overall position it has been decided by the Government that it would not be possible any longer to cater for the needs of private associations and organisations for office accommodation and that the allotment already made should be withdrawn after giving them reasonable time for making their own arrangements for alternative accommodation. Accordingly the allotment of Rooms Nos. . . . to your organisation is hereby cancelled and you are requested to vacate the same as early as possible but not later than end of March, 1958. Kindly acknowledge receipt of this letter."

The Committee desired to know if this circular was sent to B.S.S. or not. The information has been furnished (Appendix XXIV para 4). The Secretary, Ministry of Works and Housing admitted the position and added that pressure on office accommodation was

continuing and it was worst of all at the moment. Asked why then did they not get the premises vacated in January, 1963 when change of occupancy took place, the witness replied: "This area was allotted to Bharat Sevak Samaj. They utilised it for the other purpose. I do not think we even asked them to go out at this stage." The Committee pointed out that the Bharat Sevak Samaj had unauthorisedly, without the permission of the Ministry, moved in another Institution and yet no action was taken, even though they were paying neither rent nor service charges. The witness admitted that technically the position was like that and "they should have reported the vacancy to us. Then we would perhaps have gone in or at least re-considered the whole question before allowing them to use it for other purposes." The only excuse that could be given by him was that the property had been allotted to the Bharat Sevak Samaj and it remained with them. Asked "if you were aware of it and you were also aware of your needs at that time, why did you not take some action", the witness replied: "I have no satisfactory answer to give you. It was certainly within our knowledge but we never felt that we should call upon them to explain why they transferred that accommodation from one organisation to another."

The Committee thereafter referred to another letter No. 3/65 61-office OFC dated 28-9-1962 written to the Bharat Sevak Samaj wherein they were asked to vacate the floor area of 5972 sq. ft. in Theatre Communication Building by 31-12-1962 failing which eviction proceedings would be taken and rent at the rate of Rs. 50 per 100 sq. ft. plus other charges would be charged from November, 1962. The Committee wanted to know what action was taken in the matter. The Secretary, Ministry of Works and Housing stated that such letters were issued in a number of cases. Always there were representations and they were asked to re-consider. After examination, etc. in some cases, these were vacated, but in most cases they were allowed to continue. In the present case, the witness promised to prepare a note on the sequence of events and furnish it to the Committee.

The Committee were also informed that the Bharat Sevak Samaj had represented that the water and electricity charges being paid by them now on the basis of meter reading were low, but the rates of charges for which Government had sent bills to them were very high. They have therefore requested that recoveries may be made from them on the basis of meter readings.

As regards allotment of accommodation to the Construction Service of Bharat Sevak Samaj, it was stated by the Secretary of the Ministry that "we have not given all accommodation free of rent to Bharat Sevak Samaj." The accommodation allotted to the

construction service in the Exhibition Grounds in the 'American Pavilion' has not been allotted either free or at concessional rate. "We are charging the market rate". The Committee thereupon pointed out, that as admitted by the witness earlier, once accommodation was allotted to Bharat Sevak Samaj, they did not know as to how the Samaj was utilising it. The witness stated that they knew about the use of the building at the Exhibition Grounds; but in reply to a question he admitted that straight away he could not say that he had the details of utilisation in respect of all the buildings taken from Government at concessional rent or free of rent and he 'could not certify' that all the accommodation allotted at concessional rent or free of rent was being used fully or partly for the service for which these were allotted.

The Committee desired to be furnished with a note stating whether the rent-free accommodation allotted to B.S.S. are being used for the purpose for which these had been allotted to them. Information relating to Janpath Barracks has been furnished (Appendix XXIV).

The Committee consider it unfortunate that Government which allotted accommodation at concessional rent or free of rent to B.S.S. were not sure whether all these were being used fully or partly for the purpose for which these were allotted. The Committee consider that periodical investigation is essential in order to ensure that the Government accommodation allotted to private bodies is being utilised for the purpose for which the allotment was made. They hope that this will be done in future in respect of all accommodation allotted to private parties. In view of the continued shortage of accommodation for Government purposes, the Committee are of the view that the practice of giving Govt. accommodation to private parties should be discontinued. In very special circumstances, where such accommodation is given purely as a temporary measure, full market rate should be invariably realised. The irregular practice of giving hidden subsidy to private organisations by giving Govt. accommodation free or at concessional rent should be discontinued.

44. As regards Government accommodation, the Committee were informed by the Secretary, Ministry of Works and Housing that the buildings (8 in all) had been made available to the Samaj under a general arrangement. They were treated as a special category. The witness stated, however, with regard to private accommodation requisitioned by Government and allotted to B.S.S. that "we might have done something wrong" and "perhaps we should not have done so." He added that they were slowly moving towards derequisitioning of private buildings and that somehow these cases seemed to have been overlooked. He promised to examine the question of derequisitioning these buildings.

The Committee consider it objectionable that private accommodation is requisitioned by Government and then allotted to a private body. The Committee also understand that there is a judgment of the Supreme Court on a similar issue. They desire that speedy action should be taken to derequisition such buildings and the Committee should be informed of the action taken.

45. The Committee find from a note furnished by the Ministry (Appendix XXII, item 1) that out of four cases of office accommodation allotted to the Bharat Sevak Samaj, service charges in respect of 3. have been paid by the Samaj for the period upto 31st December, 1964. As regards accommodation at Janpath Barracks 'A', a sum of Rs. 28,947.26 is still outstanding as arrears of service charges as on 1-1-1965. The reasons for the accumulation are stated to be that B.S.S. had not been regular in making payments despite regular demands and reminders.

The Committee cannot understand why a voluntary organisation which is mainly financed by Government Grants and which is also given rent free accommodation should have been allowed to go in arrears for the payment of service charges. The Committee feel that necessary action was not taken at any time to recover these public dues.

The Committee would like the Ministry to pursue the question of payment of arrears in respect of Janpath Barracks 'A' vigorously with the B.S.S. and to enlist the good offices of the Planning Commission in the matter.

46. The Committee, however, feel perturbed over some disturbing features disclosed in this case, which are as follows:

- (i) According to the Ministry the Bharat Sevak Samaj, a non-government body has been treated as a "limb of the Planning Commission" for purposes of Government accommodation by an official order. As a result they have been allotted Govt. accommodation for residential purposes on payment of rent (at rents lower than market rates in three cases) and office accommodation free of rent. No satisfactory reasons for doing so have been advanced. This concession becomes unjustifiable when it is noted that Government have been and still are very much hard pressed for office accommodation for official purposes as well as for residential accommodation for their own use. To give such concessions to a particular private body, appears to the Committee to be quite irregular. In their view if such a concession, which is unusual, is to be given, it should be done by giving an

open grant for renting accommodation and not in this hidden manner. This matter should, therefore, be looked into from this angle. The Committee consider the issue of an official order stating that the Bharat Sevak Samaj should be treated as a "limb of the Planning Commission" as highly misleading and objectionable in principle. Such blurring of the line of demarcation between a private voluntary organisation and Govt. Deptt. should be scrupulously avoided. The Committee desire that a formal order cancelling this official order should be issued without further delay.

- (ii) There was change in the occupancy of at least one of the office accommodation for which advance permission of the Ministry was not taken, though Ministry were aware of this change. The Committee learnt that the Ministry asked the B.S.S. to vacate the premises when it came to their notice, but on representation they made, they were allowed to continue. It is not clear why the terms on which the occupancy should continue were not reconsidered even at that stage (Appendix XXIV, para 5). This practice in the opinion of the Committee is irregular as the accommodation was allotted for a particular purpose rent-free. If there was change in occupancy, the Ministry should have been approached for permission so that they could examine if the allotment was to be continued and if so on what terms and conditions.

The Committee would like the Ministry to review the whole position about grant of this unusual concession of allotment of Government accommodation to B.S.S., a non-Govt. body.

VII

INDIRECT SUBSIDY GIVEN BY THE DELHI DEVELOPMENT AUTHORITY—MINISTRY OF HEALTH

Indirect Subsidy to Bharat Sevak Samaj—Para 117, page 147.

47. Three acres of Nazul land in Bela Estate was allotted to the Bharat Sevak Samaj in June, 1962 for the stacking of Yamuna Sand on a licence fee of Rs. 360 per annum as the Samaj had entered into a contract with the Municipal Corporation of Delhi for the quarrying of sand. This works out to 21 Paise per 100 sq. yards per month as against Rs. 30 per 100 sq. yards per month charged to a private contractor in 1960 for 2 acres at the same place. The period of licence was 1st January, 1962 to 31st December, 1962. The licence was renewed further up to 31st December, 1963 on the same terms. The allotment of land at a nominal fee resulted in an indirect subsidy of over Rs. 1 lakh to the Samaj computed with reference to the rate charged to the private contractor in 1960.

The Committee desired to know about the background of the case. The representative of the Ministry of Health stated that in view of para 3(d) of Planning Commission's letter dated the 24th August, 1961, the Delhi Development Authority thought that they would be able to make a dent in the prices of sand if they allowed concession to Bharat Sevak Samaj to use the land lying near the place where sand was being collected. BSS wrote to the DDA seeking permission to use 2 acres of land to stack sand. In the previous years the rates of sand were very high. They thought that they would be able to reduce the price of sand and this expectation the representative of the Ministry said "I must say, came true." Later on some sort of study was made and it was found that the rate of sand per truck-load had been reduced from Rs. 15·18 to Rs. 10·12, the net gain to the consumers of sand for 52,000 truck loads was Rs. 2,85,000 and the reduction in price was about 33 per cent over that of the previous year. Delhi Administration charged a Royalty at Rs. 1·40 per truck-load of sand and the Royalty paid to Delhi Administration in 1962 was Rs. 73,000 as against Rs. 24,000 during 1961.

When the Committee pointed out that according to the note of discussion held in the room of Secretary, Ministry of Works and Housing on 30th October, 1964, as other persons who were allowed to lift sand from lands of private persons at Wazirabad and Jagatpur villages, sold sand at much cheaper rates, "Bharat Sevak Samaj was also forced to sell sand at cheaper rates and thus incurred losses."

The witness stated: "this is in respect of sand contract of 1962-63 and not in respect of 1962."

The Committee then referred to the letter dated 13th October, 1964 from the Ministry of Health to the Chief Accounts Officer, D.D.A. wherein it had been stated:

"It has, however, been observed from the statement showing the market rates of sand, sent with your letter referred to above that the rates of sand actually did not fall in 1962 and 1963 after the allotment of land to the Bharat Sevak Samaj, but went up in the months of March, April and July in 1962 and August and November, in 1963."

The Committee wanted to know how in the circumstances the rates of sand actually came down after the allotment of land to B.S.S. The representative of the Ministry of Health stated that Surveyor of Works, C.P.W.D. had given some figures in a statement dated 8th September, 1964 according to which the prices had gone upto Rs. 13 during two or three months. But according to a study made by the Planning Commission and supplied to the Ministry of Health the prices had come down. The representative of the Planning Commission stated that according to the terms of the contract actually given to B.S.S., during the period of contract, Rs. 7 was the maximum rate that would be charged per 100 cubic feet and at no stage more than Rs. 7 right upto July was charged by them. There was some other agency which was working at Okhla. He added that they had not consulted the Ministry of Works and Housing before giving the Survey Report. That Survey of price was based for prices at the point of sand quarry and did not take into consideration the cartage etc. for taking sand to points of consumption.

The Committee then pointed out that the statement made by the representative of the Ministry of Health that prices of sand had gone down after allotment of land to BSS was not borne out by the letter from Ministry of Health itself dated 13th October, 1964. The representative of the Ministry of Health stated: "I am sorry if I have given that information." He added: "The statement is attached with this, and it was never my intention to mislead the Committee, And it was based on information supplied by the Planning Commission."

The Committee have been furnished with—

1. A note indicating how far prices of sand fell as a result of allotment of land to Bharat Sevak Samaj for stacking of sand in Delhi.

2. Statement showing the cartage rates and other rates with regard to sand.
3. The Survey Reports of the Ministry of Works and Housing and the Planning Commission on the basis of which reduction in the price of sand was claimed. [Appendix XXV]

The Director of Construction Services, Planning Commission stated in reply to a question that he was the person who conducted the survey under the direction of the Planning Commission and what he stated was "the rates of supply of sand at the quarry site have been brought down by nearly 33% over that of the last year." He added that as far as he could recall, he must have decided that the study should be made at the source, because in different colonies it was very difficult to compare the prices. Asked if there was anything more than this report which made the Ministry of Health to conclude that the market price had been brought down, the representative of the Ministry of Health stated that he had already read out the notes.

The Committee referred to the statement in which a saving of Rs. 3.24 crores had been shown to the Exchequer on account of work done by BSS. In that statement the difference between the contractors rate and the rate at which the work was undertaken by the BSS had been shown as saving. But in the case of sand in Delhi, credit had been taken without knowing at a particular point of time what the market price was. The Director of Construction Services, Planning Commission stated that his study was at the point at which sand was being sold at Delhi. He admitted however, that he had not taken into consideration cartage in his study and there was no doubt that a study of this could be made.

In reply to a question whether the Delhi Development Authority had the authority to give a licence at a particular rate on the ground that the price of sand would be brought down in the market, the representative of DDA stated that the rate prescribed was Rs. 25 per bigha per annum for "cultivating purposes and for dumping of material" and it was a licence (not a lease) that was given to merely enter upon the land for stacking, but he promised to look into the matter. The Committee wanted to be furnished with a note on the following:

"Did the Delhi Development Authority have the authority to give a concession in the licence fee etc., as was done in the case of land allotted to Bharat Sevak Samaj."

The representative of the D.D.A. stated that though this land was not agriculture land, the rate of Rs. 25 per bigha per annum was the same for 'dumping of material'.

He agreed, however, that 'stacking' could not be treated as 'dumping of material' normally, as prescribed by Government. He added "subsequently we realised that it was a mistake". The witness also stated in reply to a question that so far as the quarrying of sand was concerned which was given on a negotiated basis to the Samaj, it was not a concession, but the allotment of land for stacking was a concession. The Committee desired to be furnished with:—

"A statement giving the details of land allotted to Bharat Sevak Samaj for quarrying of stone, sand, etc. by the Delhi Development Authority and Ministry of Works and Housing."

This information has been furnished by the Ministry of Health. (Appendix XXV, Point 4). The Planning Commission have also furnished a note giving supplementary information regarding the reduction in prices of sand as a result of quarrying by the B.S.S. (Appendix XXVI). It has been stated in the note of the Planning Commission that "There were two main sand quarries in 1962 in Delhi, one at Gita Mandir and the other at Okhla. The quarry at Gita Mandir was run by the Samaj while that at Okhla by a private contractor. The prices in the statement read out by the Comptroller and Auditor General were collected by the C.P.W.D. and related to the Okhla Quarry. The Planning Commission survey related to the Gita Mandir Quarry".

The Committee are not convinced with the arguments advanced either in evidence or in the notes now furnished in view of the fact that as late as 13th October, 1964 the Ministry of Health in their D.O. letter No. F.1-4/64-LSG-I dated the 13th October, 1964 to Chief Accounts Officer, Delhi Development Authority (Appendix XXVII) stated as under:

"It has, however, been observed from the statement showing the market rates of sand sent with your letter referred to above, that the rates of sand actually did not fall in 1962 and 1963 after the allotment of land to the Bharat Sevak Samaj but went up in the months of March, April and July 1962 and August and November in 1963. It does not, therefore, appear to be correct to say that the rates of sand actually came down after the allotment of land to the Bharat Sevak Samaj. This point may kindly be further examined and elucidated."

It is interesting to note that the Surveyor of Works, C.P.W.D. has now clarified that the statement furnished by him to the D.D.A. related to sand quarried at Okhla. The Surveyor of Works had no similar information about the sand quarried at Bela Road. The Committee do not, therefore, understand how in the absence of properly checked and verified market rates of sand, a claim that allotment of land to the Bharat Sevak Samaj resulted in the falling of price of sand could be made. The Committee find it interesting that it has been observed by Audit from a recorded note of the discussions held in the Ministry of Works and Housing on 30th October, 1964 that the Samaj was forced to sell sand at cheaper rates and thus incurred losses due to competition from the private contractors working in other areas. The Committee also note that the land was surrendered by the Bharat Sevak Samaj in April, 1964. In the view of the Committee in these circumstances, it cannot be claimed that there was fall in prices of sand and that this was due to low rate of licence fee charged from the Bharat Sevak Samaj.

In a note furnished to the Committee (Appendix XXV, Point 5) as to whether the Delhi Development Authority had the authority to give a concession in the license fee etc. as was done in the case of land allotted to B.S.S., it has been stated that there is no specific provision for licencing of the land. In the absence of any such provision in the Nazul agreement of 1937 in regard to the temporary licencing of land, the D.D.A. thought that there was no restriction on its power in this behalf and they leased out the land on a concessional basis without obtaining the sanction of the Government of India. It has been admitted in that note that this aspect of the matter was not examined by the D.D.A. while giving this land. The Committee would like the Ministry of Health to examine whether it was within the competence of the Delhi Development Authority to lease out this land on concessional rate to Bharat Sevak Samaj.

VIII

CONSTRUCTIONAL AND CONTRACT ACTIVITIES OF BHARAT SEVAK SAMAJ MINISTRY OF WORKS AND HOUSING

Grant of unusual facilities to a contractor—para 65, pages 79—81

48. The following concessions which are not ordinarily allowed to contractors were granted to the construction service of the Bharat Sevak Samaj which was entrusted with the execution of certain works:

- (a) The organisation was exempted from payment of Earnest money/Security Deposit.
- (b) Loans totalling Rs. 11 lakhs were given to the organisation in respect of 45 contracts entered into with them during 1959—1963 (interest being charged @ 3½ per cent for loans of currency up to one year and @ 3¾ per cent per annum for loans of currency exceeding one year) one-half of the loan given in respect of each work was to be recovered after 50 per cent of the work was completed, and the balance, after 75 per cent of the work was completed.
- (c) The organisation has been advanced a loan of Rs. 15.80 lakhs by the Planning Commission for the purchase of machinery and equipment for constructional activities and for financing constructional work, etc. The organisation has also been given rent-free accommodation covering an area of 12,728 sq. ft.

Thirteen out of the forty-five works entrusted to the organisation have been completed so far (October, 1963). three were abandoned, two works were withdrawn for departmental execution and a portion of these involving 40 lakhs cft. of earth-work was re-allotted to them at higher rates. Certain points with reference to the specific works executed by the organisation are mentioned below:

- (i) The Project work of re-sectioning and regrading the Najafgarh Jheel was split up into several sections for execution. The work on four sections only, in the first instance, was awarded to the organisation, at negotiated rates, in October, 1960, at the estimated cost based on the prevailing schedule of rates, of Rs. 6.40 lakhs, for completion by 30th June.

1962. The organisation did not, however, take up the work and in November, 1960 demanded higher rates. Later in April, 1961, the work on six sections (estimated cost Rs. 10.08 lakhs) including the four sections which had originally been awarded to the organisation and which they did not take up for execution, was awarded to them at rates varying from 2 per cent to 8 per cent above the rates previously agreed upon for the four sections. The organisation, however, undertook the work in respect of two sections only (estimated cost Rs. 4.19 lakhs), out of the six sections, the rates for which were 3.57 per cent above the estimated cost in respect of one section and 2.21 per cent above the estimated cost in respect of the other. The Department rescinded the contracts in respect of all the six sections, in October, 1962, as the progress of the work was slow. A part of the balance work was got done despartmentally. Subsequently, in April, 1963, the work of the entire project, (i.e., the work of all the six sections already referred to, and also the remaining sections which had not been allotted earlier) was awarded to the organisation at 41.28 per cent above the rates in the sanctioned estimate of Rs. 51.37 lakhs.

- (ii) On the basis of negotiations, the organisation was entrusted with four works involving the supply of soling stone and metal for the development of 65 acres of land at Najafgarh Road (estimated cost Rs. 3.02 lakhs) at the rate of Rs. 35.54 per 100 cft. of soling stone and Rs. 36.10 per 100 cft. of metal. An unusual clause was inserted in the agreement that the rates were liable to revision, if necessary, by the Chief Commissioner, Delhi, and that his decision would be final and binding. Subsequently, after completion of works, the rates were revised upwards with the sanction of the Chief Commissioner on the advice of the Central Works Advisory Board involving an extra payment of Rs. 33,628 to the organisation.
- (iii) The work of raising and strengthening the Marginal Bund at Shahdara (estimated cost Rs. 2.33 lakhs) was awarded to the organisation by negotiation, at 10 per cent above the estimated cost.

After the final bill had been paid in February, 1961 according to the terms of the agreement, a further sum of Rs. 23,265 was paid to the organisation nearly one year later, in February, 1962 for the earth deposited beyond the designed slope (Rs. 8.662) and for 'crossing'

the existing pits (Rs. 14,603), on the basis of a decision taken at an inter-departmental meeting held on 20th April, 1961.

49. In a written answer furnished to the Committee by the Ministry of Works and Housing, (Appendix V, page 101) about the reasons for deviating from the normal practice of not allowing such concessions to the contractors, it has been stated:

“At the instance of the Minister for Planning it was decided to encourage the Bharat Sevak Samaj, which is a voluntary organization, to enter the field of construction to promote better competition and put Government in a strong bargaining position *vis-a-vis* other contractors. On the recommendations made in the Third Five Year Plan (p. 296) Government have decided to encourage voluntary organizations and labour co-operatives to take up construction works in preference to private contractors. In this connection, a copy of the Planning Commission's letter No. 19/10/61-Pub. dated the 24th August, 1961 is attached”. (Appendix I, Annex II, Pt. III).

In this letter of the Planning Commission some of the conditions considered essential for enabling voluntary and co-operative organizations to carry out the task entrusted to them in a satisfactory manner have been mentioned as follows:

- (1) Effort of official agencies should be to give the maximum assistance to these organizations and a certain proportion of the available work should be set apart for them.
- (2) Continuous flow of work should be ensured. Voluntary and co-operative organizations should be given preference over private contractors, and where possible, they should be given works on a negotiated basis.
- (3) Work may be awarded at “workable rates” on the basis of the schedule of rates.
- (4) To avoid delay and ensure prompt payments, powers may be delegated to the Superintending and Executive Engineers. ‘On account’ payments may be authorised for works completed.
- (5) Technical personnel may be made available on deputation by State Governments and Central Ministries to work with and assisted voluntary and co-operative organizations.

- (6) Assistance by way of loans should be given for working capital and purchase of equipment.

It was also stated in this letter:

“It is realised that in the initial stages the services rendered by voluntary and co-operative construction organizations may have certain shortcomings and deficiencies. With greater experience on the part of the organizations and with a sympathetic and helpful approach on the part of Government agencies at all levels, these shortcomings will be progressively over-come and voluntary and co-operative organizations will be able to serve the public interest more effectively.”

50. The “Working Group on Construction Service of Voluntary Organisations and Labour contract and Construction Co-operatives” at their sitting held on the 2nd March, 1964 recommended (Appendix XXVIII) that works may be awarded at prevailing market rates, instead of “workable rates” as stated in Planning Commission letter dated 24th August, 1961. Some of the other recommendations of the Working group were:

- (1) No limit should be placed on the Central Construction Service of the Bharat Sevak Samaj regarding the cost or types of works to be awarded to it.
- (2) The Deptts. should indicate the Construction Service of Voluntary Organisations well in advance, whenever possible, the dimensions, type of Construction programmes.
- (3) Long term loans repayable in 5 years may be given by the State Governments, Central Ministries and local bodies.
- (4) To meet the needs of technical and accounting personnel for the construction service of Voluntary Organisations and the Public Corporations, suitable increase in the cadres of the C.P.W.D. and other Deptts. of the Centre and States may be made.

Persons to be loaned to the construction service of Voluntary Organisation "should be good ones. They should also have a bias for social service."

- (5) Machinery, tools and plants available with the concerned Deptts. may be made available to the voluntary organizations at the departmental concessional rates.
- (6) Foreign exchange may be made available to meet the essential requirements of such types of equipment plant and machinery as are not available in the country.
- (7) Government may authorise the officers of the Construction Service of Voluntary Organizations to act as direct demanding officers for the purchase of stores for which contracts are entered into by DBS & D.

51. The Committee find that even before this letter of 24th August, 1961 was issued, as early as November 1957, the Ministry of Irrigation and Power addressed a letter to all State Governments etc. (Appendix XXIX) communicating a decision of the Co-ordination Board of Ministers that to encourage public participation in the execution of river valley projects, voluntary organisations like the Bharat Sevak Samaj, Gram Panchayats, Labour Co-operatives, etc. should be granted the following concessions:

- (1) Allotment of work at the prevailing schedule of rates without calling for tenders.
- (2) Payment of advances to meet expenditure on preliminary arrangements, and
- (3) Exemption from payment of earnest money and security.

The Ministry of Works, Housing and Supply addressed the Chief Engineer, CPWD on 28th April 1959. (Appendix XXX) conveying the decision to award contracts to the Bharat Sevak Samaj for all earth work contracts upto a limit of Rs. 5 lakhs and building works relating to slum clearance upto a limit of Rs. 1 lakh. No earnest money or security deposit was to be recovered and it was laid down that an initial advance of 4th of the estimated cost might be made available to the Samaj. On the 9th November 1961 that Ministry again addressed the CPWD Chief Engineer (Appendix XXXI) for awarding earth works and building works to the Bharat Sevak

Samaj according to the capacity of its respective Branch organizations with certain concessions.

The Ministry of Railways also allowed concessions to the Samaj for earth works to be done under Northern Railway e.g., the Samaj need not submit a regular tender; no initial earnest money or security deposit should be taken but a security deposit should be built up by 10% deductions as retention money from all running bills. (Appendix XXXII). In this connection a copy of D.O. No. 19 (2)/63-Pub, dated the 6th February, 1963 from the Minister for Labour, Employment and Planning to the Minister for Works, Housing and Rehabilitation together with its enclosed note as furnished to the Committee by the Planning Commission is appended (Appendix XXXIII).

52. The Committee desired to know the circumstances under which Government granted concessions (exemption from payment of earnest money and security deposits, grant of loans) to the Construction Service of the Bharat Sevak Samaj which was engaged in business deals. The Secretary, Ministry of Works and Housing stated that the Bharat Sevak Samaj was an organisation "like some of our Public Sector Undertakings like National Building Construction Corporation, in the sense that it is sponsored by Government and the profits are not going to any individual but are being available for community services. It was on that analogy that certain concessions were given. In fact the concessions are very small; they are unusual and are not very heavy."

The Committee pointed out that in the case of a public undertaking, profits went to Government, after payment of tax, but in the case of Bharat Sevak Samaj it was not known whether the profits actually went for 'public purposes' as claimed, as there were no complete accounts available.

The Committee are surprised to note that the Secretary of the Ministry of Works and Housing considers these concessions as "very small".

The Philosophy & Objective of giving construction work to voluntary organizations.

53. Explaining the reasons for granting the concessions to the Bharat Sevak Samaj, the Secretary Planning Commission stated in this connection that in the first two Plans reference to the Public Cooperation and work to be done by the Bharat Sevak Samaj had been made and the facilities to be given had been detailed. At page 296 of the Third Five Year Plan the philosophy of giving cons-

struction works to some of the non-official agencies was mentioned. An important consideration was that Bharat Sevak Samaj was a kind of promotional activity which would provide for Government another agency for undertaking works of this kind. This was organised on a non-profit basis by voluntary workers. It was largely through the mobilisation of the local labour. The idea was (1) to set up another competitive agency (2) to involve a large number of public with the plan programmes and (3) making the profits out of these constructional activities available for the other promotional work of the public cooperation agencies. Some of the manifestations of these were seen on the programme of Lok Karya Kshetras and contributions made by the Government as well as by the construction service itself in each of the areas where big works were taken up. 'By this method', the witness stated, 'the voluntary organisations should be enabled to become self-financing. They may become independent of Government aid for undertaking the various kinds of activities.'

The Committee pointed out that there was no disagreement so far as the objectives and philosophy were concerned. What the Committee could not appreciate was subsidy given in a hidden form.

With regard to labour co-operatives to be created as recommended in the Third Plan, the Committee desired to know what was the number of labour cooperative registered, how many had been organised by the Bharat Sevak Samaj and the total number of labourers engaged therein. Secretary, Planning Commission promised to furnish the information.

The Committee has been furnished with a note by the Planning Commission stating that the total number of registered labour co-operatives as on 30th June 1964 was 3,701 with a total membership of 3,08,672. It has been stated in the note (Appendix XVIII) that the Samaj has advised that they have organised Labour Cooperatives in a number of States but mainly in Bihar, Manipur and Delhi. The detailed information regarding the number of societies and their members has been called for from the State Units of the Samaj. The Committee desire that the information may be furnished at an early date.

Bharat Sevak Samaj seems the only Organization enjoying the facilities.

54. The Committee referred to the letter No. 19(10)61-Pub., dated the 24th August, 1961 from the Planning Commission addressed to the Chief Secretaries of all Government Administrations and Union Territories and copies forwarded to Ministries of Works and

Housing, Irrigation, Railways, Finance, Community Development etc. desiring certain facilities to be given to cooperative and voluntary organisation who undertake construction work and wanted to know what voluntary agencies, the Planning Commission had in mind. The Secretary, Planning Commission stated that 'at that time, the only organisation which was actively in this field was the Bharat Sevak Samaj', and the other was the labour co-operatives. Asked to specify which particular labour co-operatives they had in mind, the witness replied 'I don't think that the Planning Commission would have information about each one of these labour co-operative societies. The idea really was that here was an organisation which needed to be encouraged'. Pressed further as to what particular organisation the Planning Commission had in mind, when the recommendations were made in the letter, the witness stated, "The only organisation was the Bharat Sevak Samaj and the other organisation which could come under the category was labour cooperative societies."

The Committee desired to be furnished with the number of labour cooperative societies as on 24th August 1961. The information is still awaited from the Ministry of Works & Housing.

The Committee desired to know if there was a single labour co-operative society which had got the concession from any Ministry as a result of the letter of the Planning Commission dated 24th August 1961. The Committee also wanted to know the details of work undertaken by the labour co-operative and the amount involved. The witness stated that this information was not available. He, however, added that the quantity of work done by the labour cooperatives in 1963-64 had been reported to be worth Rs. 5.76 crores.

It has been stated in a note that this information had been asked for from the Ministry of Community Development and Cooperation. The Committee would like the submission of this information to be expedited.

From the evidence placed before the Committee by the Secretary Planning Commission, as also the evidence given by the Secretary Ministry of Works & Housing, it is clear that by the issue of the letter of the Planning Commission dated the 24th August, 1961 which listed all the unusual facilities to be granted to voluntary Organizations, the Planning Commission had in mind only the Bharat Sevak Samaj as the voluntary organization to be encouraged.

Whether Central Construction Service of Bharat Sevak Samaj is a non-profit making body.

55. The Committee desired to know how the Bharat Sevak Samaj was a non-profit making body which justified granting of various concessions to them. The Secretary of the Ministry of Works and Housing stated in evidence that it was such a body in the sense that they were not working at a loss and if there was anything surplus to what they spent it was utilised in the social services and did not go to the pocket of any contractor. He agreed, however, that there was no check at the moment of either revenue or of expenditure of the Samaj and there was no way of verifying whether the amounts were utilised properly or not. He however added, that according to the constitution of the Bharat Sevak Samaj and "what they have told us", they use whatever money they make out of these, towards improvement of the conditions of labour and giving them facilities and using the money in other charitable ways.

The Committee then pointed out that according to a decision of the Planning Commission in its meeting held on 27th August, 1963, "the main object of the scheme (the construction scheme) was to assist the voluntary organisations to have an independent, permanent recurring source of income and thus reducing their dependence on Government grants." Therefore, the intention in so far as Bharat Sevak Samaj itself was concerned, was to make profits. The Secretary, Planning Commission stated that the decision was in the context of a proposal for a few commercial buildings built by Bharat Sevak Samaj for which they wanted various kinds of assistance. But he admitted that "in every case they (B.S.S.) have tried to show that they have earned certain profits out of it," and the "idea was to make an income, make profits" as it was felt that on behalf of B.S.S., if it would be possible to put up some large commercial buildings and let them out on rent, it would mean an assured income and reduction of dependence on Government grants. The witness also admitted that in some works given by the Government of Delhi, they (B.S.S.) had made profits as high as 28 to 30 per cent.

The Committee desired to know how it was that the National Building Construction Corporation, a Government Corporation with all the facilities available to it suffered a loss of about Rs. 44 lakhs or so in the year ended 31st March, 1964 in spite of the fact that Bharat Sevak Samaj was stated to have brought down the price of materials, whereas, Bharat Sevak Samaj, a private voluntary organisation only assisted by Government, were making huge profits (if the saving claimed for Exchequer was added to the profits made by B.S.S.). The Director, Construction Services of the Planning Commission stated "the voluntary body has the flexibility of

approach, action and decision whereas Governmental bodies are explainable for every act which is many a time viewed with more of suspicion. If a voluntary body takes some action which it thinks is right, nobody can question it at all." He added that it made much difference. Explaining the position further he stated that the Bharat Sevak Samaj had run into losses in a number of building works, 'but because of the social objective they try to make up the deficit and keep going.' He admitted, however, that 'in other cases they make profits and after making up the losses they have on the whole made profits.'

The Committee also find from the Profit and Loss Account of the Central Construction Service of the Bharat Sevak Samaj for the period ended 31-7-1963 (Appendix XXXIV) that a profit of about Rs. 1.83 lakhs had been earned.

It is clear to the Committee from the evidence given and the facts placed before them that the Construction Service of the B.S.S. has been making profits from the contracts given to them by Government from time to time. Since the main ground for the granting of various concessions to the Samaj was stated to be the fact that it was a non-profit making body, it would follow that these concessions have not been justified.

Dispensing with Earnest Money and Security Deposit in the case of Bharat Sevak Samaj.

56. With regard to the concession given to the Bharat Sevak Samaj regarding exemption from payment of earnest money and security in connection with the award of Government contracts, the Secretary, Planning Commission stated in evidence that the Bharat Sevak Samaj could give these if they had the resources. These were needed to make sure of the *bona fides* of the contractor and to be able to enforce penalties if work was not done. If, however, there were no such dangers, there was really no purpose in having earnest money which would only add to the cost of the work. So, attention should be given, he added, to the credit—worthiness and *bona fides* of the Bharat Sevak Samaj.

In the written note furnished by the Ministry (Appendix V, Part I) about this matter it has been stated 'the Samaj has works of the order of over Rs. 4 crores with the C.P.W.D. and large sums of money get held up from time to time in the form of pending bills for the work done by the Samaj; and materials collected at site. These dues provide sufficient safeguards for making recoveries that may become due from the Samaj.'

In this connection, the Committee wanted to know whether the same concession (bills pending payment being large and material at site of the value of several lakhs being available, security deposit was not considered necessary) was given to other contractors who were doing simultaneously 5 or 6 works. The Secretary, Planning Commission stated that this concession was not given to others. Secretary, Works and Housing stated that some revised decisions had been taken in the matter. The position regarding other contractors was that for each individual work costing upto Rs. 1 crore, the maximum security was Rs. 1 lakh. But now the position was that any contractor who gave a security deposit or a bank guarantee for a security of Rs. 3 lakhs was not asked to furnish any further security. He could take any number of works on that. He clarified that he was not saying that the condition regarding security deposit was the same for the Bharat Sevak Samaj as for other contractors. Secretary, Planning Commission added that the position was that the Bharat Sevak Samaj was not in a position yet to be able to deposit security for works of a larger value.

In view of the magnitude of the tasks allotted to the Samaj's Construction Service and the amount of work already done by the Samaj from which they have earned profits, and on which they have paid no tax, the Committee find it difficult to understand why the Samaj is yet not in a position to make security deposit or deposit earnest money. Since the Secretary, Ministry of Works & Housing stated that the condition regarding security deposit was not the same for Bharat Sevak Samaj as for other contractors, the Committee would like that uniform practice and procedure should be followed in this respect.

57. The Committee were informed further that some of the other Government agencies were given facilities and if they came up for similar concession "we would certainly do that" N.B.C.C. had been given exemption from 2nd December, 1964 regarding earnest money and security deposit. The Committee pointed out that this concession was given on a certain condition, and wanted to know if any condition was imposed on Bharat Sevak Samaj while granting such exemption. The Secretary, Ministry of Works and Housing stated that no condition was prescribed. In reply to another question that while granting exemption to a Government Corporation fully owned by Government a condition was attached, but in the case of a body which was neither owned nor controlled by Government, exemption was given without any condition, the witness stated "that seems to be so".

The Committee are unable to appreciate the extent and unusual type of the concession granted to the Bharat Sevak Samaj, which is

not available even to Government organisations dealing with construction activities, especially in view of the fact that Government do not seem to have imposed the financial and other discipline in the case of B.S.S. to which the Government organisations are subject.

Advancing Loans to the Bharat Sevak Samaj.

58. In the Audit para it has been stated that loans totalling Rs. 11 lakhs were given to the B.S.S. in respect of 45 contracts entered into with them during 1959—63. The Committee have also been informed that the proposed magnitude of loan to the B.S.S. during the Fourth Plan period is to be of the order of about Rs. 10 crores.

With regard to the grant of loans advanced as mentioned in the Audit para, the Committee have been informed in reply to questions (Appendix V, Part II) that the loan is granted in two instalments, half at the start of the work and the remaining half after 25 per cent of the work has been completed. The recovery of the amount of loan, together with interest is effected in two instalments, half after 50 per cent of the work is completed and the balance after 75 per cent of the work is completed. These loans are in the shape of ways and means advances to the Voluntary Organisations. The Committee have also been informed that a sum of Rs. 7,99,926 (and not Rs. 11 lakhs) was granted as loans to the Samaj upto 1962-63 in respect of 29 works (and not 45 works). These loans are given at the normal rate of interest. Such loans are generally not given to private contractors. It has further been stated that a sum of Rs. 5,84,483 out of the loan, and Rs. 23,329 as interest have been recovered from the Samaj so far.

The Secretary, Planning Commission stated in evidence that Bharat Sevak Samaj did not have the capital resources to buy earth moving or other equipments. They might become self-sufficient in this respect with the quantum of work which they have in hand or are contemplating to take. He added that owing to Governmental procedure, quite a lot of money remained blocked up in running bills and so B.S.S. had to be provided with working capital (loans with usual interest). He also observed that at present bills of B.S.S. to the tune of Rs. 35 lakhs were outstanding with Government organisations. The B.S.S. would not be able to arrange themselves at this point of time in this respect.

The Committee find that loans have been advanced to Bharat Sevak Samaj for different construction works entrusted to them. The loans have been granted in two instalments, half at the time of start of the work and the other half when 25% of the work is completed. The Committee feel that this is an unusual facility as the same is not available to other contractors. They suggest that Government might examine the desirability of continuing this unusual

facility especially, in view of the increased ability of the Bharat Sevak Samaj to undertake construction work.

The Committee also noted that loans have been given to Bharat Sevak Samaj at the rates 3½% to 3¾% which are below the normal rates of interest. The charging of low rate of interest is in itself a hidden subsidy, which the Committee feel should be discontinued. In this connection, the Committee would like to invite attention to Government of India's decision No. 2, below Rule 156(2) of General Financial Rules.

Government Officers doing the work of Bharat Sevak Samaj--Technical Personnel made available.

59. The Committee desired to know who paid the salaries and allowances of Government officers who had been deputed or loaned to Bharat Sevak Samaj. The Secretary, Planning Commission stated that their salaries were paid by the Bharat Sevak Samaj but that of the Director of Construction Services was paid for by the Planning Commission. The Director of Construction Services and the Financial Adviser were appointed by the Planning Commission. The Secretary of the National Advisory Committee on Public Co-operation was also in a way connected with the work of Bharat Sevak Samaj. The Director was appointed in the Planning Commission as it was found that the quantum of work taken on by the Bharat Sevak Samaj was substantial and certain facilities asked for by them had been given by Government and it was felt that it would be advisable to have an officer maintaining close supervision over these works and ensuring that some of the terms and conditions attached to the loans and advances given and other obligations were fulfilled. The Financial Adviser was there to look after the state of accounts and other matters arising out of the reports sent by the Chartered Accountants and to look into the working of the grants and loans which were specifically applied to certain activities of the Bharat Sevak Samaj. These two officers looked after the activities of the Bharat Sevak Samaj alone; the sanction had actually been obtained in terms of their being available for public cooperation agencies. The witness agreed, however, that as a matter of fact, till today, there was only one service of voluntary organisation for constructional activities, the Bharat Sevak Samaj Construction Service and therefore, it would be correct to say that these two officers in the Planning Commission devoted their time exclusively to the Bharat Sevak Samaj.

The Committee feel that this practice of utilising the services of Government officers exclusively for the work pertaining to a private organisation is improper.

Asked whether the Financial Adviser was to be held responsible for the financial irregularities etc. of the Samaj, the Committee were informed that the officers had been appointed to assist in the work of the Bharat Sevak Samaj and to keep a supervision over their works but the responsibility for financial irregularities was that of the organisation. The Committee desired to be furnished with a statement showing details of instances where the Financial Adviser pointed out defects, irregularities etc. with regard to construction activities or accounts matters of the Bharat Sevak Samaj.

In a note furnished in this connection by the Planning Commission (Appendix XXXV, para 6) it has been stated that the Finance Officer who was appointed in the Planning Commission on the 24th July, 1963, had pointed out the need for Audited Statement of Accounts and Balance Sheet of the Central Construction Service changing over to a commercial system of accounting on the pattern of other construction agencies in the field, concurrent audit for all the major construction works, hypothecation and insurance of machinery and equipment purchased out of Government loans, etc.

The Committee were informed that the Director of Construction Service supervised the larger works centralised under the Construction Service. There were State Units which took up certain works. The Director tried to ensure that some kind of a common code of conduct and procedures were observed. The Financial Adviser was concerned only with that part of the account which concerned the Central Bharat Sevak Samaj and in respect of specific grants-in-aid and other facilities approved by the Central Government.

Asked if the officer would know whether there was a sub-contract or not in the construction work, the Director of Construction Services stated that he was mostly informed about the major works which were of a sizable nature.

Referring to para 4(e) of Planning Commission's letter No 19(10)/61-Pub., dated 24-8-61 (Appendix I, Annexure II, Part III) which suggested making available technical personnel to voluntary organisation on deputation by State Governments and Central Ministries, the Committee desired to know how they were safeguarding the interests of the State vis-a-vis the contractors and the Bharat Sevak Samaj by this suggestion, as there was likely to be

conflict of interest—on the one hand the interest of Bharat Sevak Samaj (whose employees the officers would be for the period of deputation), and on the other the interests of the State. The Secretary, Planning Commission stated that they were the employees of the Bharat Sevak Samaj for the period of deputation. He added that 3 Superintending Engineers and two Executive Engineers had been on regular deputation terms with the Bharat Sevak Samaj.

In evidence the Secretary, Planning Commission stated that technical help was absolutely necessary. If anything, it should be reinforced. It was necessary that they should have competent technical advice because "these complicated works of multi-storey blocks barrage construction cannot really be done by just mobilisation of people."

The Committee then referred to the Minutes of the Meeting of the 'Working Group on Construction Service of Voluntary Organisations and Labour Contract and Construction Cooperatives' held on 2nd March, 1964, in the Planning Commission wherein it was stressed that the persons to be loaned 'should be good ones. They should also have a bias for social service'. The Committee wanted to know what test was applied to find that out. The Secretary, Planning Commission stated that these were really matters of record of officers. The idea was 'the Depts. should take care to see that rejected officers are not sent.'

A statement showing the details of pay and allowances of deputationists to Central Construction Service/Bharat Sevak Samaj as on 31-1-1965 has been furnished (Appendix XXXV, Part 4).

The Committee would like to refer to the decisions taken at the meeting of the working group on construction service of voluntary organisations and labour contract and construction cooperatives held on the 2nd March, 1964 that to meet the needs of technical and accounting personnel for the construction service of voluntary organisations and the public Corporations, suitable increase in the cadres of the C.P.W.D. and other Depts. of the Centre and States might be made. The Committee do not understand on what basis and under what procedure increase in the staff of Government Departments can be made for meeting the needs of technical personnel of a voluntary organisation. This means in other words that Government should recruit technical officers for appointment in Government Departments and then make them available to the voluntary organisations. The Committee are unable to appreciate the logic or the desirability of introducing such a procedure. The

Committee are of the view that the practice of deputing Government officers on loan to private bodies who execute works on contracts and earn profits is objectionable in principle and should be discontinued.

Contracts by negotiation given to Bharat Sevak Samaj

60. The Committee wanted to know that if the Bharat Sevak Samaj was mainly intended to bring down the price and put the Government in a better competitive position, why was it recommended that contracts should be given to them on a negotiated basis and not on a tender basis. Secretary, Planning Commission stated that in one or two places (particularly in Kosi) it was found that a large number of low and spurious tenders were given by the contractors. Bharat Sevak Samaj's contention was that since the contractors did not want it to get established as a construction agency, they developed some kind of a combine and deliberately quoted low rates to out do the Bharat Sevak Samaj. When the Committee pointed out that the only reason therefore, was to overcome the fear of Bharat Sevak Samaj to be out done by other contractors, that the Planning Commission suggested giving of contracts to them on negotiated basis, the witness stated 'there is also another thing. These negotiations had to be undertaken and accepted by the Deptt. giving out these works. When the request was made to the agencies in allotting the work on negotiated rates, they were not being asked to go in for larger financial commitments'. He added that it had not, however, been pointed out in the letter that there was a limit.

The Secretary, Ministry of Works and Housing had stated in evidence with regard to the 45 items of works allotted to the B.S.S. (Appendix V, Annexure I) that "A distinction has to be made between negotiation with the B.S.S. or anybody else. Tenders may have been called for. Either no tenders were received or the tenders received were too expensive. In both the cases we may award the work on the basis of negotiations. If we negotiate with somebody else, he may or may not be included in the tenders and he may beat other down." Asked what would have happened if Bharat Sevak Samaj did not come forward, the witness replied that they would have negotiated with somebody else or again gone to tender. When it was pointed out that they did not do it, he stated that "we all felt that Bharat Sevak Samaj would be able to give us satisfactory negotiated tender."

The Committee also find from the statement furnished by the Ministry of Health showing action taken on the 18th Report of

P.A.C. (3rd Lok Sabha) (Appendix XXXVI) that in the case relating to Development of land near Jhilmila Tehirpur the Bharat Sevak Samaj had quoted 29.3% above the estimated rates and another contractor at 25.8% above. Subsequently the B.S.S. agreed to reduce the rate to 25 per cent above the estimated rates. Their rate was considered reasonable and was accepted.

The Committee also find from the statement of 45 items of contract awarded by the Ministry of Works and Housing to the Bharat Sevak Samaj (Appendix V) that except for 8 items all other works were given to the B.S.S. on the basis of negotiation only. Even in these cases the rates quoted are stated to be as high as 78% above the estimated cost. Moreover, there has been delay upto even 4 years in completing some of the works.

With regard to the question whether the contracts should be given by tender or by negotiation, the Secretary, Planning Commission stated in evidence that it was a very desirable thing that "we test the rates by open quotations." Situations might arise where negotiation might result in expeditious allotment of work and saving to the exchequer. But "there again the more one can move away from the basis of negotiations to the open tender rates, the better."

The Committee have also been informed in evidence by the representative of the Ministry of Works & Housing that the exchequer had not been benefited in allowing certain contracts to be done by the B.S.S. at rates higher than those quoted by the other contractors.

The Committee agree with the Secretary of the Planning Commission that it would be better if one could move away from the basis of negotiations to the open tender rates in the contracts. The Committee, therefore, consider it unfortunate that general instructions should have been issued that contracts to voluntary organisations should be given on negotiated basis. The Committee desire that these instructions should be rescinded and the normal healthy practice of giving contracts after inviting open tenders as laid down by Government should be invariably followed.

Claim that tender rates were kept down by the Bharat Sevak Samaj coming into the field.

61. It had been stated in the written note furnished to the Committee (Appendix V, Part I) that it was decided to encourage the voluntary organisations to enter the field of construction to promote better competition and put Government in a strong bargaining position vis-a-vis other contractors.

The Committee desired to know if this objective had been served. The Secretary, Ministry of Works and Housing stated that the existence of the Bharat Sevak Samaj and other organisations like N.B.C.C., National Projects Construction Corporation, Hindustan Housing Factory, etc., had 'certainly had the effect of keeping down the tender rates which, otherwise, might have been much higher.' He added that previously there was no competition for the contractors and the coming into existence of this competition from organisations which keep their profits to a minimum or which can eliminate profits has, I think, had the effect of keeping down prices and building costs generally'.

The Committee feel that the argument that existence of B.S.S. and other organisations like the N.B.C.C., N.P.C.C. had certainly had the effect of keeping down tender rates, which otherwise might have been much higher, is a conjectural one and is not, therefore, acceptable. That this conjecture is not necessarily correct, is borne out by the fact that the Committee have come across instances where contracts were given to B.S.S. even though quotations from other contractors were lower. (In this connection para. 69 of this Report may be referred to.)

Claims of savings to Exchequer

62. The Committee has been furnished with a statement (Appendix XXXVII), claiming that there has been a saving of about Rs. 3 crores to the Exchequer as a result of the economies in major construction works undertaken by the B.S.S.

The Secretary, Planning Commission stated in evidence that the largest claim for saving to the exchequer had been made in respect of earth works. Apart from a few building items, the savings had been claimed largely in the items of work where manual labour and earth work was involved. The Secretary of the Planning Commission, however, stated:

"I think it would be too much of a claim for the Bharat Sevak Samaj to sustain that it has been able to bring down the general level of rates. But in respect of these specific works, of course subject to what view is taken of the facilities which they have received, it looks, on a certain commonsense basis, that there have been some savings in the cost to the Exchequer. I really do not know whether it has been able to influence the market substantially, but there have been a few sporadic cases where the Bharat Sevak Samaj claims that it has been

able to do that, that by their selling sand, stone chips and bricks the rates came down in that area."

In this statement referred to above the "quotation by the private contractor" and the "quotation by the B.S.S." have been indicated. The 'quotation by the B.S.S.' has been shown as lower than the quotation by the private contractors in 9 cases and the difference between the two quotations has been shown as savings to the Exchequer. Moreover, in one case (item 3) the quotation of the private contractor has been estimated on the basis of the recommended tender for award of work prior to entry of the B.S.S. In another case, the estimated quotation has been shown for phase II (item 2) on the basis of the lowest tender of the contractor for phase I. **The Committee find it difficult to accept this method of calculation which is hypothetical. Moreover, in the tender system there always will be the lowest and the next higher tender. If therefore, this method of calculation is accepted, in all such cases of tender, the lowest tenderer will always claim the difference between his rates and the next higher rate as saving to the Exchequer.**

It has also to be borne in mind that the Bharat Sevak Samaj enjoy facilities and concessions which are not available to other contractors and contracts are awarded to them mostly on negotiated basis. Further, contracts had also been awarded to Bharat Sevak Samaj even though they had quoted higher rates initially which were brought down to rates equal to those quoted by the lowest contractor. Therefore, normally if the Bharat Sevak Samaj is in the field, it would deter other contractors from quoting. Therefore, to calculate saving in the manner disclosed is neither rational nor justifiable.

From the evidence placed before the Committee, they are unable to accept the claim that there has been saving of about Rs. 3 crores to the Exchequer as a result of the work done by the B.S.S. The Committee suggest that the claim should be carefully examined and assessed by an independent government agency.

As regards the claim that the Bharat Sevak Samaj had been able to bring down the general level of rates, the Committee consider it hardly necessary to make any observations after the Secretary. **Planning Commission himself stated that 'it would be too much of a claim for the Bharat Sevak Samaj to sustain'.**

Amenities for Labour claimed to be provided by B.S.S.

63. In the course of evidence when the question of granting amenities to labour was raised, the representative of the Planning

Commission contended, that the Bharat Sevak Samaj spent more on the welfare of labour and they had tried to provide the labour with better accommodation, dispensary, vocational training, adult education classes, mandalies and things like that. In reply to a question Secretary, Planning Commission stated that the Bharat Sevak Samaj were paying, for the local labour, wages higher than those obtainable in the market at any given time. It was not that the Bharat Sevak Samaj would pay their wages higher than those paid by the contractors to same type of workers, but the difference was that the Bharat Sevak Samaj was working (in a big project like Kosi or Nagarjuna Sagar) with local labour, which was not proficient in that kind of work, which would not have got the opportunity to do the work and therefore add to their purchasing power. What the Bharat Sevak Samaj did was to give an opportunity to local labour to take up the work, train them by keeping them on the work and also forego the profit which was a very important consideration for a contractor.

With regard to the facilities afforded to labour force a note has been furnished to the Committee (Appendices VIII and XXXV) wherein it has been stated that in different projects amenities like lighting, sanitation, medical treatment, recreation and indoor hospital, community centres etc., were provided. **The Committee however feel that in the absence of a permanent labour force, such facilities or amenities would be of a very limited duration. Besides the Committee are not convinced that the Bharat Sevak Samaj were foregoing their profits (as discussed in para 55 of this Report).**

The Secretary, Planning Commission stated in evidence that in the Kosi Project where construction service of the Bharat Sevak Samaj was started for the first time, the payments to labour went higher; the wages which were being paid to the actual workers were higher than the wages paid by the contractors. Moreover, the work rates which in the first year showed a tendency to go up very high, showed a tendency to come down in the subsequent years. The system of work was that the people of specific villages took up work closest to their areas of habitation and they came to work under the Unit Leaders. Since 95 per cent. of the earnings were paid to the labour with no intermediary charges, the objective of payment of earnings to the workers was ensured.

The Committee feel that it is difficult to accept the claim that 95 per cent. of the earnings were paid to the labour with no intermediary supervision charges unless the complete accounts of the Bharat Sevak Samaj are available.

The Committee desired to know if Bharat Sevak Samaj, N.B.C.C. and Hindustan Housing Factory, gave work to sub-contractors. The Secretary, Ministry of Works and Housing stated that he would have to find it out, but usually these organisations did not give sub-contracts except that employment of labour was through labour contractors.

The Committee desired to be furnished with a note on the following points:

- (1) Did the Bharat Sevak Samaj employ different agencies with regard to 45 contracts? (of which details have been furnished by the Ministry to the Committee). Details may be furnished.
- (2) Details of the sub-contracts given by the Bharat Sevak Samaj or organisations like the National Building Construction Corporation or Hindustan Housing Factory out of the contracts allotted to them by Government. The information is awaited.

The Secretary, Planning Commission stated in evidence that in any place where the B.S.S. had done major works they had left a cottage, a Panchayat Institution and school endowed by them.

The Committee have been furnished with a statement showing the welfare institutions and their locations organised by the B.S.S. in places where they have done major works (Appendix XXXVIII). It is not clear from the statement whether the schools, colleges, community halls etc., were constructed entirely with the money contributed by the B.S.S. They would, therefore, like to be given further details about these welfare institutions showing whether the entire cost was borne by the B.S.S., whether any recurring grant has been given to them or whether any endowment has been started in any particular case.

Shutting out competition by allotting contracts to B.S.S.

64. The Committee referred to the letter No. 2(6)/57-Policy, dated 30th November, 1957, from the Ministry of Irrigation and Power (Appendix XXIX), recommending to all State Governments grant of certain concessions and facilities to the Bharat Sevak Samaj as early as 1957 and wanted to know if the witness thought that without these concessions and facilities the B.S.S. would not be able to compete favourably with other contractors. The Secretary, Planning Commission stated 'I can only venture to express an opinion because it is really for the B.S.S. to say as to whether they can sustain the withdrawal of these facilities.'

When the Committee inquired whether by granting all these concessions and facilities to a particular body, Government were really shutting out other competitors from coming into the field, (as where B.S.S. applied for a contract, others stood no chance of getting it), the Secretary, Planning Commission stated that it was for the Committee to take a view on this but other purposes and the economic philosophy involved had also to be taken into consideration. He added: "the fact remains that a fair amount of contribution to the community has been made by the B.S.S." In the Kosi Project, it was stipulated that the project organisation would keep back about 4 per cent. of their savings to be spent on works of local value. The Committee pointed out that since there were no accounts of the body, it was not possible to know how the savings had been utilised. The witness stated that with regard to the construction service, there was an account for the year ending 31st July, 1963, but they did not know about the earlier years. He was, however, definitely of the view that it was desirable to bring the B.S.S. under some sort of financial discipline, to make them prepare consolidated Accounts. He further agreed when it was pointed out that in view of the fact that the B.S.S. had the authority and power almost like Government organisations and got their finances from Government, but were not obliged to prepare accounts and were not accountable to Parliament or anybody else, that financial discipline should be enforced on B.S.S. He however, pointed out that the public character of the institution should be maintained and a certain amount of flexibility of action should be left with that body. As regards accountability, he stated that there was an indirect power already with Government who gave grants and loans and other facilities. If the B.S.S. 'did not play the game' Government would be 'entitled to withdraw the facilities'. The witness however, was in agreement with the view that in the wider interest of public revenues, the procedure and the form were equally important for safe-guarding public revenue, and stated 'Discipline has got to be enforced, whatever be the loss and whatever be the consequences.'

The Committee have in a subsequent paragraph dealt with cases where contracts were awarded to the B.S.S. even though the rates quoted by them in some cases were higher than those quoted by other contractors. Therefore, the Committee feel that they would be justified in holding the view that because of all these concessions and facilities granted to the B.S.S., whenever that organisation would be in the field, it would shut out competition which is not a healthy procedure to be followed in the case of award of Government contracts. In fact it would defeat the very purpose for which the Bharat

Sevak Samaj was encouraged to enter the field of construction, namely to bring down the cost by providing competition.

Sub-standard work of Bharat Sevak Samaj.

65. The Committee asked whether it was the intention that sub-standard work executed by the Bharat Sevak Samaj should be passed when the letter dated 24th August, 1961, of Planning Commission was issued. When the Secretary, Planning Commission stated that that was not at all the intention, his attention was drawn to the following passage in para 7 of the letter:—

“It is realised that in the initial stages the services rendered by voluntary and co-operative construction organisation, may have certain shortcomings and deficiencies. With greater experience on the part of these organisations and with a sympathetic and helpful approach on the part of Government agencies at all levels, these shortcomings will be progressively overcome, and voluntary and co-operative organisations will be able to serve the public interest more effectively.”

The Secretary stated in reply that “this would take me into a somewhat delicate field.” He added: “It was really meant that the rigorous standards which were being imposed on the work done by the Bharat Sevak Samaj might be relaxed to some extent.” The Committee wanted to know if Government Deptts. imposed rigorous test on the work done by Bharat Sevak Samaj alone. The witness stated: “that is where the delicacy comes in, because the complaint of the Bharat Sevak Samaj at least in the initial stages was that the Deptts., not being used to the kind of work executed by co-operative agencies, did not look to it very kindly. It was really not that Ministries were applying a stricted standard in the case of Bharat Sevak Samaj but it referred to certain shortcomings and deficiencies in human relationships.” He added that in the case of B.S.S. one special problem was the “question of having to measure their works and to make on account payments at very regular intervals, a fortnight or three weeks. If that was not done the B.S.S. would run out of funds, the labour would not be paid and there would be no more work, whereas when one engages a contractor, he has some resources of his own Because there was no capital and passing of accounts and so on meant more burden for officers and a great deal of irritation which arises on account of work having to be done according to a set time-table, which, if not conformed with, will lead to protests.” The contractors would listen to officials but here was ‘Bharat Sevak Samaj which had access very much higher

up, and also it is a hard fact that they did not have the resources. So there will be this kind of complaint going to and fro.' That is why, the witness added, "at least in the initial stages the people in-charge of works did not look at the work by public Co-operation with a kindly eye."

In a note furnished by the Ministry of Works and Housing [Appendix V, Part v (iii)], it has been stated that out of 45 works awarded 24 works, 4 were completed except for minor defects, two contracts were cancelled and one was closed. The Committee have also been furnished with copies or reports of inspection made to see if the works carried out by the Organisation were according to specifications and standards (Appendix V, Annexure III).

The Committee are surprised to find that quite a number of defects have been pointed out by the officers of the C.P.W.D. For instance, in the case of the Samadhi at Raj Ghat, it has been stated "what you are filling in earthen mounds is no earth but a type of soil which contains a substantial percentage of sand and a very little percentage of clay", "consolidation done is not at all satisfactory and this can be found also from casual look of the area". "It has been noticed that filling of earth in mounds is going on in a haphazard manner without any reference to C.P.W.D. specifications." In the case of construction of workshop sheds for training-cum-workshop at Arab-ki-Sarai use of defective mortar was objected to and it was also pointed out that the progress of work was very slow. **The Committee need hardly emphasize that to award contracts on negotiated basis is itself not desirable and if on top of that the quality of work done is also below standard, it is desirable to consider the whole matter afresh. The Committee feel that the wording of the above passage in para 7 of the letter referred to is imprecise and it creates the impression as if it was meant that the substandard works might be accepted.**

66. The Committee have found from the statement of cases examined by the Chief Technical Examiner's Organisation (Appendix V, Annexure IV) that there were nine cases of defective works (of major and minor nature) out of 19 cases examined by the C.T.E. **The Committee feel that in construction works, defective or sub-standard work should invariably be got rectified at the cost of the contractor and in addition suitable penalty imposed, wherever necessary.**

The Committee would in these circumstances like the Planning Commission in consultation with the Ministry of Works and Housing

and others concerned to review the question of various facilities that are given to Bharat Sevak Samaj in order to see how many of these should still be continued, keeping in view the fact that the construction Service of the Bharat Sevak Samaj has now the experience of more than 7 years, and that it has been making profit in this activity. The instructions contained in the letter of the Planning Commission (No. 19(10)/61-Pub. dated 24th August, 1961) should be modified accordingly. The Committee have no doubt that the various observations and suggestions made by them in this Report will be borne in mind while making the necessary modifications.

Non-imposition of penalties on BSS.

67. The Committee wanted to know if any penalty had been imposed on Bharat Sevak Samaj for late completion of work or for defective work. The Secretary, Ministry of Works and Housing stated that in the case of multi-storeyed building on Rajendra Prasad Road remedial action had been taken within the tendered rate about below standard concrete. In the case of Gandhi Samadhi work penalty of Rs. 1,000 was levied for bad work and Rs. 100 as token recovery for delay. Asked about imposing of penalties in the case of other contractors, the witness stated penalties were recovered only when they were sure that contractors were at fault and had done something deliberately.

The Committee desired to know the following information:

“Was any penalty imposed on the Bharat Sevak Samaj or other contractors for late completion of works? Details may be furnished.”

The Information is awaited. It has however been stated in a note [Appendix V, Part V (6)] that written agreements were executed for all the works awarded to the Bharat Sevak Samaj and that penalty clause was also incorporated. It has been stated however that generally the penalty clause had not been invoked with a view to promoting the growth of the organisation.

The Committee do not appreciate this reasoning. Without invoking the penalty clause, the Committee feel, it is difficult to ensure the proper standard of work. It is, therefore, desirable that penalty clause should be applied for defective work in the case of the contracts given to the B.S.S. also as in the case of any other contractors.

The Committee would like to invite attention in this connection to a list of works awarded to Bharat Sevak Samaj upto March 1963 which were inspected by the Chief Technical Examiner's Organisation

(Appendix V, Annexure IV) wherein it has been stated that out of 19 cases examined, in 10 cases no defects were observed whereas in other 9 cases defects of minor and major nature were found. The Committee are, therefore, unable to understand how penalties of Rs. 100 and Rs. 1,000 could be considered adequate for late execution or defective execution of contracts respectively. As an illustration of the late execution of work the Committee would like to refer to the statement of 45 works allotted to the Bharat Sevak Samaj by the Ministry of Works and Housing (Appendix V, Annexure I) from it will be observed that in most of the cases it took the Bharat Sevak Samaj 2, 3 or 4 years to complete the work although the time allowed as per agreement was less than a year. This would indicate that undue concession has been shown to the Bharat Sevak Samaj in these cases and special relaxation of the terms of the agreement have also been made in their case.

Accounts of State Units of the B.S.S.

68. When the Committee expressed surprise that in spite of all these things done for the Samaj by Government, the Samaj was not furnishing the accounts asked for, the Secretary, Planning Commission stated that Bharat Sevak Samaj were functioning through a Central Organisation, the State Units and the District Units. In each State, Bharat Sevak Samaj had an office and an organisation. The Bharat Sevak Samaj had opened branches in 250 Districts. It was conceived from the very beginning that the State Units would function independently in their sphere and the State Governments would look into their accounts while releasing certain grants, loans, work advances, assistance for Lok Karya Kshetras and other activities. He added that the "reason why the State Units were not given legally a separate entity but functionally a separate entity was that in this manner it was felt that a larger enthusiasm will be aroused." He stated further with regard to the accounts that the "States had a system of having Chartered Accountants looking into their accounts; but we would also like the State Accountants General to come into the picture, if they can. While here we arrange a special audit of the Central Accounts, we would be quite happy if this kind of responsibility could be taken over by the State Accountants General also."

The Committee would like Government to examine the suggestion of the Secretary, Planning Commission, to associate the State Accountants General with the auditing of the Accounts of the State units of the B.S.S., in consultation with the Ministry of Finance and C. & A. G. and take suitable action.

45 Items of contracts given to Bharat Sevak Samaj by Ministry of Works and Housing

69. In connection with the audit para the Committee referred to a statement of the works (Appendix V, Annexure I) allotted to Bharat Sevak Samaj, as furnished by the Ministry of Works and Housing and pointed out that 38 out of these 45 works were allotted by negotiation. The Secretary, Ministry of Works and Housing stated that out of 45 works, 19 were on the basis of *ab initio* negotiations with Bharat Sevak Samaj. 13 were negotiated with the Bharat Sevak Samaj after call of tenders but no tenders were received. 6 were negotiated with the Bharat Sevak Samaj after call of tenders. In the first case the Bharat Sevak Samaj had not quoted. In the second case they had quoted. 7 were on the basis of tenders.

The Committee then referred to the statement showing action taken on the earlier recommendations of PAC by the Ministry of Health and pointed out that in respect of item(5) (Development of land near Jhilmila Tahirpur) for a residential colony—SH. Storm Water Drain and culverts. etc.) tenders were twice invited and BSS quoted 29·8% above the estimated rates in the second call whereas another contractor had quoted 25·8% above the estimated rates. Subsequently BSS agreed to reduce the rate to 25% above the estimated rates, their rates were considered reasonable and the work allotted to them. The Committee pointed out further that in respect of item (4)—(Construction of Road running parallel to the Cantt. Railway line) though one party quoted Rs. 34 per 100 cft., the work was given to BSS at Rs. 35·54 per 100 cft. which was subsequently increased to Rs. 38·53 per 100 cft. and wanted to know whether it was the usual practice. The representative of Ministry of Works and Housing (Additional Chief Engineer) replied in the negative. The witness stated in reply to a question that these contracts were awarded at more or less market rates and he did not think there was any benefit to the exchequer.

Asked about the reasons for giving contracts to the Bharat Sevak Samaj at rates which were higher by as much as 78·9% than the estimated rates in some cases detailed in the statement furnished by the Ministry of Works and Housing, (Appendix V) the Secretary, Ministry of Works and Housing stated that the estimated rates were framed by C.P.W.D. Engineers on the basis of schedule of rates which became out of date at the time of going out to tender, as in the meanwhile prices and costs had gone up. Therefore when the tenders came in, they were higher than the amount estimated by the engineer. All the works were estimated on the schedule of rates framed in 1955.

The Committee then referred to three cases of work given to Bharat Sevak Samaj without calling for tenders, at 38% above the estimated rate and as the Bharat Sevak Samaj could not complete the work, subsequently it was given to others after a call of tenders at 32.4%, 35% and 27.11% above the estimated cost. The representative of Ministry of Works and Housing stated that in all these works, road work had to be done in village Naraina near Delhi. A hillock was to be levelled up to a certain level for recreational purposes. So Bharat Sevak Samaj was asked if they could do the work of cutting down the hill simultaneously and use that stone for doing the road works. That is why work was given to them at 38% above the estimated cost. This case was considered by the Advisory Committee of the Chief Commissioner and was then examined by the Works Advisory Board. The work was given to Bharat Sevak Samaj not as a favour or concession but as it was thought that without the cost of levelling of the hill area this work could be got done. After the Bharat Sevak Samaj started the work, it was found that the quantity of hard stone which could be used for road work was much less than anticipated and hence at the instance of the Bharat Sevak Samaj two of these contracts were cancelled. The work given to somebody else was completed at lower rates than awarded to Bharat Sevak Samaj. The hillock remained where it was. The contract for removal of the hillock was incidental.

In this connection the Secretary, Ministry of Works and Housing read out the following note:

“Administrative approval and expenditure sanction for the work, development of 161.6 acres of land to the east of Ring Road, to the north of Naraina village for a residential colony have been accorded, *vide* Secretary (LGG) Delhi Administration, Delhi, letter No. dated the 18th April, 1962 for Rs. 67,07,000/- Against this sanction an estimate amounting to Rs. 5,23,400 was technically sanctioned for roads and paths in order that the hillock in Naraina area be levelled to suitable levels for use as recreation area. It was decided by the Chief Commissioner that Bharat Sevak Samaj may be given permission for quarrying in this area. In order that we may not have to bring soling stone and metal from long distances, it was decided that B.S.S. will supply us so ling stone and metal for the areas being developed by us in the neighbourhood. In the first phase of road works the estimated cost for supplying soling stone and metal is Rs. 1,58,134.

The B.S.S. were asked to quote their rates for this work on the basis of use of stone from the quarries of the Naraina Village. They are willing to execute the work at 40% above the estimated cost. A copy of the letter dated 6-12-1962 received from the B.S.S. in this connection is enclosed. We have received tenders for complete road works in the neighbourhood of 30% above the estimated cost. Taking into consideration the present rates of labour and material, a rate of 35% above would have been reasonable. The rate at 40% above quoted by them is slightly higher. As the B.S.S. is one of the prominent voluntary organisations and as it is the policy of Government to encourage them they may be given the work at the rate quoted by them. This was placed before the Works Advisory Board and it was the decision of the Board."

The witness also read out the letter dated 6-12-1962 from Chairman of Bharat Sevak Samaj, Delhi Branch which was as follows:

"We have studied your NIT for this job. We propose to do these works at 40 per cent above the scheduled rates of the CPWD provided the Narayana hill is open for us for quarry. We will require 25 per cent of the total estimated amount as advance and the Bharat Sevak Samaj is exempted from payment of earnest money."

The Committee find from the statement showing 45 items of work awarded to the Bharat Sevak Samaj (Appendix V) that only items 4, 25, 37, 38, 40, 44 and 45 were on the basis of tenders. (The Committee were however informed in evidence that there was a mistake in the statement supplied as item 35 was also on the basis of the tenders). It also appears from the note furnished by the Ministry of Health showing action taken on the recommendation of the P.A.C. (Appendix XXXVI) that contracts were given to the Bharat Sevak Samaj even though their rates were not lowest or their rates were higher than the estimated rates or rates quoted by other contractors. Therefore the Committee find that it is clearly established that—

- (i) most of the contracts awarded to the Bharat Sevak Samaj were on negotiated basis. (8 out of 45 contracts were on tender basis).
- (ii) in some of the cases at least, when the Bharat Sevak Samaj failed to do the work the other contractors did the same work at cheaper rate.

- (iii) in other cases when tenders were invited, the contracts were given to the Bharat Sevak Samaj even though their rates were not lowest (the lowest tenderer was not awarded the contract). Bharat Sevak Samaj were given the contract at a price higher than the lowest quotations.

In view of these facts the Committee do not appreciate the justification for awarding contracts to the Bharat Sevak Samaj mostly on negotiated basis, which is not a normal or usual practice. Nor do these facts show that the Exchequer benefited in any way by the award of these contracts to the Bharat Sevak Samaj. The Committee are constrained to observe that in all these cases the sanctity of the tender system has been violated. Even if an immediate advantage occurs by such violation, it tends to defeat the long term objective.

70. With regard to the contract for road work in the village Naraina near Delhi, the Committee are intrigued to find that the case is not such as it has been made out to be. It has been argued that the work was given to the Bharat Sevak Samaj not as a favour or concession but as it was thought that without the cost of levelling of the hill area this work could be got done. The Committee find however that the acceptance of the work by the Bharat Sevak Samaj was conditional in that they stated in their letter dated the 6th December, 1962 that they proposed to do the work at 40% above the scheduled rates of the C.P.W.D. "provided the Narayana hill is open for us for quarry." The Bharat Sevak Samaj actually wanted to gain an advantage thereby as they would not be required to bring the stone for road building from a distance. But when this hope was not realised as the stone from the hillock was found to be too soft, the Bharat Sevak Samaj got the contracts cancelled. Later on the same work was done by others at cheaper rates. This concession of getting the stone from nearby hillock was not extended to any other contractor and in spite of these the Bharat Sevak Samaj quoted rates which were higher. The Committee can find no justification for the special treatment to Bharat Sevak Samaj. The Committee would like this matter to be investigated and responsibility fixed.

The Committee also find from a note read out by the Secretary, Ministry of Works and Housing that it did not bear out or justify the claim or reasons advanced by the Secretary of the Ministry in awarding this contract to Bharat Sevak Samaj.

71. As regards the project work of re-sectioning and regarding the Najafgarh Jheel referred to in the audit para it has been stated in the note (Appendix V, Part V) that at the time of review of the whole work in March, 1963 it was considered necessary to complete the work quickly as a flood control measure. Tenders were, therefore,

invited for the entire project. The single tender of Bharat Sevak Samaj at 41.28% above the estimated cost was received. This was accepted by the Work Advisory Board.

The Committee would like to know if the work which was considered necessary to be completed quickly has actually been completed since. If not, they would like to know the present position.

72. The Committee had desired to be furnished with the following information in respect of para 65 of the Audit Report.

Para 65(i) of Audit Report

(1) In October, 1962 the Department rescinded the agreements for the six sections. Even at this stage, did the Department enquire into the capacity of the Samaj for taking up the work and enforce penalty e.g. by recovery of the extra cost of the portion executed departmentally?

Para 65(ii) of Audit Report

Is the increase in rates justified in this case considering that the truck-load rate had been converted into rates per hundred c.f.t. on the basis of actual observations of 14 truck-loads? Would it not be a case of under-loading of trucks to justify the claim for higher rates?

(3) It has since been ascertained that upward revision of rates were allowed in three other contracts also at Rewari, Rampura village and Cantonment. In respect of all these works, sales-tax was also allowed in addition although it was not provided at the time of the award of the contract.

What was the justification for allowing sales tax in addition?

(4) It appears from the findings of the Chief Technical Examiner. (Annexure IV to Appendix V) that in as many as 9 cases (out of 19) a large number of defects, in some cases major defects, had been found.

(a) How were such works passed by the C.P.W.D. Engineers?

(b) Were the Engineers of Central or State P.W.D. in charge of these works on behalf of the Bharat Sevak Samaj?

The Committee regret that the information on the above points is still awaited.

Projected Programme of B.S.S. Construction Service During 4th Plan

73. The total magnitude of the work done by the Bharat Sevak Samaj construction service upto the end of the Second Plan was stated to be of the order of Rs. 2.5 crores. The progressive increase in the proposed turnover during the Third and Fourth Plan of the Construction Service of the Voluntary Organisations is stated to be as under:

Year	Rupees in crores
1961-62	2.5 (Actual)
1962-63	3.5 (Actual)
1963-64	5.5 (Estimation)
1964-65	7.5 (Estimation)
1965-66	10.0 (Estimation)
	Total 29.0 crores
1966-67	12
1967-68	15
1968-69	18
1969-70	21
1970-71	24
	Total 90 crores

The total target for the Fourth Plan for the construction service of the Bharat Sevak Samaj was approved as Rs. 90 crores at the meeting of the "Working Group on Construction Service of Voluntary Organisation and Labour Contract and Construction Co-operatives" held on 2-3-64 (Appendix XXVIII). The group recommended the grant of a long term loan of Rs. 10.0 crores for the Fourth Plan to the Construction Service.

The Group also recommended that the targets to be achieved by the Rural Construction Service should be fixed at Rs. 1 crore for the Third Plan and Rs. 16 crores for the Fourth Plan. For construction work in the border areas the Third Plan target recommended was Rs. 0.5 crores and the target for the Fourth Plan fixed at Rs. 5 crores.

The Committee referred to the expected turnover of the construction service during the Fourth Plan as given at page 32 of Agenda Papers (Appendix XXXIX) of Meeting of the Working Group on Construction Service of Voluntary Organisations and

Labour Contract and Construction Co-operatives '(March 2, 1964)'. It has been stated therein:

"The turnover of the Construction Service by the end of Third Plan has been estimated as of the order of Rs. 10 crores per annum. This is expected to increase to about Rs. 25 crores per annum by the end of the Fourth Plan. To achieve this target the cost of the works in hand would be about Rs. 75 crores. The amount required by way of long-time capital will be about 1/6th of the cost of the works i.e. about Rs. 12 crores."

The Committee desired to know what type of set-up for the Samaj was envisaged in view of the fact that now neither the Government nor Parliament, nor the Auditor-General had any control over them and the Samaj was not also obliged to file consolidated accounts. Secretary, Planning Commission stated: 'it will not be possible really to extent help of the order which had been indicated.' There would have to be applications for loans related to specific use during the period to come. He added 'in fact, we have at present a request from the Chief Engineer of the Construction Services for a loan which has been pending with us for some months and no loan had been given to the Central Bharat Sevak Samaj during the last two years and recoveries of the loans already given were being effected.' He assured the Committee that 'an effort will be made to scrutinise quite strictly the facilities by way of loan which they require.' As regards other facilities indicated in the Planning Commission's letter dated 24th August, 1961, he stated 'I dare say that these will need to be looked into again and we will consider whatever suggestions we receive from this Committee.'

When the Committee pointed out that loan requirements, etc. during the Fourth Plan were the estimates of the Planning Commission themselves, Secretary, Planning Commission stated that the dimensions of loans had not been accepted by the Commission which was under no obligation to accept the recommendations thrown up by the various Working Groups. Their recommendations had been scaled down very substantially in other Sectors as also in the Public Sector.

In view of the facts disclosed, the Committee cannot but come to the conclusion that the task proposed to be allotted to the Bharat Sevak Samaj in the 4th Five Year Plan in the field of construction activities needs to be carefully scrutinised and modified.

IX

GRANT OF EXEMPTION FROM PAYMENT OF INCOME-TAX TO BHARAT SEVAK SAMAJ

74. The Committee desired to know from the representative of the Central Board of Direct Taxes (Ministry of Finance) whether Bharat Sevak Samaj had been exempted from payment of income-tax etc. and if so, on what basis this decision was taken, particularly when the Bharat Sevak Samaj did not prepare consolidated audited annual accounts. The representative of the Ministry of Finance stated that the Bharat Sevak Samaj had been declared as not liable to tax under Income Tax Act as it was found that it fulfilled the conditions prescribed by Section 4(3) (i) of Income Tax Act, 1922 corresponding to Section 11 of the Act of 1961. It was further stated that on a scrutiny of the constitution of the Bharat Sevak Samaj it was found that its objectives were wholly charitable and were of a public nature. The witness added that on 3rd March, 1953, a notification was issued under Section 15-B of the Income Tax Act, 1922 stating that donations to this particular institution would be exempt from tax. That was the first occasion. The whole matter was again reviewed in 1964.

The Committee enquired whether it was not the practice to examine the accounts of those institutions which were exempted from payment of any tax before granting such exemption or any time thereafter. The representative of the Ministry of Finance replied:

“Actually, the law is this. We can only examine the constitution. But, as a matter of fact, in this particular case we called for the accounts of the society over a period of years. We saw what their receipts and expenses were and whether the receipts were spent wholly for charitable purposes and we found that the major part of the receipts had been spent on charitable purposes, though in the case of public charitable institutions, that is not necessary under the new Act because, as you are aware, they have got to spend 75 per cent of their income in charitable purposes. In this particular case—I do not know why they did it—they have examined the receipts and payments over a period of years.”

The Committee desired to know if the Bharat Sevak Samaj was a trust, within the meaning of that term in the Income Tax Act.

The representative of Ministry of Finance stated that if there was a declaration of trust by a Society, then the property of the society is held under trust for public charitable purposes. Definition of "Trust" for the purpose of Sections 11 and 12 of the Income Tax Act 1961 had been given in explanation (1) to Section 13, where it has been mentioned that "Trust" includes any other legal obligation. The witness added that in the present case "the legal obligation arises by virtue of the fact that the society has been constituted with specific objects which state that the income or the receipts of the society shall be spent only in this particular manner." The Constitution of the society had been examined and opinion of the Law Ministry was also obtained. The advice was that there was a legal obligation to spend the receipts wholly for public charitable purposes.

The Committee then pointed out that the constitution, objectives, functions and structure of the Bharat Sevak Samaj Construction Service as given in Appendix 4 of the Pamphlet "Central Bharat Sevak Samaj (Construction Service), October, 1962," were different from that of the Bharat Sevak Samaj itself.

The witness stated that their view was "the Bharat Sevak Samaj is exempt from tax; the Bharat Sevak Samaj Construction service is also exempt from Tax." They had treated it as a part and parcel of the Bharat Sevak Samaj. It had not been registered as a separate society under the Societies Registration Act of 1860. The Bharat Sevak Samaj had several avenues of services. This was construction service which had been sponsored by the BSS for the furtherance of its objectives. He added: "as far as we are aware, the society are doing only this construction service and in regard to this we examined specifically whether in view of the fact that a business was being carried on by the society we can still continue the exemption."

Giving further details of the review made in 1964, the witness stated that under a rule if any organisation wanted a contract or a patronage of Government they had to apply for a tax clearance certificate. Bharat Sevak Samaj was obviously getting contract from the Government Organisations, so they had to approach Government for this purpose and in that connection they gave the total receipts and the total expenditure and various objectives which included also the receipts from the construction service of the Samaj. The Planning Commission also made a written request in October, 1962 to the Central Board of Revenue regarding grant of exemption to Bharat Sevak Samaj from payment of income tax on the savings accruing to it from the activities of its Construction Service.

The witness urged that the question had to be examined not so much from the point of view of accounts, as from the point of view of the constitution of the society. If the constitution of the society said that the income of the society was under a legal obligation, wholly for a public charitable purpose, the society was exempt from tax. As for the accounts of charitable societies, once in three or four years it was verified if any amount had been spent for non-charitable purpose because such amount was liable to tax. In the case of the Bharat Sevak Samaj the CBR wrote to them in August, 1964. Government intimated to the Samaj that the society was exempt from tax even in respect of its income from Construction Service. Then the Income Tax Officer wrote in September, 1964 to the General Manager, BSS, requesting him to produce the memorandum and articles of association of the B.S.S. and the Central Construction Service along with the accounts for 1962-63.

In reply to a question, the witness admitted that till today, they had not examined the books of account, but had examined only the statement of receipt and expenditure. The B.S.S. had not yet submitted their accounts which had been called for by the Income Tax Officer.

Asked if it was not a fact that the CBR did not grant exemption unless they were satisfied first about the articles of association and memorandum of the Society, and then about the accounts the witness replied that the Central Board of Direct Taxes need not issue a certificate of exemption at all to a society or a trust; it was exempt if it fulfilled the requisite conditions. The primary document to be examined was the document which brought the society into existence. The Memorandum and articles of association were obtained from the Bharat Sevak Samaj and examined by the Central Board of Direct Taxes. They consulted the Law Ministry and took their opinion also.

In this connection the Committee has been furnished with the following:

- (i) A note indicating whether the Accounts of the Bharat Sevak Samaj were ever called for by the Income Tax Officers concerned and whether any notice was issued to that body for submission of the statement of Accounts by that body and whether the question of grant of exemption of the business activity from income tax was examined by the Income Tax Officer. (Appendix XL).

- (ii) Copy of the letter addressed by the Planning Commission to the Central Board of Revenue|Central Board of Direct Taxes regarding grant of exemption from income-tax to the Bharat Sevak Samaj together with its enclosures. (Appendix XLI).
- (iii) Copies of the opinion given by Counsel for B.S.S. regarding grant of exemption of income-tax to the Bharat Sevak Samaj and of the legal opinion given by the Ministry of Law on the same matter. (Appendix XLII and XLIII).

In the note submitted to the Committee, the Ministry have stated that in October, 1952 the Bharat Sevak Samaj had approached the Central Board of Revenue for issue of a notification under section 15-B of the Income Tax Act 1922 so that donations made to it were exempted from tax in the hands of the donors. Accordingly, such a notification was issued in March, 1953. It has been stated that as it was implicit by the issue of a notification that the institution was a charitable institution under section 4(3) (i) of the Income Tax Act, 1922, there was no occasion for the Income Tax Officer to make any assessment on the Bharat Sevak Samaj under the provisions of the old Income Tax Act, 1922. It was further stated that in 1962, after the new Income Tax Act, 1961 came into force, a reference was made to the Board by the Bharat Sevak Samaj and the Planning Commission to declare that the income of the Samaj including the surplus arising from the Construction Service would be exempt from tax under section 11 of the new Act. The reason for asking for this declaration was stated to be that when the Bharat Sevak Samaj applied for construction contracts after they had started a wing called the Bharat Sevak Samaj Construction Service, the various departments of the Government insisted on production of Income Tax clearance certificates before awarding the contracts. At the instance of the Board, the Commissioner of Income Tax asked the Bharat Sevak Samaj to send statements of its accounts. The Samaj furnished in July, 1963 for the year ended 31-3-62 Receipts and Payments Statement of the Central Bharat Sevak Samaj (for the loans) & consolidated Profit & Loss account & balance sheet of BSS Central Construction Service in respect of certain works. As these accounts did not appear to give a complete picture, the Board obtained from the BSS a consolidated statement of all its receipts and payments for the years 1957-58 to 1962-63. The audited accounts were not made available because it was stated that they had not yet been compiled. On the basis of these consolidated statements it was stated that the Central Board of Direct Taxes was broadly

satisfied that the expenses incurred generally were for objects of general and public utility. After consulting the Law Ministry, the Board took the view that the surplus arising from the Construction Service would be exempt from tax under the Income Tax Act, 1961 also subject to the restrictions imposed under section 11 of the Act. The Commissioner was informed accordingly in August, 1964. Thereafter, the Commissioner wrote to the Bharat Sevak Samaj in September, 1964 enclosing an exemption certificate under Section 11 of the Act of 1961 and calling for the accounts of the Samaj. These accounts have not yet been produced.

On an examination of the various materials placed before the Committee relating to the exemption from tax granted in respect of the profits from contracts executed by the Bharat Sevak Samaj, the Committee cannot escape the feeling that the fact that the Bharat Sevak Samaj was engaged in a commercial activity on a large scale was first lost sight of by the Income Tax Department for more than seven years and that when the Planning Commission was obliged to approach the Ministry of Finance for issue of tax clearance certificates on the basis that no tax was payable by the Samaj or any of its agencies, the Ministry had displayed an undue anxiety to declare the Samaj as a charitable institution without calling for and looking into the account books of the Samaj and even without examining properly and adequately the legal implications of the provisions relating to the charitable institutions in the Income-tax Act, 1961. The reference made to the Ministry of Law in 1964 was more full of assumptions than a clear examination of the true facts and the Law Ministry guardedly gave the opinion that on the facts stated by the Ministry of Finance, the view could be supported that the Bharat Sevak Samaj was a charitable institution.

75. As far as it has been possible for the Committee to gather the materials the facts appear to be as follows:—

The Bharat Sevak Samaj was formed on 12th August, 1952 with certain objects, principles and functions and was registered as a Society under the Societies Registration Act (XXI of 1860) on 17th December, 1952. Immediately on its formation the Bharat Sevak Samaj desired to seek donations and for that purpose it approached the Central Board of Revenue in October, 1952 for issue of a certificate stating that any person making a donation to the Bharat Sevak Samaj would get a rebate of tax on such donations under section 15-B of the Income-tax Act, 1922.

The following decision was recorded in the Ministry:

“The Samaj is undoubtedly an organisation for general public utility and to the extent funds are collected for the non-local activities of the Samaj they would come within the scope of section 15-B as at present applied. Before, however, orders can issue, we should have an assurance that accounts are maintained separately for the local and larger activities of the Samaj and that funds which get the benefit of section 15-B are applied for latter purpose only.”

Presumably such an assurance was obtained and the requisite letter was issued on 3rd March, 1953 authorising the relief mentioned in section 15-B in the case of persons making donations to the Bharat Sevak Samaj. The issue of this letter only means that the Board were satisfied on general principles that the activities of the Bharat Sevak Samaj were generally in accordance with the conditions of section 4(3) (i) of the Income-tax Act, 1922 so that any donation made to it would get the relief under section 15-B of the Income-tax Act. This order by itself, however, did not absolve the I.T.O. concerned from the responsibility cast upon him to call for the accounts of the Samaj and examine them properly to satisfy himself that the conditions laid down in section 4(3) (i) were, in fact, satisfied in respect of each assessment year. In any case, at the time these orders under section 15-B were issued the Bharat Sevak Samaj had not started the Construction Services and its income consisted mostly, according to the information given to the Committee, of Government grants and donations. Having regard to these facts, the explanation offered in the note submitted by the Ministry that in view of the issue of the notification under section 15-B of the Income-tax Act there was no occasion for the Income-tax Department to make any assessment on the Bharat Sevak Samaj under the old Act, is not acceptable. It was only in January, 1955 that the Bharat Sevak Samaj entered a new field of activity, namely, taking up contracts of construction works. Initially, these contracts were executed by the Samaj itself, but later on, owing to the expanding volume of such activities a separate agency called the Bharat Sevak Samaj Central Construction Service, with a defined constitution was set up in 1958 for handling these construction works. The Constitution of this Construction Service sets out a separate set of objectives, functions and a separate set of provisions relating to its structure, administration and funds. This Construction Service is to be administered by a Central Advisory Committee and a Central Managing Committee consisting of persons appointed by the President and the Administrative Committee of the

Bharat Sevak Samaj. The earnings arising from the construction works, under the constitution, are to be placed in a general fund after making provisions for various reserves. This general fund is at the disposal of the Administrative Committee of the Bharat Sevak Samaj. The allocations for reserves are as follows.

- (i) 25% to be set out as an All India Reserve;
- (ii) 25% to be retained for acquiring equipment and use as working capital by the Central Service or the Pradesh Branches;
- (iii) 25% to be made available for the activities of Central Organisation of the Bharat Sevak Samaj; and
- (iv) 25% to be made available for the activities of the Pradesh branches and the benefit of the local community.

The question that has troubled the Committee a good deal in the course of discussions was whether the Construction Service has no separate existence and is merely a convenient name to designate that part of the activity of the Bharat Sevak Samaj relating to construction works. The witness appearing before the Committee were not quite clear on this point though it is of vital importance for purposes of determining the question of exemption.

In the note submitted to the Committee by the Ministry, the Construction Service is referred to as a "wing of" the Bharat Sevak Samaj. In a letter addressed by the Planning Commission to the Ministry of Finance on 24th October, 1962. (Appendix XLI) it is stated that the Samaj "in furtherance of its objectives constituted the Bharat Sevak Samaj Construction Service and laid down regulations to govern the working of the Construction Service." In a letter addressed by the Income-tax Adviser of the Bharat Sevak Samaj on 27th December, 1963 to the Commissioner of Income-tax (Appendix XLIV) it was claimed that the Construction Service is not a branch or a separate entity by itself but is merely one of the activities of the Bharat Sevak Samaj.

To top it all the Ministry of Finance in its note to the Law Ministry (Appendix XLIII), have stated that the Construction Service is a property held under trust by the Bharat Sevak Samaj for charitable purposes. The Committee are unable to find any material to support this assumption, nor has the Committee been assisted in the course of the evidence given by the Ministry's officials in finding out the true nature of this Construction Service.

However, examining the issue from each of these two positions, the Committee are of the view that the legality of exempting the profits from construction works under the Income-tax Act 1961 is open to doubt. If the Construction Service is merely a part of the activities of the Bharat Sevak Samaj pursuant to its objectives, the Samaj will not be eligible for the exemption provided under section 11 of the Income-tax Act 1961 because of the altered definition of "charitable purpose" in the new Act. Under the new Act, it is not every object of general public utility which will be regarded as a charitable purpose but only those objects which do not involve the carrying on of an activity for profit. [See S. 2(15)].

In the opinion given by the Counsel for the Bharat Sevak Samaj (Appendix XLII) it is stated that this qualification in the new Act, did not in any way alter the meaning and content of the definition and merely expressed what was implicit in the definition under the old Act. This view does not appear to the Committee to have been based on a correct appraisal of the intention of the Parliament.

When this definition was enacted, Parliament did not mean to bring out what was implicit previously but definitely intended to restrict the scope of the charitable purposes only to those objects which did not involve any activity for profit. This is clear from the following extract of the speech of the Finance Minister while piloting the Income-tax Bill in the Rajya Sabha on 4th September, 1961:

"I shall now turn to another objection which has been raised questioning the necessity, in order to carry out Government's intention of adding the words "not involving the carrying on of any activity for profit" in clause 2(15). The definition of charitable purpose in section 4(3)(i) of the existing Act was originally based on the definition given by Lord Macnaghten in what is known as the Pemsel case. He defined 'charitable purpose' as relief of poverty, advancement of education, advancement not falling under any of the preceding heads. But the Indian definition was wider in that the words 'the advancement of any other object of general public utility' took the place of the words 'other purposes beneficial to the community' used by Lord Macnaghten. The effect of these was that trusts which were not in essence charitable and would have been excluded from the purview of charitable objects in England were allowed to be considered as objects of general public utility in India. The process of widening the scope of charitable purpose was aided by another doctrine evolved by the courts that it

is not a necessary element in a charitable purpose that it should provide something for nothing or less than its cost or for less than the ordinary price, that is, the charitable element is not essential for a charitable purpose. Thus, running a newspaper itself was claimed to be a charitable object of general public utility even though a newspaper charged its readers and advertisers at the ordinary commercial rates. This was the law laid down in the case of Trustees of the 'Tribune' referred to by Shri Pathak. By gradual stages, a trust for the maintenance of a public swimming pool and a Chamber of Commerce deriving income from house property claimed as charitable institutions on the ground that their services are for the advancement of an object of general public utility. A logical extension of this would be for a hotel to argue that it caters to the general public without any distinction of caste or creed and, therefore, it subserves an object of general public utility. It is certainly not the intention that the expression "advancement of any other object of general public utility" should cover cases of such a commercial activities and should lead to these activities themselves being treated as 'charitable activities'. It was, therefore, necessary to state it clearly in the law that any activity for profit shall not in itself be regarded as a charitable purpose." (R.S. Debate dated 4-9-61. Columns 2925-2926).

He also stated:—

"Clause 2(15) says that the trust having derived its income from the business or the investment should spend it only on the purposes mentioned in that provision and not on furthering business interest. Thus if a newspaper undertaking is placed under a trust and the income of the undertaking is required to be spend and is actually spent on, say, medical relief, its income is exempt from tax. However, if after earning the income it does nothing but develop or carries on its business or the income is spent on some other utilitarian purpose, it does not qualify for the exemption." (ibid Col. 2925).

From the foregoing it seems clear that if the profits or any portion of it arising from the construction activity are spent on the construction activity itself, the purpose ceases to be charitable. From the
1 (Aii) L.S.—9.

Facts narrated in the preceding paragraphs it is clear that the construction activity itself is claimed to be a charitable activity pursuant to the objects of the Samaj and therefore the money spent on this activity has been claimed to be money spent for charitable purposes. This claim does not appear to be sustained by the definition of charitable purpose as set out above.

Apart from this, even as regards that portion of the earnings which is placed in the general fund for being spent on purposes other than the construction work, such amounts will qualify for exemption only if the income is derived from property held under trust or a business undertaking held under trust for charitable purposes. Whatever may be the position of Construction Service under the old Act, under the new Act a distinct classification is made between property held under trust and a business undertaking held under trust. The Construction Service may, more appropriately, be regarded as a business undertaking.

Even assuming that the income derived from this business undertaking is under the legal obligation implied from the registration of the Bharat Sevak Samaj under the Societies Registration Act to be spent on charitable purposes, no exemption can be given unless:

- (i) there is a claim for such an exemption; and
- (ii) the Income-tax Officer determines the income of such undertakings in accordance with the provisions of the Income-tax Act (by calling for accounts etc.) and where the income so determined is in excess of what is shown in the accounts, such excess shall be chargeable to tax.

It is implied in these conditions that such a claim has to be made and such an examination has to be conducted every year so that if in any particular year either the income is not applied to charitable purpose or the income determined is in excess of income shown in accounts, necessary action to bring such amounts to tax is taken.

In this case, these conditions have not been complied with and yet the exemption was given not only for the year in respect of which the Bharat Sevak Samaj asked for the tax clearance certificates but also in respect of the earlier years as well.

If the Construction Service is held to be a separate entity which because of its separate constitution, objects and powers it appears to be, not all the objects set out by it in clause 4 of its objectives come within the legal meaning of charitable purpose vide for example objects (iii) and (v). Even if one object is non-charitable and if the

income of the institution or trust can be spent on any one of the objects at the discretion of the persons managing the institution or the trustees as the case may be, the institution ceases to be a charitable institution under the law. In this connection the Committee would like to invite attention to the following decision taken by the Planning Commission in its meeting held on 27th August, 1963, about loan assistance to voluntary organisation for the construction of commercial buildings:

“The main object of the scheme was to assist the voluntary organisations to have an independent permanent recurring source of income and thus reducing their dependence on Government Grants.”

Apart from this, Construction Service itself has not been registered under the Societies Registration Act and hence there is no legal obligation on its part to spend all its income on the charitable objects.

Thirdly, the Construction Service has to place its funds at the disposal of the Administrative Committee of the Bharat Sevak Samaj after allocating the money to its own reserves for purposes of being spent on the expansion of its activities. The Construction Service has, thus, no control over the funds which it hands over to the Administrative Committee and thus is not in a position to ensure whether the money is spent on charitable purposes as known to law.

All these would disentitle the Construction Service to be regarded as charitable institution.

Although the Construction Service was started in 1955, the Income-tax Department did not take any steps to ascertain the nature of the activities of the Construction Service for the purpose of finding out the assessability or otherwise of the income till 1962 when the Planning Commission and the Bharat Sevak Samaj were obliged to approach the Department for a tax clearance certificate. The actual certificate was issued somewhere after August, 1964. In each of these years from 1955 to 1964, the Income-tax Officer should have called for the account books of the Construction Service. The reason for the failure to do so is not clear to the Committee.

Further, the whole procedure adopted in this case for issue of a tax clearance certificate appears to the Committee to be rather extraordinary. Normally, when any person requires a tax clearance certificate he has to approach the Income-tax Officer having jurisdiction over the area in which that person resides or carries on business for the issue of the certificate. The Income-tax Officer issues such a certificate after verifying whether all taxes that are due from the tax-payer have been paid or whether satisfactory arrangements have

been made for the payment of such taxes. If the assessee is not borne on the file, the Income-tax Officer calls for the accounts, scrutinises them to find out whether any tax is payable on the income earned by the assessee. If it is found that the assessee has earned chargeable income, the assessment proceedings are immediately started and only on completion of such assessment proceedings or on the assessee furnishing adequate security for the payment of tax likely to arise as a result of the completion of the assessment proceedings, the tax clearance certificate is issued. In this particular case, admittedly the Bharat Sevak Samaj or the Construction Service were unable to produce the accounts and they adopted the rather extraordinary procedure of writing to the Central Board of Revenue seeking its intervention for issuing instructions to the Commissioner of Income-tax to grant the tax clearance certificate on the ground that the Samaj would not be liable to pay income tax for the profits accruing to it from the Construction Service. When the Commissioner of Income-tax was asked by the Central Board of Revenue to report on this request, the Commissioner of Income-tax informed the Board in September 1963 (Appendix XLV) that it cannot be said with certainty that the Construction work itself is held under "Trust" simply because the Construction Service has been sponsored by the Bharat Sevak Samaj. However, he was directing the issue of the tax clearance certificate pending final decision in the issue raised by him. In October 1963, the Board asked the Commissioner of Income-tax to give a further report and his specific finding on the facts of the case. In reply to this he informed the Board in January, 1964 (Appendix XLVI) that he was satisfied that the Bharat Sevak Samaj was a charitable institution.

On the basis of this report from the Commissioner and on the basis of an incomplete statement of receipts and expenses which did not reflect all the transactions of the Construction Service, and which were unaudited, the Board came to the decision that the Construction Service was a property held under trust. The Committee cannot but express surprise at the way the normal procedure had been deviated from in this case and a decision arrived at based on incomplete and inadequate data.

76. The Committee find from the letter from the Commissioner of Income-tax, Delhi & Rajasthan to the Secretary, Central Board of Revenue, dated the 11th September, 1963 (Appendix XLV) that "the tax clearance certificate has, however, been directed to be issued pending final decision in the matter." In the same letter he had also raised the point "the question now is whether the Samaj is liable to tax on such surplus as may accrue from construction works which

it has been undertaking from time to time." The Committee also find from the endorsement to the Central Board of Direct Taxes, letter No. 20/38/62-IT(AI), dated the 27th August, 1964 (Appendix XLVII) wherein it has been stated:

"It appears that the 'construction service' is a property held under trust by the Bharat Sevak Samaj for charitable purposes. It has, therefore, been decided that the surplus arising from the construction service of the Bharat Sevak Samaj will be exempt from tax under section 4(3) (i) of the Income-tax Act, 1922/under Section 11 of the Income-tax Act, 1961, subject of course to the restrictions regarding accumulation referred to in Section 11 of the Income-tax, 1961."

What the Committee are unable to understand is how tax clearance certificate could be directed to be issued in September, 1963 when the audited accounts had not been submitted and when the question whether the Samaj was liable to tax on such surplus as might accrue from construction works had not yet been decided. Moreover, the Ministry of Finance (Dept. of Revenue) in their note (Appendix XL) have stated that "the Income-tax Officer will now verify whether the requirements of law in other respects are satisfied or not. Accordingly, steps are already being taken to obtain the audited accounts of the Samaj for ascertaining the application of its income." The Committee do not appreciate this departure from normal procedure, in issuing tax clearance certificate, even before satisfying whether the requirements of law are satisfied or not.

In these circumstances the Committee suggest that the Board should immediately call for the accounts and satisfy itself that on the facts emerging from the examination of such accounts, all the requirements of the law are, in fact, fully and completely satisfied to earn the exemption in respect of every one of the assessment years involved.

As the Bharat Sevak Samaj has not so far produced the accounts, the Committee would suggest that pending production of the accounts the tax clearance certificates may be withdrawn. If on an examination of the accounts it is found that no tax is recoverable from the Samaj, the tax clearance certificates may be re-issued.

X

GENERAL

77. In the course of evidence the Committee desired to know from the Secretary, Planning Commission whether it was within the scope of the functions of the Planning Commission to administer the grants to organisations like the Bharat Sevak Samaj. He replied that public co-operation was part of Plan implementation by associating the public and giving them a better awareness of the Plan. It was felt that since the matter covered a generality of subjects, perhaps Planning Commission was in a better position to give some kind of shape to the movement of public cooperation. The Planning Commission had also taken upon themselves the implementation of rural works programme, local works programme concerning rural sector, and a certain amount of initiative with regard to prohibition was also taken. In some of these items, B.S.S. helped partly. Referring to the Resolution of Government of India [No. 1-P(C)50, dated 15-3-1950 of Cabinet Secretariat] setting up the Planning Commission, the Secretary, Planning Commission urged that the method and means for securing public co-operation should be one of vital concerns of any planning body and determination of the nature of the machinery which would be necessary for securing the successful implementation of each stage of the Plan in all its aspects should be one of the legitimate activities of the Planning Commission.

The Committee are not convinced with the arguments given by the Secretary, Planning Commission that it was within the scope and functions of the Planning Commission (a) to have set up an agency like the Bharat Sevak Samaj, and (b) to have given grants/loans/other facilities to that body from year to year. They feel that work of this nature should more appropriately have been entrusted to one of the Ministries of the Government of India.

78. The Committee enquired whether there was a possibility of voluntary organisations charged with the task of implementation of development projects escaping the financial and other controls to which normal Government agencies were subject. The Secretary, Planning Commission replied "Most certainly".

Asked whether, if the Bharat Sevak Samaj was to be utilised as an agency charged with the task of implementation of some projects, it should not be subject to all the rules, financial or otherwise, the representative of the Planning Commission replied in the affirmative. He, however, added that the Samaj have had a little more freedom than what the public enterprises had got, and claimed that so far as constructional activities were concerned, the record of the Bharat Sevak Samaj "could be looked upon as quite commendable."

Asked about the reasons for the Planning Commission getting itself heavily involved in the working pertaining to Bharat Sevak Samaj, the Secretary, Planning Commission stated that, where some pioneering work was to be done e.g. rural works programme, the thinking in the Planning Commission was that because of its relationship with the States and because of the comprehensiveness of the Programme which would run into activities of several Ministries, the Planning Commission was perhaps in the best position to give a push to the idea of public co-operation through the Bharat Sevak Samaj and other non-official organisations. During the course of years, the work had become large and a view could be taken as to which would be the most appropriate Ministry to undertake the responsibility for public co-operation. The Committee desire to know why and under what authority an executive task was undertaken by the Planning Commission, when it was not an executive body. It was stated that the Commission's Panel on Social Welfare in January 1951 approved the proposal to set up the Bharat Sevak Samaj, a non-political and non-official voluntary organisation for making the best use of the hitherto untapped energy and resources of the people. The Planning Commission endorsed the proposal. The constitution of the proposed Samaj was considered by the National Advisory Committee on Public Co-operation and the Samaj was then set up in 1952. The witness added that "there is a decision that certain administrative responsibilities in respect of public co-operation should be taken over by the Planning Commission." There were other items also of pioneering nature, like the rural works programme, the local development works, prohibition, peace corps etc. He further added that, just because some sort of pioneering work had to be done and the coverage of the subjects was so large that it would not fit in with any Ministry, the Planning Commission must have felt that it was in the best position to give a shape to the programme.

The Committee desired to be furnished with a copy of the Resolution/Order of the Planning Commission setting up the Bharat Sevak

Samaj and provisions regarding giving of grants to that body. A note on the subject has been furnished (Appendix VIII, para 3).

Asked about the authority for the Planning Commission to grant loans to the Bharat Sevak Samaj, the Secretary, Planning Commission stated "as soon as the Planning Commission takes the responsibility of looking after the B.S.S., it follows that whatever transactions have to be done, will be under the charge of the Planning Commission. Therefore, that does not call for any Resolution. It follows from the discharge of their responsibility. Then the specific question arises. Whenever some specific facilities are to be given, they have to be given with the concurrence of the appropriate Ministry and the Ministry of Finance. Ministry was approached whether it should be permissible to give advances and loans to the Bharat Sevak Samaj."

Asked about the authority governing the Planning Commission's taking a special interest in the Bharat Sevak Samaj, Secretary, Planning Commission stated that in para 7 of the Resolution dated 15th March, 1950, constituting the Planning Commission the question of public co-operation, was specifically mentioned. In terms of operation, the Planning Commission was specially asked to look into the method and means of enlisting public co-operation. The Committee wanted to know if it was envisaged in that Resolution that the Commission would be almost directing constructional activities of the Bharat Sevak Samaj. The witness replied in the affirmative and stated 'when this Resolution was considered, when it came to the Social Welfare Panel, it was felt that it was a recommendation of the Social Welfare Panel that this is the way you can give shape to this'. He added that there was a specific recommendation of the Panel that in view of the generality of the functions, the Planning Commission was the most appropriate body to be in charge of this work.

The idea about setting up the Bharat Sevak Samaj took shape and was sponsored in the Commission; it derived strength from the Commission at whose intance facilities, concessions and financial assistance in the shape of grants and loans have been allowed to it till that body has developed into a huge organisation which is sustained mainly by the loans and grants given from the public exchequer.

The Planning Commission, being a Government Organisation whose accounts and finances are subject to proper scrutiny, is subject to normal rules and procedures and financial discipline and is finally accountable to Parliament. But the Bharat Sevak Samaj has not so far been subjected to the control required to be exercised by the Ministries and Departments of Government which give it large grants

and loans and unusual concessions; its consolidated accounts which alone could give a complete and overall financial position are not prepared; the complete accounts are not brought under the audit scrutiny of the Comptroller & Auditor General of India though the transactions run into crores of rupees. According to present indications the transactions of the Construction Service itself may run into Rs. 90 crores by the end of the Fourth Plan.

The Committee have not, inspite of their best efforts, been able to place the Bharat Sevak Samaj in any known category of organisations. It is stated to be a private society registered under the Societies Registration Act, but its most important office-bearers have been Ministers of the Union Government and several of Government officers have been sent on deputation to that Organisation. It is not a Government Organisation and yet it is considered under Government orders as "a limb of the Planning Commission"; it is given facilities in constructional activities which are not available to Govt. Corporation like the N.B.C.C. and N.P.C.C. and Hindustan Housing Factory Ltd.; the case for exempting it from the payment of income-tax is sponsored by the Government itself; it earns profits which are exempt from tax and which are claimed to be spent for the benefit of the Community.

While the Committee are in entire agreement with the philosophy and economics behind the scheme for voluntary co-operative organisations for public co-operation, they cannot view with equanimity the dimensions to which the Bharat Sevak Samaj is dependent on Government assistance in the shape of loans and grants and other facilities. In this connection the Committee would again invite attention to the following decisions taken by the Planning Commission themselves in their meeting held on the 27th August, 1963:—

"The main object of the scheme was to assist the voluntary organisations to have an independent permanent recurring source of income and thus reducing their dependence on Government grants."

The Committee would also like in this connection to quote *in extenso* from the observations made by the Chairman at the meeting of the National Advisory Committee on Public Co-operation held on 27th and 28th August, 1960:—

"Chairman said that the question of enabling voluntary organisations to have an adequate administrative structure was very important. It was good that Finance Minister was also there when they were discussing this question. They should not approach this question from the point of

view of doing something for the sake of voluntary agencies. Instead they should realise that in our country voluntary activity, service and public participation had to be mobilised on a scale which was incomparable to what was now obtaining, for the overall purpose of implementing the programme of national development. The paramount question was how this could be accomplished? If giving grants to voluntary agencies was likely to have a depressing effect, then the very object would be defeated. But, on the other hand, meeting a certain proportion of the expenditure by way of grants or some help, for a temporary period, was considered to be useful in securing the overall objective, then, that could be considered favourably. His own experience in trying to raise contributions for the Bharat Sevak Samaj was that small contributions that could be raised by these were insufficient to keep pace with the expansion of the activities and the growing needs to have some full-time workers. Most of the voluntary workers developed a feeling that all their time was being utilised in raising contributions. The result was that their work of mobilising the people suffered. They should, therefore, approach this question from the point of view of how far and to what period, some kind of assistance might be extended to voluntary organisations to tide over the initial difficulties, without in any way creating in them a feeling of dependence on government grants. Whatever might be the quantum of assistance, it should be only for a period and the proportion also should not be large."

The Committee are in agreement with the above views expressed by the Chairman of the National Advisory Committee on Public Co-operation that whatever might be the quantum of assistance given to a voluntary organisation, it should be only for a limited period and the proportion also should not be large. The Committee are doubtful whether these two criteria have been made applicable to the Bharat Sevak Samaj. The history of that organisation during the last 12 years would indicate that its dependence on government grants/loans/other facilities has been increasing instead of diminishing. The character of that organisation has also somewhat changed since it started undertaking construction activity with the object of 'making profit'.

Several witnesses deposed before the Committee that the Bharat Sevak Samaj has several achievements to its credit in the field of enlisting public co-operation in various activities. The Committee have

no intention of underestimating these achievements. They have, however, found that several claims made on behalf of the Bharat Sevak Samaj could not be fully justified by facts and figures.

The Committee cannot overlook the anomalous situation created by the continued assistance given to the Bharat Sevak Samaj from the various government sources viz. that on the one hand, it is given year after year (i) assistance from the public exchequer in the shape of huge grants/loans (ii) government accommodation, either free of rent or at concessional rent (even when there is continued shortage of accommodation for government requirements) (iii) loan of technical government personnel on deputation, and (iv) several other facilities which are not available to government corporations like the N.B.C.C. etc. On the other hand, this organisation is not under any financial discipline; (i) it has not prepared consolidated accounts for any year since its inception, with the result that a clear picture of its overall financial position is not available. (ii) its annual accounts are not subject to scrutiny by the C.&A.G.; (iii) its activities are not subject to overall by any government machinery; and (iv) parliamentary control over the huge funds placed at its disposal from the Consolidated Fund of India is feeble. In order to resolve this anomalous situation and in view of the task proposed to be allotted to the Construction Service of the Bharat Sevak Samaj in Fourth Plan, the Committee are of the view that it is desirable to convert the Bharat Sevak Samaj into an organisation set up under a separate legislation with clearly defined objectives with the required flexibility in its day to day working, and obligation to prepare consolidated annual accounts and their audit by C.&A.G.

The Committee would, however, like that in the meanwhile, the following suggestions should be implemented:

- (1) In view of the large transactions and the amounts of Government funds made available to the Bharat Sevak Samaj, preparation of consolidated annual accounts duly audited by C.&A.G., giving an overall financial position of the organisation should be insisted upon.
- (2) Here, the Committee would like to reiterate the following observations made in para 51 of their 8th Report (3rd Lok Sabha):

“It would be advisable for the Government to lay down certain broad and healthy conventions and formalities to be observed by persons holding high official position when they are either participants or patrons of non-

official organisations which have any financial dealings with the Government."

In this connection the Committee are of the view that in order to set up healthy conventions and traditions in administrative and financial matters, it is desirable to lay down that:

- (i) **No Minister of the Central Government should be associated with a private organisation which enters into contracts with Departments of Central Government.**
- (ii) **Same principle should normally apply in the case of private organisations receiving grants. If any exceptions are to be made they should be made only with the approval of the Cabinet in very special cases.**

The Committee suggest that these points may be suitably incorporated in the Code of Conduct for the Ministers.

- (3) **Now that the work relating to Bharat Sevak Samaj and other non-official organisations relating to public co-operation has increased considerably it should be considered if the work should not be dealt with by an Executive Ministry of the Government instead of by the Planning Commission.**
- (4) **The Public Accounts Committee had recommended in para 69 of their 34th Report (2nd Lok Sabha) that an early decision should be taken on the question of channelising all the grants given by Government to the Bharat Sevak Samaj through a single Ministry. Details showing action taken in the matter have been furnished in reply to questionnaire, para X (Appendix I). The Committee, however, feel that in view of the facts disclosed and the opinion expressed by the Secretary, Ministry of Information and Broadcasting, the question needs to be re-examined.**
- (5) **An annual review containing an independent evaluation on behalf of Government of the work done by voluntary organisations which receive substantial grants-in-aid from Government should be made in future and included in the Annual Reports of the Ministries presented to Parliament.**
- (6) **The Committee have also been informed in the course of evidence that the Secretary of the National Advisory Committee on Public Co-operation in the Planning Commission was also in a way connected with the work of Bharat Sevak Samaj. The Committee has been furnished**

with copies of the minutes of the meeting of the National Advisory Committee on Plan Co-operation of the Planning Commission held during the last four years. The Committee find that during this period only one meeting was held on 22nd November 1961, after the earlier meeting held on the 27th and 28th August, 1960. The Committee note that in para 17 of Chapter VIII of the First Five Year Plan it has been stated that:

'the National Advisory Committee, which is representative of different sections of opinion in the country, is expected to:

* * * * *

- (3) receive reports from the Central Board of the Bharat Sevak Samaj and consider such specific matters as may be referred to it for advice by the Central Board; and
- (4) make suggestions and recommendations to the Central Board of the Bharat Sevak Samaj on matters of policy and on programmes relating to public co-operation'.

The fact that the National Advisory Committee did not meet after 22nd November, 1961, would seem to indicate that two specific functions allotted to it viz.

- (i) to receive reports from the Central Board of the Bharat Sevak Samaj and consider such specific matters as may be referred to it for advice by the Central Board; and
- (ii) to make suggestions and recommendations to the Central Board of the Bharat Sevak Samaj on matters of policy and on programmes relating to public co-operation,

were not carried out adequately.

NEW DELHI;
The 31st March, 1965.

Chaitra 10, 1887 (Saka).

R. R. MORARKA,
Chairman,
Public Accounts Committee.

APPENDICES

APPENDIX I

PLANNING COMMISSION

(BHARAT SEVAK SAMAJ)

(Vide O.M. No. 9(20)/64-PVB, dated 14-1-65)

Notes on List of Points

Grants Given to the States

CENTRAL GOVERNMENT AUDIT REPORT (CIVIL) 1964

(See Para 2 Introduction and paras 30, 49, 59, 78)

(Part I) Para 86, Pages 106-107 of Audit Report (Civil) 1964.

It has been stated in the Audit para that it has not been possible to compare the grants given to the Bharat Sevak Samaj by Government with the amounts which the Samaj is raising by its own efforts, or grants from other sources for the same purpose, as no consolidated accounts are being maintained by the Samaj.

The grants given by the Planning Commission to the Bharat Sevak Samaj are utilised in creating a cadre of workers who are specially trained in organising activities on a self-help basis. For such activities, the entire resources are being raised locally and the Planning Commission does not give any grant for them. The question of matching contribution, therefore, does not arise. Organising these activities on a self-help basis requires considerable effort and application in the area where the Kshetras are functioning. It thus becomes necessary that such workers should be given suitable training, duly equipped with simple tools for Shramdan activities and given a minimum maintenance allowance. The local contributions that are raised in the form of cash, kind and services are utilised by the workers for organising such activities for which there is a local need. As a result of such pilot experimentation, pattern for individual activities have emerged out which are largely based on self-help and are being multiplied extensively to other areas for the good of the community at large. The assessment of the working of the programmes indicates that this approach has resulted in a large number of activities being organised on a self-help basis, which otherwise would have been required to be financed by the Government. The activities organised are balwadies libraries and reading rooms, adult education classes, coaching classes for weak students, craft centres for women,

dispensaries, repair or construction of roads, school buildings, drinking water wells, tanks and ponds, digging drains, repair of dilapidated houses, health and sanitation drives, production-cum-training centres, consumer cooperatives stores and industrial cooperatives.

Part I

QUESTION (1): *Will the Planning Commission please furnish the details of the amounts raised by the Samaj since 1952 by its own efforts and the amounts given to them as grants by the various States (State-wise)?*

Answer:

The Bharat Sevak Samaj is a body registered under the Societies Registration Act, 1860. It is a non-official voluntary organisation engaged in multifarious activities which concern different Central Ministries and the State Governments. This organisation is neither functioning under the control of the Planning Commission. The Planning Commission, therefore, is not in a position to furnish any information in regard to the grants given to the Samaj by the various States. The administrative responsibility of grants/loans given by the State Governments rests with them. The activities for which the State Units of the Bharat Sevak Samaj receive grant-in-aid from the State Governments, they render the accounts therefor to the State Government concerned, who would be satisfying themselves about their audit etc. If there are any audit paras on account of some irregularities in the accounts etc., the same would naturally be dealt with by the Public Accounts Committees of the State Legislatures concerned.

QUESTION (2): *Has any condition been prescribed for the Samaj to collect a matching amount before a grant can be given by Government?*

QUESTION (3): *If so, has this condition been observed. If not, under what circumstances it had been waived?*

Answer:

As already mentioned above in the introductory para (1) above the grant given by the Planning Commission is limited for the maintenance and training of the workers. So far as the activities are concerned, the entire resources have to be raised locally and the Planning Commission does not give any grant for them. The question of prescribing any condition of matching contribution for the activities, therefore, does not arise.

The test of the success of the programmes lies to what extent the activities have been organised on a self-help basis. It will appear from the reply under para (1) that a large number of activities have been successfully organised with local resources.

In the case of Urban Lok Karya Kshetras, the Bharat Sevak Samaj is required to meet 50 per cent of the expenditure incurred on the rent of the office and the community tools. The Samaj have so far met their share of the matching contribution. Therefore the question of waiving of the same has not arisen.

Consolidated Accounts of the Samaj

Part II

The Planning Commission had informed Audit in October 1963, that the Samaj was being advised to maintain consolidated accounts showing the overall financial position.

The Central Bharat Sevak Samaj have accepted the advice of maintaining a consolidated statement of accounts in respect of grants received by them from Planning Commission and the Central Ministries. The Consolidated Statement of Accounts together with progress Report* for the year 1962-63 is attached (Annexure).

QUESTION (1): *What is the present position? Are the Consolidated accounts being maintained now by the Samaj?*

Answer:

The Bharat Sevak Samaj have prepared a consolidated statement of accounts as mentioned above.

QUESTION (2): *Are the accounts of the Samaj regularly audited? If so, the copies of audit reports for the last three years may be furnished; if not, the reasons for the same may be indicated.*

Answer:

During the three years, 1960-61, 1961-62 and 1962-63 the Bharat Sevak Samaj received grants-in-aid for the following activities from the Planning Commission:—

- (i) Lok Karya Kshetras in rural & urban areas.
- (ii) Lok Karya Kshetras (Nasha Bandi).
- (iii) Lok Karya Kshetras training centres at Mehrauli (Delhi).

*Not enclosed. Five copies placed in Parliament Library.

The accounts of all the above activities relating to Government grant-in-aid are regularly audited every year by firms of Chartered Accountants, on the authority of which the Planning Commission furnish utilisation certificates to Audit. Copies of the audit statement of accounts for all the above activities for the years 1960-61, 1961-62 and 1962-63 are placed below. (*Not Printed*).

QUESTION (3): *When were the accounts last audited and with what results?*

Answer:

The accounts of the Bharat Sevak Samaj for all the activities, listed in reply to question (2) above, have already been audited upto the year ending 1962-63. Reports of the firms of Chartered Accountants of the last three years are already placed below as mentioned in reply to question (2) above.

Annexure to Part II
BHARAT SEVAK SAMAJ, NEW DELHI

Consolidated Receipts & Payments Account for the Sections receiving Grants-in-aid for the year ended 31 March 1963

	Rs.		Rs.	Rs
To Opening Balance		1. By Opening Balances		
		(Jan Jagran Section)		1,60,650.55
a) Cash-in-hand		2. By Remittances to the States		
i) Works Camp Section	50.00	Units for expenses		
ii) Lok Karya Kshetras Section	41,262.07	i) R.C.C.S. for Works Camp		
iii) Jan Jagran Section	2,235.85	(Net)	4,74,789.32	
iv) Training Centre	1,827.00	ii) R.C.C.S. for Family Planning		
v) G.A. Section	30.00	Capps (Net)	95,098.07	
		iii) L.K.K. (Urban) Net	2,65,787.00	
		iv) Welfare Extensions Projects		
		(Net)	1,62,520.01	
b) Balances with Banks		v) Night Shelters	50,261.37	10,48,455.77
i) Works Camp Section	85,805.26	3. By Expenses at States Units		
ii) Social Welfare (Urban L.K.K.)	10,547.00	i) L.K.K.	6,47,509.99	
iii) " " (Night Shelter)	34.06	ii) Mass Contact (Jan Jagran Sec.)	1,48,617.92	
iv) Jan Jagran Section	31,925.29	iii) Cultural activities (" ")	65,464.98	
v) Training Centre	83.45	iv) Plan Information Centre		
vi) G.A. Section	397.18	(Jan Jagran Section)	56,937.82	
		v) Jan Schyog Kendra		
		(Jan Jagran Section)	3,637.81	
c) Other Balances		vi) Training Centre	74,124.51	9,96,293.03
i) Works Camp Sec. (Advances		4. By Expenses of the Central Office		
recoverable)	189.21	for the activities of the Samaj		
ii) Lok Karya Section (Balance		i) Bharat Sevak Journal		
with Kshetras)	91,868.47	(Jan Jagran Section)	90,194.60	
iii) Lok Karya Section (Sundry		ii) Brochures (Jan Jagran Section)	26,571.60	
Advances)	51,611.02			
iv) Jan Jagran Section (Amount				
recoverable)	73,665.36			
v) Jan Jagran Section (Amounts				
for which Kendras had to re-				
render a/c less cr. balances)	10,355.67			

vi) Jan Jagran Section (Amounts for which Pradesh Conveners had to render account)	13,449·73	2,41,139·46	iii) Bulletins (Jan Jagran Section)	28,162·10	
2. To Grants-in-Aid			iv) Mass Contract & Plan Inf. Centre (Jan Jagran Section)	20,396·05	
i) From M. of Education for Work Camps	5,37,042·00		v) Seven Point Programme]	4,521·16	
ii) From Planning Commission for L.K.K. (Rural)	6,51,600·00		vi) L.K. Kshetras	15,775·13	
iii) From Planning Commission for L.K.K. (Urban)	2,85,300·00		vii) Orientation Training Course	2,402·69	1,98,023·33
iv) From M. of Health for Health & Family Planning	1,20,000·00		5. By Organisational Expense at the Central Office		
v) From Planning Commission for Training Centre (Past grant released by the B.S.S. Central Office)	75,699·84		i) Work Camp Section	65,661·44	
vi) From Planning Commission for Orientation Training Course	5,000·00		ii) Health & Family Planning Sec.	10,467·60	
vii) From M. of I & B for Jan Jagran Section	4,02,914·48		iii) Social Welfare, Non-official] Prices Intelligences & Consumers Co-operative	8,834·66	
viii) From Social Welfare Board for Welfare Extension Projects (Urban)	1,64,520·01		iv) L.K.K. Section	50,796·00	
ix) From Social Welfare Board for Night Shelter	51,511·37	22,93,587·70	v) G.A. Section	14,529·84	1,50,289·54
			6. By Other Adjustment Items		
			i) Refund of Loan by Training Centre	4,500·00	
			ii) Refund by G.A. Section	129·02	
			iii) Refund of unspent Balances to Social Welfare Board	870·00	5,449·02
3. To Collections, Donations and Contributions			7. By Amounts for which the accounts are still to be rendered		
i) Lok Karya Kshetras less Payments	6,841·32		i) By Kshetras (L.K.K.)	17,836·41	
ii) Jan Jagran Section	44,079·86		ii) By Jan Sehyog Kendras (Jan Jagran Section)	16,322·48	
iii) G. A. Section	886·57		iii) By Bulletins a/c. (J.J.Sec.)	10,463·09	
iv) Training Centre	10·00		iv) By Plan Information Centre (Jan Jagran Section)	6,329·28	
v) By other Section of B.S.S. to G. A. Section	13,400·00	68,217·75	v) By Conveners for cultural activities (Jan Jagran Section)	34,970·76	85,922·02

B. F.	
4. To Miscellaneous Receipts	
i) Works Camp Section	2,046.00
ii) Health & Family Planning Section	296.71
iii) Lok Karya Kshetras Section	1,935.78
iv) Jan Jagran Section	5,373.66
v) Training Centre	348.84
vi) A.A. Section	176.62
vii) Sale of Jeep (Jan Jagran Sec.)	4,000.00
viii) " " " (Training Centre)	3,000.00
	17,177.61

5. To Other Receipts

a) jan jagran Group

i) Sale & Advertisement Bharat Sevak Journal	31,802.14
ii) Sale of brochures and Pocket Books etc.	21,976.85
iii) Sale & Advertisements in Bulletins & overspent balance at centre	20,369.40
	74,148.39

b) Unspent balances from Night Shelters

870.00

6. To Amounts Payable

i) L. K. Orientation Training Camp	791.13
ii) Sundry Credit Balance (J.J. Section)	70,940.38
iii) Bills Payable (J.J. Section)	61,986.29
iv) G.A. Section Loan from other Sections	5,387.90
v) Security Deposit (Training Centre)	200.00

B.F.

8. By Closing Balance

a) Cash-in-hand

i) Works Camp Section	50.00
ii) Health & Family Planning Section	50.00
iii) L.K.K. Section	2,235.54
iv) Jan Jagran Section	615.07
v) Training Centre	582.64
vi) G.A. Section	50.00
	3,583.25

b) Balance with Banks

i) Work Camp Section	84,176.82
ii) Health & Family Pln. Sec.	14,375.24
iii) Social Welfare Urban LKK	21,225.34
iv) L.K.K. Section	2,440.73
v) Jan Jagran Section	6,359.00
vi) Training Centre	1,961.98
vii) Social Welfare Section (Welfare Extension)	2,000.00
viii) Social Welfare Section (Night Shelter)	1,284.06
ix) G.A. Section	5,119.41
	1,38,942.58

c) Other Balance

i) Advances recoverable (Works Camp Section)	579.67
ii) Advances recoverable (Health & Sanitation)	305.80
iii) Advances recoverable (G.A. Section)	450.00
iv) Sundry Advances (L.K.K.)	40,597.23
v) Local Collections with Kshetras	2,679.02
vi) Amounts recoverable for advertisements etc. Bharat Sevak Samaj	1,04,860.65

vi) Income Tax payable
(Camp Section)

124.78

1,39,430.48

vii) Balances with the Kshetras
(LKK Section)

68,637.05

2,18,109.42

30,05,768.55

30,05,768.55

Sd/- BHADAR SEN PURI
Accountant

Sd/- J.N. SETH
Accounts Officer

Sd/- GIAN SINGH
Office Secretary

Certified to be in accordance with the audited statement of accounts.

Sd/- K.R. AGARWALA & Co.
Chartered Accountants

New Delhi,
Dated 23-11-64:

Grants of loan for purchase of machinery and equipment for construction activities.

(Part III)

The Planning Commission have paid a sum of Rs. 20·40 lakhs to the Samaj upto 31st March 1962 as grants-in-aid. In addition, a loan of Rs. 15·80 lakhs was also advanced by the Commission for the purchase of machinery and equipment for constructional activities and for financing construction work.

Part III

QUESTION (1): A note detailing the circumstances under which this loan was given may be furnished.

Answer:

The construction works constitute a sizable portion of the development plans. It was realized that the Construction Service organised by the Voluntary Agencies could serve a useful purpose in reducing costs and avoidance of excessive dependance on contractors. A detailed note giving fuller facts may be seen at Annexure I.

The Planning Commission set up an Expert Committee in 1960, under the Chairmanship of Dr. A. N. Khosla, with representatives of the Central Ministries and the State Governments, to formulate recommendations regarding future of the construction service of voluntary organisations and Labour cooperatives. The recommendations of this Committee were carefully considered by the Planning Commission and incorporated at page 296 in the Third Plan.

The recommendations in the Third Plan were incorporated in the Planning Commission's policy letter No. 19(10)|61-Pub., dated the 24th August, 1961, to all the State Governments and Central Ministries (Annexure II). This letter recommended that maximum assistance should be given to voluntary organisations and labour cooperatives who come forward to undertake construction work; continuous flow of work should be ensured; works awarded at workable rates; delay avoided and prompt payment made; loan assistance given for working capital and purchase of equipment and technical personnel deputed by the State Governments and the Central Ministries to assist the voluntary organisations etc. This letter issued with the concurrence of the Finance Ministry. The recommendations in this letter have been accepted by most of the Central Ministries and the

State Governments and the necessary loan assistance is being given in pursuance of the same.

On the basis of the above policy, the Bharat Sevak Samaj (Construction Service) has been sanctioned loan amounting to Rs. 15:80 lakhs upto March 62-63. The details and the position of each of the loans are given below:—

Loan of Rs. 5 lakhs sanctioned in 1959-60:

The Bharat Sevak Samaj wanted a loan of Rs. 5 lakhs for purchase of machinery and equipment required for construction activities and for financing construction works. This loan was given at the rate of 4½ per cent to be repaid in five instalments commencing from 1st April 1961 with the concurrence of the Ministry of Finance. Four instalments have so far been paid along with interest. The last instalment falls due on 1st April 1965.

Loan of Rs. 5 lakhs sanctioned in 1961-62:

This loan was sanctioned to the Bharat Sevak Samaj to provide capital for their construction activities at the rate of 4½% to be repaid in five instalments commencing from 1st April 1962. Three instalments have so far been paid along with interest. The fourth instalment falls due on 1st April 1965.

Loan of Rs. 2,50,000 sanctioned in 1961-62:

This loan was sanctioned to the Bharat Sevak Samaj for their construction service at the rate of 3½% to be repaid at the end of one year from the date of drawal. The whole amount along with interest has been repaid.

Loan of Rs. 3,30,000 sanctioned in 1961-62:

This loan was also sanctioned to the Bharat Sevak Samaj for their construction service at the rate of 4½% to be repaid in 5 equated instalments. Two instalments have so far been repaid. The third instalment falls due on 30th March 1965.

It would be observed from above that out of a total loan of Rs. 15,80,000 the Bharat Sevak Samaj besides the interest have so far paid back Rs. 10,63,530.28. The remaining amount is covered by the machinery hypothecated to the Government.

Part III

QUESTION (2): *Security and other terms and conditions of this loan may be stated.*

Answer:

The terms and conditions on which the loans mentioned above have generally been sanctioned are as follows:—

(1) No portion of the amount of loan will be used by the Bharat Sevak Samaj for any purpose other than that for which it has been specifically sanctioned.

(2) For the purpose of securing repayment of the loan Bharat Sevak Samaj should hypothecate all the moveable machines, tools, implements, stores and spares purchased by them with the aid of the loan.

(3) The Bharat Sevak Samaj shall maintain and keep in good working order and repair and, if necessary, replace the machinery and tools which may be purchased by them from out of the loan sanctioned to them.

(4) The Bharat Sevak Samaj shall repay to the Government the full amount of the loan together with interest thereon by five equated annual instalments (in one instalment where the loan is sanctioned for a period of only one year), the first instalment shall be payable by the Bharat Sevak Samaj on the first anniversary of the date of drawal. The interest shall be paid at the rate of 4½% per annum, provided if the Bharat Sevak Samaj makes any default in payment of any of the instalments in the respective due dates, the entire balance then due together with the interest accrued thereon shall become immediately payable to the Government. A penal interest at 2½% per annum above the normal rate will also be recovered in case of default in repayment of the loan or the payment of interest, as provided in the General Financial Rules.

(5) So long as the loan or any portion thereof or the interest accrued thereon shall remain unpaid, the Bharat Sevak Samaj shall furnish annual audited profit and loss accounts to the Government of the activities financed from the loan.

(6) The Bharat Sevak Samaj shall submit to the Planning Commission periodical returns specifying the mode in which the amount of the loan is being utilised by the Samaj. They shall also submit annual audited statements of accounts relating to the loan and the Government shall have every right to have this account audited by the Comptroller and Auditor-General of India for which purpose the Bharat Sevak Samaj shall render all assistance.

It will appear from the above conditions that the machinery and equipment purchased with the loan are hypothecated in favour of the Government. They serve as a security. The value of machinery

and equipment now with the Samaj has been estimated to be of the order of Rs. 10 lakhs.

A serving officer deputed by the Finance Ministry and posted in the Planning Commission, functions as a Financial Adviser and assists the Central Managing Committee of the Bharat Sevak Samaj Construction Service in exercising the necessary financial control in the functioning of the Service.

Part III

QUESTION (3): *Whether similar loan has been given to any other organisation?*

Answer:

Yes. This facility of loan assistance is available to established Labour & Construction Cooperatives also in addition to the Construction Service of voluntary agencies. The Labour and Construction Cooperatives are required to apply for this loan assistance through their respective State Governments Construction Cooperative Societies in Punjab and Madras have been sanctioned loans of Rs. 2 lakhs and Rs. 70,000/- during the year 1962-63 and 1963-64 respectively through their State Governments. No other established voluntary agency doing construction work has so far applies for this loan.

Part III

QUESTION (4): *What is the present position about the utilisation of these amounts by the Samaj? Have the utilisation certificates been received in respect of all the amounts spent by the Samaj so far? If not, what are the reasons for the delay?*

Answer:

The entire amount of loan sanctioned to the Bharat Sevak Samaj has been utilised for the purpose for which it was sanctioned. The Samaj submits reports to the Planning Commission. A copy of their latest report is at Annexure III.

Part III

QUESTION (5): *What are the conditions on which the loan was sanctioned? What is the rate of interest? Has any portion of the loan been repaid since? How does the Commission ensure that the loan has been is being utilised for the purpose for which it was given?*

Answer:

The conditions on which the loans have been advanced or mentioned in para 1 above. The rate of interest at which these loans

have been sanctioned is also mentioned in that paragraph. The portion of the loan so far repaid by the Bharat Sevak Samaj is also mentioned in the same paragraph. The Planning Commission ensures that the loan has been|is being utilised for the purpose for which it was given. This is done from the Progress Report and the audited statement of accounts which the Bharat Sevak Samaj furnish in this regard. The Bharat Sevak Samaj (Construction Service) has constituted a Central Managing Committee which consists of 9 members. Of these, three members are officers from the Planning Commission, viz. Director (Public Cooperation), Director (Construction Service) which is a senior engineer attached to the Public Cooperation Division, and the Financial Adviser attached to the Secretary (NACPC) who is a senior officer from the Ministry of Finance. These officers ensure, through the Central Managing Committee, that the loan is utilised only for the purpose for which it is given. It may be mentioned that the Central Managing Committee meets on an average once a fortnight and sometime more frequently to keep a check on the activity.

Part III

QUESTION (6): *Has any work been entrusted to the Bharat Sevak Samaj under the Rural Works programme? If so, the details may be furnished. Grants loans sanctioned for this purpose may be indicated separately.*

Answer:

No. The Bharat Sevak Samaj is, however, doing a sizable construction work in rural areas.

Annexure I to Para. III

The construction programmes in the form of earthwork, buildings and structures constitute a very sizeable proportion of the plan expenditure. During the Third Plan an expenditure of over Rs. 3,000 crores is likely to be spent on this programme in the public and private sectors. There is great scope for effecting economies and executing works in a manner so as to provide maximum employment. The experience of getting the works executed through the Construction Service of the Voluntary Organisations upto the end of the Second Plan, gave an indication that this can be a useful Agency to achieve the above objectives. The Planning Commission set up a Committee of Experts under the Chairmanship of Dr. A. N. Khosla with representatives of the Central Ministries and the State Governments. They made specific recommendations which were incorporated in the Third Plan (page 296). The Third Plan observed as below:

“Construction activity in the bigger projects as well as smaller and local works will remain the largest avenue for voluntary effort towards the utilisation of idle manpower. In villages, voluntary agencies will be encouraged and helped to take up construction work directly or through labour cooperatives. This will lead to reduction of cost, observance of satisfactory standards of work, a better deal for the construction workers and the promotion of honest dealings in the working of the construction industry. Excessive dependance on contractors will be avoided and additional resources will become available for the programme of the voluntary organisation.”

2. The Third Plan further recommended that maximum assistance should be given to voluntary organisations and labour cooperatives which come forward to undertake construction works. “Continuous flow of work should be ensured; works awarded at workable rates; delay avoided and prompt payment made; loan assistance given for working capital and purchase of equipment and technical personnel deputed by the State Governments and the Central Ministries to assist the voluntary organisations etc.”

3. The Planning Commission issued their policy letter dated 24th August, 1961 (Annexure II) recommending to all the Central Ministries and State Governments to accept the above policy. This letter

was issued with the concurrence of the Finance Ministry. The policy in this letter has since been adopted by most of the Central Ministries and the State Governments.

4. The Bharat Sevak Samaj, a leading voluntary organisation engaged in Public Cooperation activities, had been participating in construction programmes since 1954. The Prime Minister, in his letter dated 10th July, 1961, drew the personal attention of the Chief Ministers to their activities and requested them to lend their support. The relevant extract from his letter is reproduced below:

"Ever since the Bharat Sevak Samaj started work (construction work) in a big way, such as at the Kosi Dam in Bihar, all kinds of criticisms were made and obstructions raised. This was inevitable because they (B.S.S.) were attacking a traditional way of doing things in which vested interests had grown but they persevered and made good. They have now a good deal of experience and competent personnel....

That inspite of the vested interests, the change has to be accepted and the more we accept the more we profit from it financially and in the sense of public partnership."

Work done by the Samaj in the first two Plans:

5. The participation of the Bharat Sevak Samaj in construction work commenced in late 1954 with the construction work of Flood Protection Embankments along the Kosi River in Bihar.

6. Land has to be acquired before the work could be taken in hand. The legal proceedings would result in delay. The Samaj's participation and persuasion encouraged the surrender of the land voluntarily, thus permitting the early start of the works. The Chief Administrator, Kosi Project remarked:

"I would readily acknowledge the help of the Public Co-operation Organisers in obtaining for the Project possession of land in anticipation of legal proceedings. With all the speed, the legal proceedings could not result in our getting the lands quickly."

7. The employment aspect of this pioneering experiment was very encouraging. The local labour was scarce and unskilled. The agency of private contractors would have under such circumstances imported labour in larger numbers from outside (which would have been very expensive) and utilised machinery. But through the efforts of the Bharat Sevak Samaj local leaders and peasants

in larger numbers were organised through unit leaders who were accredited representatives of Gram Panchayats, Labour representatives or local Bharat Sevak Samaj. By mobilising the local people the total employment touched the peak of over 40,000. The profits were shared by the local people in large numbers instead of a few private individuals. The Kosi Project has shown that such dispersed construction through voluntary organisation provides more employment and by imparting skill and higher wages generally stimulates the local economy.

8. Reduction in rates and economy to Government was considerable—the rates were brought down from Rs. 36/- to about Rs. 18- per thousand cubic feet of the earthwork. This resulted in large scale savings to the public exchequer. The project costing Rs. 11.5 crores was completed at a cost of Rs. 6.5 crores. Besides, the work was completed in 1958 against the target date of 1960 i.e. two years in advance (page 294 of the Third Five Year Plan). In the process, the Samaj saved over Rs. 15 lakhs which were utilised for creating community assets (e.g. village roads, schools and dispensaries etc.) and executing local welfare schemes.

9. In the Second Five Year Plan, works were also undertaken in Andhra Pradesh (Nagarjunasar Project), Manipur (hill roads), Delhi (buildings and flood protection works) and Rajasthan (Chambal Project) etc. The Central Construction Service was also started in 1958. The total magnitude of the work done upto the end of the Second Plan was of the order of Rs. 2.5 crores.

Work done in the Third Plan: Achievements

10. In the first 3 years of the Third Plan, there has been a rapid expansion in the activities of the Construction Service of the Voluntary Organisations. The progressive increase in the turnover during the Third Five Year Plan is given below:

THIRD PLAN							(Rs. crores)	
Total upto 2nd Plan	1961-62	1962-63	1963-64	1964-65	1965-66	Total Third Plan	Remarks	
2.5	2.5 (actual)	3.5 (actual)	4.0*	5.0*	6.0*	21	*Estimated	

11. The Service was reorganised. The reorganised set up consists of separate Advisory and Executive Wings both at the Centre and State levels. The Executive Wing was placed under

the charge of technical personnel and active local workers. The Service was further geared to meet the special requirements and demands of the emergency created by the Chinese invasion. Active support was also lent by the Planning Commission, Central Ministries and the State Govts.

12. The Service is now equipped to undertake works of various types and magnitudes. The descriptive details of the important works undertaken by the Central and the State Units of the Services are given in the illustrated pamphlet.† Broadly speaking, they may be classified in the following categories:—

- (i) Earthwork including drainage works and embankments;
- (ii) Development of residential colonies;
- (iii) Building works including multi-storeyed buildings and workshops;
- (iv) Construction of Aerodromes (concrete and asphaltic payments);
- (v) Construction of river works including barrages;
- (vi) Supply of construction materials such as bricks, stone ballast, bajri and sand etc.

13. The economy to the exchequer in the works undertaken so far, which aggregate to about Rs. 18 crores, has been of the order of Rs. 3.0 crores. For purpose of illustration, the table below gives the extent of savings to the public exchequer in certain selected cases:

Name of work	(Rs. lakhs)			Remarks
	Quota- tion by the private contractor	Quota- tion by the B.S.S.	Savings to the ex- chequer	
1. Development of colony at Sion (CPWD work) 1961-62.	30	23	-	Work completed
2. Gorakhpur Air-field (Defence work) 1963				
Phase—I	122	110	12	Each phase completed in about six months.
Phase-II	68*	61	7	*Estimated on the

†“Central Bharat Sevak Samaj (Construction Service) October, 1963”—
Published by Bharat Sevak Samaj.

Name of work	Quotation by the Private contractor	Quotation by the BSS	Savings to the exchequer	Remarks
				basis of the lowest tender of the Contractor for Phase I.
3. Bidar Airfield (Defence Work)— 1963	33**	22	11	**Estimated on the basis of the recommended tender for award of work prior to B.S.S. entry. Work since completed.
4. Purnea Airfield (CPWD work) 1963-64 Phase—I	123	112	11	This estimate is based on the rates at which the work was earlier awarded to another contractor but abandoned by him. Phase I of the work has been completed. Phase II is likely to be completed in time.
Phase—II	57.5	55	2.5	
5. Jamuna Barrage (Irrigation work) —64	243	198	45	Work taken up in Jan., 1964. It is 4 to 6 months ahead of the schedule.
6. Bldg. in DLW' (Rly) Varanasi, 1963-64.	24	20	4	General rates for works in DLW' area came down by a sizeable margin. The 1st phase of the work has been completed.
7. Kosi Project in Bihar.	410	290	120	Sizeable savings were effected by bringing down the construction rates to nearly 50% of the prevailing rates. Attention is drawn to page 294 of the Third Plan.

Name of work	Quotation by the private contractor	Quotation by the BSS	savings to the exchequer	Remarks
8. Multi-storeyed building on Rajendra Prasad Road 1964.	86	84	2	The Samaj effected economy not only in this work but also helped the Deptt. in bringing down the rates of the other building on Maulana Azad Road which has been awarded to private contractors.
9. Ahsan Barrage Dehradun—U.P. 1964 (Work under negotiation).	215	165	50	The tender of this work has been opened recently. The figures given relate to the tender rates by the B.S.S. and the Private contractor. The formal allotment of the work has not issued so far.

14. Sizable economies were also effected by organising supply of material such as bricks, sand and stones ballast in Delhi, Bhubaneswar, Gorakhpur, Varanasi and Bihar etc. The working of the Projects undertaken was analysed by the Planning Commission and their finding was that both the Government and the Public benefited substantially as a result of supplies organised by the B.S.S. There was an all-round reduction in rates. The price of the bricks declined from Rs. 45 to Rs. 30 per thousand, that of sand from Rs. 15 to Rs. 18 per truck to Rs. 10 per truck. The revenue to the Government increased three-fold both in the case of stone ballast and sand supply.

15. It will be useful to indicate on the basis of experience gained so far, the major factors which contribute towards economy in construction costs. These are:

- (a) Supply of construction material like bricks, stone ballast, bajri and sand, etc. at reasonable rates. It should be programmed in advance for each major project and in every important town where there is likely to be a large construction of works.

- (b) The competition by the Construction Service of Voluntary Organisations keeps down the tender rates and prevents the private contractors from pushing up rates to artificial heights. It is particularly true where there is large concentration of works or where works are to be done under pressure and speed.
- (c) The procedure should be simplified and rationalised so as to eliminate the factors which lead to higher construction costs. The departments should keep the detailed drawings ready before the call of the tenders, making running payments regularly for the full work done and final payments soon after the completion of the work and lay down clearly the specifications and tolerance limits for various items of work and materials and keep the schedule of rates up to date.
- (d) The works be so planned as to allow the implementing agency the benefit of the maximum working season.
- (e) Shortage of local labour, particularly skilled, results in a higher wage bill. This can be avoided if suitable vocational programmes are undertaken well in time for the local labour and steps are also taken to import labour, both skilled and unskilled, from surplus areas.

Apart from economy in construction costs, the other notable advantages have been larger scale of employment, improved quality of work and sizeable savings for social welfare activities.

Assessment of the performance in Mid-plan Appraisal:

16. The performance of the Construction Service of Voluntary Organisations was recently assessed in the Planning Commission and has been summarised as below in the "Third Plan Mid-Term Appraisal."

"In the Third Plan reference was made to the contribution which voluntary organisations and labour cooperatives could make in construction projects. There has been considerable progress in this field since the beginning of the Plan. For instance, the Construction Service organised by the Bharat Sevak Samaj has undertaken works of the value of Rs. 10 crores with appreciable savings to Government. During 1963-64 also, works of the value of about Rs. 10 crores are expected to be undertaken. Apart from direct economies, the activities of the Construction Service had led to certain indirect advantages as well, such as helping to maintain prices of bricks and building materials at

reasonable levels, influencing rates in the construction industry, maintaining standards of work and inducing public authorities to simplify administrative and financial procedures. It has been found that in many areas completion of works by the Construction Service of the B.S.S. has left behind a pool of local skill and experience which has, in turn, encouraged voluntary organisations at the local level to take up construction and other allied activities. This has created greater self-reliance in the communities concerned."

17. As against the Second Plan achievement of Rs. 2.5 crores the likely target for the Third Plan is Rs. 21 crores and the annual turnover in 1965-66 is likely to be about Rs. 10 crores. This annual turnover is likely to increase progressively during the Fourth Plan as under:

(Rs. in crores)					
1966-67	1967-68	1968-69	1969-70	1970-71	Total Fourth Plan
8	10.0	12.0	14.0	16.0	60

Broadly speaking the turnover will be shared equally between the Central and State Units. Besides, apart from the types of works mentioned in para 12 the Service will be equipped to undertake construction works of bridges, steel structures and dams, etc.

Annexure II to Part III
No. 19(10)/61-Pub.
GOVERNMENT OF INDIA
PLANNING COMMISSION
(Public Cooperation Division)

Yojana Bhavan,
New Delhi, the 24th August, 1961

From

Shri J. M. Kitchlu,
Deputy Secretary,
Planning Commission.

To

The Chief Secretaries of all State Governments and Administrations of Union Territories.

SUBJECT:—*Facilities to voluntary and cooperative Organisations to undertake construction work.*

Sir,

I am directed to refer to Planning Commission's letter No. PC (VI)H/9(6)/58 dated the 24th October, 1959 regarding measures for achieving economy in construction costs. In paragraph 10 of this letter it was suggested that (a) labour cooperatives should be encouraged and organised by giving them concessions in respect of award of works at scheduled rates and in the matter of earnest money, security etc., and (b) that voluntary social service agencies which were equipped for construction work might be given special opportunities for participating in such work so that they could assist to some extent in reducing construction cost.

Experience at Kosi, Nagarjunasagar and other projects has shown that voluntary organisations like the Bharat Sevak Samaj can play a valuable part in construction activities, particularly for reducing costs by making purposeful use of the opportunities given them. In the Report on the Third Five Year Plan attention has been drawn to this aspect in the following terms:

“Construction activity in the bigger projects as well as smaller and local works will remain the largest avenue for

voluntary effort towards the utilisation of idle manpower. In villages, voluntary agencies will be encouraged and helped to take up construction work directly or through labour cooperatives. This will lead to reduction of cost, observance of satisfactory standards of work, a better deal for the construction workers and the promotion of honest dealings in the working of the construction industry. Excessive dependence on contractors will be avoided and additional resources will become available for the programmes of the voluntary organisations."

2. The role of voluntary organisation in construction activities, the works which they would ordinarily be best suited to carry out, and the procedural and other conditions necessary for their effective participation in construction work have been recently considered by a high level committee set up by the Planning Commission. The Committee, which was presided over by Dr. A. N. Khosla, Member, Planning Commission, included representatives of several ministries, and a number of senior engineers from the States were also associated with its deliberations.

3. The Committee has recommended that, subject to proper assessment of their objectives and capacity, voluntary and cooperative organisations may be considered for works under the following categories:—

- (a) Earth-work of all types and simple masonry works relating to:—
 - (i) multi-purpose, major and medium irrigation projects and flood protection schemes;
 - (ii) minor irrigation works; and
 - (iii) construction of roads
- (b) Simple buildings undertaken by Public Works Department such as:
 - (i) hostels, administrative blocks, workshops, etc., of the vocational training institutes;
 - (ii) residential tenements under the slum clearance programmes; and
 - (iii) construction of school buildings and other local development works in the rural areas.

- (c) Major structures only if the voluntary organisations concerned are adequately equipped with technical personnel and necessary mechanical equipment; and
- (d) Supply in bulk quantities of building materials e.g. stonem stone blast, shingle (Bajri) and sand. In certain places, near-monopoly conditions prevail in the matter of supply of such materials. Voluntary organisations may, therefore, be given all possible, encouragement to enter this field. Where possible the Administrations concerned should allow quarrying facilities to voluntary organisations on payment of royalty.

4. Among the conditions which the Committee considers essential for enabling voluntary and cooperative organisations to carry out the tasks entrusted to them in a satisfactory manner are of the following:—

- (a) It should be the effort of the official agencies to give the maximum assistance to voluntary and cooperative organisations. As far as possible, a certain proportion of the available work should be set apart for them and may be extended as their capacity develops.
- (b) Continuous flow of work should be ensured. Project authorities should indicate well in time the magnitudes, types and specific works that can be awarded to such organisations. Voluntary and Cooperative Organisations should be given preference over private contractors and, where possible, they should be given works on a negotiated basis;
- (c) Works may be awarded at 'workable rates' on the basis of the schedule of rates increased or decreased by a percentage to be decided by the competent authority. The schedule of rates should be kept up-to-date. The work order system may be preferred wherever possible;
- (d) To avoid delay and ensure prompt payments, powers may be delegated to the Superintending and Executive Engineers. 'On account' payments may be authorised for works completed.
- (e) Technical personnel may be made available on deputation by State Governments and Central Ministries to work with and assist voluntary and cooperative organisations; and

(f) Assistance by way of loans should be given for working capital and purchase of equipment.

5. Where loans are advanced, reasonable safeguards should be provided for the recovery of such loans and advances which may be made and which are not specifically covered by standard terms and conditions of contract and devise a suitable machinery which will ensure Government against possible losses and breach of contract. What that machinery should be is a matter for the authorities to consider.

6. In order to encourage the growth of voluntary and cooperative organisations and enable them to function effectively, emphasis should be laid on proper training of personnel. Training programme should be arranged for selected groups of voluntary workers from the areas where public cooperation activities have a potentiality. Similarly training programme should also be arranged for unskilled and semi-skilled workers organised under voluntary and cooperative organisations in order to enable them to undertake construction activity efficiently and improve their earnings.

7. State Governments are requested to consider the recommendations set out above and to take such further action as may be necessary for enabling labour cooperatives and voluntary organisations to take their due share in executing construction programmes under the Third Five Year Plan. It is realised that in the initial stages the services rendered by voluntary and cooperative construction organisations may have certain shortcomings and deficiencies. With greater experience on the part of these organisations and with a sympathetic and helpful approach on the part of Government agencies at all levels, these shortcomings will be progressively overcome, and voluntary and cooperative organisations will be able to serve the public interest more effectively. State Government will, no doubt, ensure that the facilities proposed above are extended only to well established and active organisations and not misused.

8. It is hoped that State Governments will be able to arrange for financial assistance to cooperative organisations from within their Plans. For assisting voluntary organisations which take up construction work a provision of Rs. 10 lakhs has been made by the Planning Commission for the year 1961-62, the loans for purchase of equipment and working capital in terms of the recommendation in sub-para 4(f) above can be provided to this extent. The amount required by each State Government during 1961-62 may kindly be intimated at an early date.

9. State Governments may kindly keep the Planning Commission informed of the action taken in pursuance of suggestions contained in this latter.

Yours faithfully,

Sd -

J. M. KITCHLU.

Deputy Secretary to the Govt. of India.

Copy to:—

Ministry of W. H. & S.

Ministry of I. & P.

Ministry of Railways.

Ministry of Finance.

Ministry of C. D. & Coop.

Ministry of Transport.

C. O. P. P. Planning Commission.

Annexure III to Part III

The Bharat Sevak Samaj C.C.S. has in hand works worth about Rs. 719 lacs against which works worth about Rs. 258.50 lacs have been completed to end of July, 1964. It is expected that the total value of works already in hand to be executed during the years 1964-65 and 1965-66 will be respectively Rs. 367.50 and Rs. 93 lacs. Further, it is expected that new works worth Rs. 200 lacs and 400 lacs will be undertaken hereafter during the next two years and the value of works to be executed during 1964-65 and 1965-66 is likely to be Rs. 50 lacs and 400 lacs respectively. The total turnover excluding cost of materials to be supplied by contractors during the years 1964-65 and 1965-66 is expected to be Rs. 276 lacs and 320 lacs respectively. After allowing for the materials such as cement and steel to be supplied by the contractees, cost whereof is recovered from our bills for work done, we require a sum of Rs. 69 lacs and 80 lacs respectively for the two years mentioned above to finance the work, part of this will be met out of work advances from the contractees—estimated at Rs. 45 lacs each year. Even though the meeting of the Working Groups held in the Planning Commission on 2nd March, 1964 recommended grant of work advance amounting to 25% of the cost of the work limited to Rs. 25 lacs against each work, the work advances against works already allotted will be governed by the conditions of the agreements already entered into. Besides the various departments for whom the B.S.S. has to execute works have not agreed to grant work advances according to the recommendations of the Working Group. The Bharat Sevak Samaj has thus to arrange for the balance working capital of Rs. 24 lacs and 35 lacs for the two years mentioned above. Allowing for the fluid capital in hand, a loan of Rs. 15 lacs is required for 1964-65. For 1965-66 a loan of 20 lacs would be required for the new works new machinery especially heavy earth-moving units will be needed. A separate loan to obtain these will be required.

A statement showing the approximate cost of principal works with probable out-turn against these during the years 1964-65 and 1965-66 and working capital required to finance these is appended herewith.

Sd/- R. K. GUPTA,
General Manager,
25.9.64

Statement showing details of works to be executed during years
1964-65 and 1965-66 and working capital required therefor

Sl. No.	Name of work	Approx. cost of work	Work done upto 31-7-64	Work to be done during 1964-65	Work advance taken
		Lakhs	Lakhs	Lakhs	Lakhs
1	M.S. Building	85	22	50	5.0
2	Building at Faridabad	64	14	45	2.5
3	Other Buildings at Delhi	100	75	25	2.5 } 1.35 }
4	Yamuna Barrage	198	24	110	10.0
5	Purnea Airfield				
	Phase I	111	97.5	13.50	12.5
	Phase II	55 } 25 }	8.0 } 12.0 }	47.00	..
6	Varanasi University Works	65	4.0	50.0	..
7	Hindon Road Work	16	2.0	14.0	0.69
		719	258.5		
8	New Works	200		50.0 404.50(A)	.. 34.54
Total cost of works inclusive of Cement and Steel					
Total cost of works exclusive of Cement and Steel				13.00	
GRAND TOTAL				417.50	Say 35
Deduct cost of materials to be supplied by Contractors @ 35% from item marked "A"				141.50	
Cost of works to be financed				276.00	
Working capital required @ 25%				69.00	
Deduct work advances already taken				35.00	
Expected on New Works				10.00	45.00
Working capital to be provided for by B.S.S.				24.00	

Lok Karya Kshetras

Part IV

Question (1): What are the reasons for giving grants for the running of Lok Karya Kshetras much in excess of the requirements during earlier years since 1958-59?

Answer:

The position of grants-in-aid given to Bharat Sevak Samaj is given below:

Year	Amount given as grant-in-aid including unspent balances of previous year	Amount actually spent	Unspent balance
1958-59	54,000	32,317	21,793
1959-60	2,17,253	1,53,647	63,606
1960-61	3,13,906	2,87,923	25,983
1961-62	6,96,183	4,61,074	2,35,109
1962-63	8,36,000	6,71,937	1,65,063
1963-64	6,70,000	6,25,666	44,334

The reasons for the unspent balances being available with the Bharat Sevak Samaj at the end of each financial year are as follows:--

- (i) In certain cases Kshetras planned to be opened in the beginning of the financial year are actually not started due to non availability of trained and capable workers.
- (ii) In some cases the opening of Lok Karya Kshetras get delayed than scheduled due to the reasons mentioned above.
- (iii) The Lok Karya Kshetras is continuing scheme approved for the duration of the Third Plan. The excess grant paid in any particular year is immediately adjusted while paying the first instalment for the following year. The Government funds, thus, are not blocked for a large period.
- (iv) The grant to the Lok Karya Kshetra is paid in 2 or 3 instalments. Since the first instalment is paid only in June and July, after the budget has been approved and

passed by the Parliament, the workers suffered hardship when they did not receive the salary for the month of April and May. The Samaj are, therefore, allowed to carry forward the unspent balance for 2 months with the concurrence of the Finance Ministry (Annexure I).

- (v) The grant is dispersed over a large number of Kshetras numbering now 200. Sometimes savings result as all the 3 Sahyogies are either not engaged or some Sahyogies leave during the year for employment elsewhere. Savings may also result under other heads like rent, T.A., postage, etc. It is not possible to estimate precisely these savings at the time of the payment of the grant. Small savings, therefore, result in each Kshetra towards the close of the financial year. Refund of these small amounts for a large number of Kshetras towards the close of the financial year will result into voluminous correspondence, complicate the accounts and cause hardship to workers. In any case, as mentioned above, these savings are fully utilised in the first 2 months of the following year.
- (vi) In the light of the wishes of Audit, however, the Planning Commission has taken steps to scrutinize the estimates of expenditure. It will be observed from the table of unspent balances given above that except the year 1961-62, unspent balances have been reduced considerably from Rs. 2,35,109 (33%) in 1961-62 to Rs. 44,334 (7%) in 1963-64. In the year 1961-62, the unspent balances accrued, because some Kshetras were not started as scheduled. In the year 1962-63, the Bharat Sevak Samaj was asked to refund an amount of Rs. 50,000/- at the end of the financial year, which they did.

Part IV

Question (2): Is this scheme still continuing? How much money has been given as grant by the Commission for the scheme so far? How is it working?

Answer:

The scheme of Lok Karya Kshetras (Rural) is still continuing. The scheme has also been approved for inclusion in the Fourth Five Year Plan. So far the Planning Commission have given the follow-

ing amounts of grant-in-aid, year-wise:—

Year	Amount of grant-in-aid
1958-59	54,000
1959-60	1,95,570
1960-61	2,67,800
1961-62	6,72,700
1962-63	6,51,600
1963-64	7,60,000
1964-65	4,00,000
upto Aug. 64.	
TOTAL	30,01,670

The working of the scheme of Lok Karya Kshetras and the progress made has been given in answer to question No. 3 below.

Part IV

Question (3):—What are the details of the Scheme of Lok Karya Kshetras?

Answer:

The main object of this programme is to secure people's participation in the various development programmes in the rural areas. The programme is run by a group of 12 All India Voluntary Organisations and a number of educational institutions. The Bharat Sevak Samaj is the All India Coordinating Agency, but the general steering and supervision is done by the Lok Karya Committees set up at the Centre and State levels with representatives of the Government and the various participating organisations. Financial assistance of Rs. 5,000 is given for each Lok Karya Kshetra. A Lok Karya Kshetra covers an area of 100 villages. About 10 villages are taken up at a time for intensive work. A minimum of two workers known as Sahyogi and Up-Sahyogi are appointed for each Kshetra. These workers are given training at the Lok Karya Training Centres at Delhi and Trivandrum. At present about 350 Kshetras are running in different parts of the country. Of these, 200 are in the Central Sector and the remaining in the State Sector.

One of the major activities of the Lok Karya Kshetras is to assist in the development and proper functioning of the basic institutions of the village, viz. Panchayat, Cooperative and the School. The notable work in this regard has been the unanimous election

of the Panchayats in most of the Lok Karya Kshetras in Goa and in certain Lok Karya Kshetras in Rajasthan, U.P., and Bihar. Village development plans were prepared in collaboration with Panchayats. Kshetras have particularly collaborated in the building of community assets, such as, repair or construction of roads, school buildings, drinking water wells, tanks and ponds. etc. By holding seminars and discussions, particularly in U.P., Bihar, Rajasthan and Gujarat, the members have helped the Panchayat members to reorganise and understand their duties well. The workers of the Lok Karya Kshetras and the Panchayats have helped each other to implement the 7-point programme and the village Volunteer Force Schemes.

Cooperatives:—Lok Karya Kshetra workers helped in increasing membership, conversion into service cooperatives and organisation of new cooperatives. The increase in membership in the cooperatives functioning in Lok Karya Kshetras is of the order of 6.4 per cent.

Schools:—Lok Karya Kshetra workers persuade the parents to send their children to school. Good work has been done in this regard in U.P., Bihar, Rajasthan and Gujarat. Another important feature has been the cooperation between the school staff and the Lok Karya Kshetra workers. About 90 per cent of the schools in the Lok Karya Kshetra areas have been helpful in organising Shramdan, cleanliness drives, camps, games & sports and cultural programmes.

Agriculture:—The Kshetra workers have been indirectly instrumental in augmenting agricultural production by educating and persuading the farmers to adopt improved methods of farming. Individual and group meetings with cultivators, seminars and demonstration of improved techniques have been organised in cooperation with Block staff for this purpose. The Kshetras have been able to popularise the use of compost-manure and chemical fertilisers in Kerala, Gujarat, U.P., Mysore, Bihar, Rajasthan and Punjab. Irrigation channels and wells have been dug up in U.P., Bihar, Rajasthan and Punjab.

Use of Local Resources:—It is estimated that during 1961-62 and 1962-63, about 4,00,000 and 10,05, 843 man-hours, respectively were put in by the local people in Shramdan activities through the efforts of the Lok Karya Kshetras, in constructing approach roads, school buildings and to secure water resources both for drinking purposes and irrigation etc. It is estimated that during 1962-63, the people's contribution in cash and kind amounted to Rs. 1,25,000.

Organisation of Youths, Children and Women:—Lok Karya Kshetras have organised about 616 Yuvak Mandals in villages. The main activity of these Mandals have been games, sports, discussions and debates. In some of the Lok Karya Kshetras, the Mandals have taken up some special responsibilities such as, sanitation, Shramdan activities and conducted adult literacy classes.

Balvadies and Mahila Mandals have been organised in many Kshetras. The main activities of the Mahila Mandals are training in crafts, sewing, literacy and education of children.

Participation of Educational Institutions:—A welcome feature of the Lok Karya Kshetra programme is the increasing participation by educational institutions in running Lok Karya Kshetras. Recently about 35 Lok Karya Kshetras have been allotted to different educational institutions. A group of villages coming under the Lok Karya Kshetras are adopted by educational institutions and extension work in different fields is done by socially inclined teachers and students. This provides continuity of work and a permanent relationship between the educational institutions and the villages adopted. Where this work is being done by educational institutions in collaboration with voluntary organisations, the results have been better.

Part IV

QUESTION (4):—*How are the appointments made and on what basis? Is any check exercised to see the correctness or validity of the expenses like Travelling Allowances, rent of office building, etc.*

Answer:

As already stated above, each Kshetra has 2-3 whole-time workers, one of them is Mukhyya Sahyogi/Sahyogi and the others are known as Sahyogis-Up-Sahyogis. The appointments are made by the Central Office of the Lok Karya Committee on the recommendation of the Office of the State Lok Karya Committee. The workers are required to undergo a training course of 3 months at the Lok Karya Kshetra Training Centre at Delhi or Trivandrum. The screening of the workers is done firstly by the State Lok Karya Committee and then at the Training Centre. The budget of all Lok Karya Kshetras is on a uniform basis. Ceilings have been provided for items like salaries, travelling allowance and rent, etc. The accounts of each Kshetra are audited by a Chartered Accountant at the end of each financial year.

Part IV

QUESTION (5).—*Details of expenditure incurred by the Samaj during each of the years 1958-59 to 1963-64 on the Lok Karya Kshetras under different heads, such as, salaries, travelling allowances, rents of office buildings etc. may be furnished.*

Answer:—

The amount spent by the Bharat Sevak Samaj under different heads of expenditure is given in the following statement:—

Head of Expenditure	1958-59	1959-60	1960-61	1961-62	1962-63
Maintenance allowance (Salaries etc.)	20867·64	116752·31	190003·07	323750·47	534158·40
Office Rent	672·50	4955·37	7735·15	12420·10	} 104554·64
Stationery, printing & postage	939·19	7749·98	21735·77	28711·43	
Travelling expenses					
Cycle allowance	399·37	6601·01	12555·86	16346·51	4742·36
Library	706·44	9639·36	18480·16	31087·16	32027·18
Furniture & Sports goods	3338·96	9528·50	13846·49	24331·75	27494·70
TOTAL	26924·10	155226·53	264356·50	436647·02	702977·28

Part IV

Question (6).—*Is any coordination with the State Governments maintained in the matter of giving of grants for the purpose mentioned in this Audit para?*

Answer:

The necessary coordination with the State Governments is exercised by the State Lok Karya Committees which have been set up by all the State Governments, in their respective States in pursuance of the Planning Commission Policy letter No. 7(3)/63-Pub., dated 20-3-1963 (Annexure II). The State Lok Karya Committee includes the representatives of the State Governments and this ensures the necessary coordination.

Besides, every year at the time of the Annual Plan discussion, the progress and the financial allocation for the Lok Karya Kshetras is discussed by the Planning Commission individually for each State with the officers of the State Governments and representatives of the Bharat Sevak Samaj. In order to ensure close scrutiny, the Planning Commission have set up a separate 'Working Group on Public Cooperation Scheme' for convening such discussions.

Part IV

Question (7):—Has any review been made of the achievement of the Kshetras so far? If so, the result thereof may be furnished. Has any other case of inefficient working of Kshetras (apart from the seven which have been closed down) come to notice?

Answer:

The programmes of the Lok Karya Kshetras are constantly reviewed by the Central and the State Lok Karya Committees which includes representatives of the Government Departments concerned and the participating voluntary organisations. Besides, the Kshetras are also visited by officers of the Planning Commission, particularly the Secretary, National Advisory Committee on Public Cooperation, Director, Public Cooperation and the Officers of the Development Departments of the State Governments. An evaluation by the Programme Evaluation Organization is currently in progress. The programme was also reviewed at the meeting of the National Advisory Committee on Public Cooperation held on 27th and 28th August 1960, and 22nd November 1961. This is a high powered Committee which includes Members of the Planning Commission, representatives of the Central Ministries and all the State Governments and the leading voluntary organisations. An All India Seminar on Lok Karya Kshetras was held in Sanga Reddy, Hyderabad which was attended by the representatives of the Planning Commission, Ministry of Community Development Cooperation and Panchayati Raj, State Government and participating voluntary organisation (Annexure) not enclosed. Two copies placed in Parliament Library. Another seminar was held recently at the time of the All India Convention of the Bharat Sevak Samaj in July 1964. An assessment of the working of the Kshetras by the Planning Commission was made at the time of the mid-Plan appraisal in August 1963. The relevant extracts are reproduced below:

“Lok Karya Kshetras have been able to develop a fairly large cadre of trained full time and part time workers. Their activities have helped in securing a greater measure of interest and initiative

at the local level and stimulated voluntary action in several community development areas. The development of the Lok Karya Kshetras programme is being accompanied by careful evaluation of the work being done, the problems encountered and the methods of enlisting public cooperation. Particular attention is given to assisting groups of persons to organise activities, on their own, on the basis of self help. In several areas Lok Karya Kshetras have derived valuable help from educational and other institutions and, in turn, enabled them to reach out more effectively to the community. The Central Lok Karya Committee which guides the programme ensures coordination among the participating organisations".

A more recent assessment was made at the time of the preparation of the Fourth Plan. The programme was considered at a full meeting of the Planning commission on 27th November 1964. Relevant extracts of the agenda papers and the minutes are reproduced below:—

"The Lok Karya Kshetra programme has proved popular with the voluntary organisations and there is increasing participation by Educational Institutions in running the Lok Karya Kshetras. It has helped the Voluntary Organisations in creating a cadre of the trained workers in the rural areas. Useful work has been done in the Gujarat State where the Kshetras have helped in the execution of a large number of drinking water schemes. Another scheme for the construction of field channels on a large scale through the agency of the Kshetras in Andhra Pradesh is under active consideration. Recently about 35 Lok Karya Kshetras have been allotted to different Educational Institutions. The experience indicates that better results are achieved when a Lok Karya Kshetra is run by the Voluntary Organisation in association with the Educational Institution. The Kshetras opened during the emergency in the border areas, numbering about 50, did useful work. The Kshetras are now confining their efforts to a few selected activities. The Sahyogis in a Kshetra function as catalytic agent to mobilise public support for rural development programmes. An evaluation by the Programme Evaluation Organisation is in progress and the report is awaited".

The progress report for the Lok Karya programme for 1962-63 and 1963-64 are enclosed. (Annexures III & IV).

Annexure I to Part IV
No. 5(3)|63-Pub.
GOVERNMENT OF INDIA
PLANNING COMMISSION
(Public Co-operation Division)

NEW DELHI,
April 22, 1964.

OFFICE MEMORANDUM

SUBJECT:—Grants-in-aid for schemes of Public Co-operation—unspent balances—pattern of financial assistance.

The voluntary organisations, receiving grants-in-aid, are normally required to surrender the unspent balance thereof at the close of the financial year. These organisations have been representing from time to time to the Planning Commission that as the first instalment of the grant-in-aid is released sometimes in June, they experience considerable difficulty in respect of continuing schemes, in the payment of salary to the staff, etc. for the first two months of the following financial year.

2. To overcome the above difficulties, it has now been decided that such voluntary organisations/institutions which are entrusted with the implementation of continuing schemes and receive Government grant-in-aid for the purpose, may retain with them at the end of the financial year an amount of unspent balance equivalent to the estimated expenditure in the first two months of the following financial year. The amount in excess of two months estimated expenditure should be surrendered to the Government. This pattern of financial assistance will be applicable to all voluntary organisations receiving grant-in-aid from the Planning Commission in respect of Public Co-operation schemes.

3. The voluntary organisations/institutions will kindly intimate to the Planning Commission the estimates of expenditure for the first two months as stated above and also the amount of unspent balance available with them from out of expenditure, for regularisation.

4. This letter issues with the concurrence of the Ministry of Finance, Department of Expenditure, I&S Division, vide their u.o. 2395/FI/64 dated 30.3.64.

Sd/-

(H. K. D. TANDON)
Under Secretary to the Govt. of India.

To

The Accountant General, Central Revenues, New Delhi.

Copy forwarded to:—

- (i) The Ministry of Finance, Department of Expenditure, F. 1. Section, New Delhi, with reference to their U.O. No. 2395 F.1/64. dated 30th March, 1964.

Annexure II to Part IV

No. 7(3)/63-Pub.

GOVERNMENT OF INDIA

PLANNING COMMISSION

(Public Co-operation Division)

Yojana Bhavan,

New Delhi-1, dated 20th March, 1963.

From

H. K. D. Tandon.

Director (Public Co-operation).

To

The Chief Secretary.

Government of India

SUBJECT:—Public Co-operation Scheme—Lok Karya Kshetra Programme—Revised pattern of financial assistance—Applicable from 1st April, 1963.

Sir,

In continuation to Planning Commission letter No. 7(3)/61-Pub. dated 31st October, 1961 on the above subject, I am to state that as suggested in para 5 of the letter referred to above, the Planning Commission are anxious that the implementation of the Lok Karya Kshetra Programme in the States should be undertaken in close collaboration and coordination with the established non-official organisations in the State. In this view, the constitution of the State level Lok Karya Committee with representatives drawn from the active non-official organisations in the State becomes a pre-requisite

for the successful implementation of the Lok Karya Kshetra Programme.

2. While there are some States where such Committees are yet to be formed, in others the Committees that have been set up require to be strengthened and activated. The Planning Commission envisages the State Lok Karya Committee as a useful forum available to the State Government for effectively securing the partnership of the established voluntary agencies in the common tasks of harnessing the cooperation of the public in the implementation of the Plan Programmes.

3. I am, therefore, to request that in case in your State, the State Level Lok Karya Committee is yet to be formed, the State Government may kindly take initiative in the matter and request the local Pradesh Branch of the Bharat Sevak Samaj to assist the Government in setting up this Committee. The Planning Commission may be informed about the constitution of this Committee, its personnel and the functions assigned. Among the responsibilities that the Planning Commission would recommend to be entrusted to this Committee are selection of area and agency for establishment of Kshetras and given supervision and guidance of the working of the Kshetras. The work of this Committee will be purely advisory in character.

4. Experience of the working of the State Lok Karya Committees in four States, where they have been set up, revealed that a provision of a small amount for meeting the expenditure incurred by the Committee members for undertaking periodical visits to the Kshetras would enable the Committee to function more effectively. This proposal was considered recently by the Planning Commission and it has been decided to provide Rs. 150 per Kshetra per annum as organisational expenses to the State Lok Karya Committee. The revised pattern of financial assistance is enclosed (Annexure—A). It will be seen that apart from making the provision mentioned above, the revised pattern also extends a measure of flexibility to the voluntary organisations taking up the Kshetras in meeting the expenditure on various items out of the grant-in-aid amount.

5. Under the revised pattern, a voluntary organisation allotted a Lok Karya Kshetra by the State Government will receive a net grant-in-aid of Rs. 4,700 per Kshetra per annum from the State Government. The Organisational expenses both for the Central Lok Karya Committee and the State Lok Karya Committee in respect of Kshetras in the State Sector will be paid direct by the Planning Commission to the Central Bharat Sevak Samaj which is

the all-India Coordinating Agency, who will arrange to pay the State Lok Karya Committee the amount due to them under this head. This arrangement has been favoured so as to ensure not only close coordination between the Central and State Lok Karya Committees but also to facilitate the State Lok Karya Committees receiving the organisational expenses due to them in respect of the Kshetras established in the State from the Central Sector. A list of Lok Karya Kshetras functioning in your State from the allotments made in the Central Sector upto 31st March, 1963 is enclosed*.

6. The actual expenditure on this programme will continue to be shared between the Centre and the State in the ratio of 60:40.

7. The receipt of this letter may kindly be acknowledged and action taken thereon intimated to the Planning Commission at an early date.

Yours faithfully,

Sd/-

(H. K. D. TANDON).

ANNEXURE A

Revised pattern of financial assistance of a Lok Karya Kshetra per annum

A. Staff		Rs
	Mukhya Sahyogis and Sahyogis	3,375
B. Organisational Expense		
	Central level	15
	State level	150
C. Other		
	Equipment	250
	Library	360
	Stationery, postage, rent, T.A. and contingencies	720
	TOTAL	5,000

Note:

(i) The amount of Rs. 300 under the Head 'B' will be paid by the Planning Commission direct to the Central Office of the Bharat Sevak Samaj, who will arrange to remit the amounts due to the State Lok Karya Committee under the head. The amount of Rs. 300 will be adjusted from the Central share of 60 per cent.

(ii) In respect of Lok Karya Kshetras allotted in the State Sector, the voluntary organisation allotted and Kshetra will receive a net grant-in-aid of Rs. 4,700, initially from the State Government. The Central Share on the ratio of 60:40 will be Rs. 2,700 which will be reimbursed to the State Government by the Centre.

Part V—(ii).—Training Scheme for Sahayogis and Up-Sahayogis in Lok Karya Kshetras.

QUESTION (1):—*On what basis reimbursement of the expenditure incurred for the training courses is made by Govt.? Is there any system of verification for releasing such amounts?*

ANSWER:—

The Training courses for Sahayogi and Up-Sahayogis were started simultaneously with the opening of the Lok Karya Kshetras in 1958. It was decided that for the training of workers only 80% of the expenditure will be met by Government as grant-in-aid. The balance 20% should be contributed by the Bharat Sevak Samaj from its own resources. From the experience gained in the first two courses held in 1958-59, it transpired that the contribution of the Bharat Sevak Samaj came forth in the form of voluntary service of their workers. The Samaj was unable to raise cash collections equal to 20% of the expenditure as a result of which the quality of the training suffered. The matter was placed before the Coordination Committee on Public Cooperation and the Ministry of Finance, who agreed that for the purpose of training the entire expenditure may be met by Government. Since then grant-in-aid is given to Bharat Sevak Samaj equal to the total expenditure incurred.

The programme of courses of training and the budget of the Training Centres is drawn in the beginning of the financial year. The proposals are examined in the Planning Commission and concurrence is obtained of the Ministry of Finance, before releasing the grant. The pattern of financial assistance and the rules which govern the expenditure have been laid down in consultation and with the concurrence of the Ministry of Finance.

Moreover, the entire amount approved for one financial year is not released in the beginning of the year. The grant-in-aid is released in instalments after satisfying that the training is proceeding as scheduled. The Bharat Sevak Samaj submits statements of expenditure after every six months. An yearly statement of expenditure, duly audited and certified by a Chartered Accountant, is also submitted by the Bharat Sevak Samaj. Care is taken that the expenditure is kept to the minimum.

There is a Central Committee in the Central Office of the Bharat Sevak Samaj which is in overall charge of both the training centres in Delhi and Kerala. Besides, there is a separate committee for each of the two training centres. The Central Committee includes representatives of the Planning Commission and other Central Min-

istries concerned. These Committees meet quite frequently and exercise a close scrutiny both on the expenditure incurred as well as on the training programmes.

Part V

QUESTION (2):—*Has the amount paid to the Samaj in excess with regard to training programme since been recovered?*

ANSWER:

The Planning Commission still maintains that the amount of Rs. 5,836 as stated in the Audit Report, was not in excess of the requirements of training. The amount was sanctioned in pursuance of a decision that the staff at the training centre should be employed on a regular basis and not only for the duration of the period of training courses. The amount of Rs. 5,836 relates to the salaries of the staff of the training centre of the idle period of 165 days during the year 1959-60 and 1960-61.

As per advice of Audit, however, the Bharat Sevak Samaj was asked to refund the amount of Rs. 5,836 to Government which they have since done.

Part V—(ii)

QUESTION (3):—*What were the reasons for agreeing to reimburse the entire estimated expenditure from 1961-62?*

ANSWER:

As has already been explained in answer to question (1) above, in the beginning it was decided that the Planning Commission will provide only 80% of the expenditure on training. The balance of 20% was to be met by the Bharat Sevak Samaj. After the course of training had been conducted, the Bharat Sevak Samaj represented that it would not be possible for them to raise 20% contribution from the people as the training scheme did not benefit them directly. It was explained on behalf of Bharat Sevak Samaj that for schemes which do not directly benefit the people, the Government may not insist upon contribution from voluntary organisations. This view point of the Bharat Sevak Samaj was accepted by the Coordination Committee on Public Cooperation and the Ministry of Finance. The Planning Commission thus agreed to reimburse the entire estimated expenditure on training.

Part VI

PROGRAMME OF TRAINING

The Planning Commission had stated in November, 1963 that the future programme of training would be so planned as to reduce the idle gap between the two courses to the minimum.

QUESTION (1):—Have such programmes since been chalked out? Have there been idle days during the courses conducted after February, 1962? If so, what amount is to be recovered from the Samaj for this purpose?

ANSWER:

It will be appreciated that a period of about a fortnight is unavoidable between the two courses of training. This period is required for completing the accounts and reports of the previous course and making preparations for the oncoming course.

The training courses, however, are so arranged now that the gap between the two courses has been reduced to the minimum. From the Table given below, it will appear that during the year 1964 the gap is negligible.

Table showing the periods of training after February, 1962

Sl. No.	Training course	Period		Gap between the conclusion and start of the next course
		From	to	
1	Women & Child Welfare workers	3-1-62	4-2-62	..
2	8th course of Sahayogis	1-3-62	28-5-62	24 days
3	9th course of Sahayogis	9-7-62	2-10-62	40 ..
4	10th course of voluntary Sahayogis	5-11-62	8-12-62	32 ..
5	11th course of Sahayogis	21-1-63	27-4-63	42 ..
6	12th course of Sahayogis	1-6-63	31-8-63	32 ..
7	2nd course of Urban Welfare Project workers	1-9-63	30-9-63	..
8	13th course of Sahayogis	5-10-63	4-1-64	4 ..
9	3rd course of voluntary Sahayogis	6-1-64	6-2-64	1 day
10	3rd course of Urban Welfare Project workers	13-2-64	12-3-64	6 days
11	14th Sahayogis course	15-3-64	14-6-64	2 ..
12	15th Sahayogis course	1-7-64	5-10-64	15 ..
13	16th Sahayogis course	6-10-64	2-11-64	..

The staff in the training Centre is employed not for the duration of the training courses only, but on a regular basis. Salaries of the staff are paid monthly on a time scale of pay. No amount is, therefore, to be recovered from the Samaj on this account in which the Ministry of Finance have also concurred in.

Part VI

QUESTION (2):—*How many Sahayogis and Up-Sahayogis have so far undergone this training course? Who impart the training?*

Answer:

Upto the period ending 31st March, 1964, 658 workers (Sahayogis and Mukhya Sahayogis) have undergone training.

There is a Central Committee in the Central Office of the Bharat Sewak Samaj which is in overall charge of both the Training Centres at Delhi and Kerala. Smt. Premvati Thapar, who is one of the leading women social worker in the country and was formerly Adviser in the Central Social Welfare Board, is the Secretary of this Committee. Besides, there is a separate Committee for each of the two training Centres. The Chairman of each of these two Committees is a senior social worker having wide experience of development work in the rural areas. Prof. N. R. Malkani, Adviser on Training Programmes to the Ministry of Community Development and Cooperation and Panchayati Raj, is the Chairman of the Delhi Training Centre. The Principals are trained and senior experienced workers of the Bharat Sewak Samaj. Major Ramchandra, a well known social worker, is working as the Director of the Training programmes. Besides the Principal and trained paid instructors in each training centre, there are a large number of guest speakers who are experts on their subjects and drawn from established institutions like Delhi School of Social Work, Adimjati Sewa Sangh, Harijan Sewak Sangh and Gandhi Smarak Nidhi. Senior Officers from the Planning Commission, Ministry of Health (Family Planning Board), Ministry of Community Development and cooperation, the State Governments and local bodies are represented in the Training Committee and also invited to deliver lectures.

Part VII—(III)

Pilot Project for Public Cooperation for socio-economic activities in the slum areas.

QUESTION (1):—*What are the reasons for not taking into account the sum of Rs. 29,246 collected by the Samaj while sanctioning grants to the Samaj by the Planning Commission? On what basis the grants were sanctioned?*

ANSWER:

As desired by Audit the amount of Rs. 29,246 has been taken into account in the grants given to the Samaj. The position is as follows.

The amount of Rs. 29,246 collected by the Samaj comprised of collections and donations from the beneficiaries of dispensaries, balwadies, libraries, the royalty of the book entitled "Slums of Old Delhi" and from Prime Minister's Fund for slum survey, library fund and savings of the cultural wing in respect of the Urban Lok Karya Kshetras conducted in Delhi by the Pradesh Bharat Sevak Samaj. These funds were collected over a period of three years from 1958-59 to 1961-62 and kept under a separate fund.

One of the main objectives of the Project is pilot experiment in organising welfare activities in slum areas on a self-help basis with local contributions in cash, kind and services by the slum dwellers. It was felt that the deduction of this amount by the Government's grant would prove a dis-incentive. On the other hand, if this was set apart for organising and strengthening such welfare activities, for which there was a felt need, it will work as an incentive and attract contributions. These collections were, therefore, put in a separate fund. These arrangements have proved satisfactory as sizeable amount has been collected under this fund and a number of activities have also been organised on a self-help basis. One of the main objectives of the Pilot Project has thus been achieved.

However, in compliance with the wishes of the Audit, the account of expenditure incurred from this fund is shown with effect from 1962-63 along with the grant-in-aid account. The Samaj has also been advised that the balance brought forward from the previous years should not be spent without the prior concurrence of the Planning Commission. The Samaj has accepted the advice of the Commission. An amount of Rs. 12,000 has been adjusted by the end of 1963-64 leaving a balance of Rs. 17,218.56. During 1964-65, the Planning Commission have not given any grants for activities like balwadies, craft centres and dispensaries. The expenditure on these activities is now being financed from this fund. The permission to withdraw Rs. 14,000 in the current financial year has been given to the Samaj, thus leaving a small balance of Rs. 3,218.56 to be adjusted in the account of 1965-66.

The Samaj have submitted audited statement of accounts of this fund for all the years beginning from 1958-59. The point raised by the Audit has thus been met.

Part VII (iii)

QUESTION (2):—*Have any further grants been given to the Samaj under this Pilot Project after 1961-62? If so, what was the amount during 1962-63 and 1963-64? Was the amount of Rs. 83,000 (unspent balance of earlier grants) taken into consideration while giving further grants?*

ANSWER:

This is a continuing scheme which has been approved for the entire duration of the Third Five Year Plan period and as such grants have been given to Bharat Sevak Samaj subsequent to 1961-62. The following net amount of grants were given in 1962-63 and 1963-64, after deducting the unspent balance of the preceding year:

1962-63	Rs. 2,85,300
1963-64	Rs. 3,64,000

Out of the unspent balance of Rs. 83,000 from 1961-62 grant, an amount of Rs. 10,000 was refunded by the Samaj to the Government under the Reserve Bank of India Challan No. 10198, dated 2nd April, 1962. The balance of about Rs. 73,000 was adjusted by the Planning Commission while releasing the grant for 1962-63. As mentioned earlier, in order to avoid hardships to their workers, the Voluntary Organisations are allowed to carry forward unspent balances to meet expenditure for the first two months of the next year, i.e., April and May. This procedure has got the concurrence of the Ministry of Finance (Annexure—I).

Part VII (iii)**LOK KARYA KSHETRAS (URABAN)**

QUESTION (3):—*Has any assessment of the actual achievement under the Pilot Project been made? The details may be furnished.*

ANSWER:

This programme was originally initiated in Delhi at four centres on a pilot basis. Later on, on the basis of the experience gained in Delhi it was extended to other States. The late Prime Minister, Pandit Jawaharlal Nehru, in his letter dated 10th July, 1961, laid special emphasis on improving living conditions in the slum localities. This programme is, therefore, devoted mainly to slum localities. A grant of Rs. 7,500 is given for each field centre and Rs. 10,000 for each State unit responsible for coordinating the activities of the field centres in the State and organising training of the workers. 38 centres covering 10 States were functioning by the end of 1963-64.

These Kshetras have been allotted to the Bharat Sevak Samaj who have actively associated a large number of educational and

other institutions in the implementation of the programme. Important institutions among those participating in this programme are Tata Institute of Social Sciences, Bombay; Delhi School of Economics, Delhi; Delhi School of Social Work, Delhi; Nirmala Niketan, Bombay; Lions Club, Madras; and Ahmedabad; Kothari's Educational Trust, Madras; T.B.S. Works Educational Trust, Madras; Faculty of Social Work Baroda; Y.M.C.A.; Gandhi Smarak Nidhi; Child Welfare Council, Kerala; Bharat Scouts & Guides; A. N. Sinha Institute of Social Studies, Patna; Bharat Seva Dal; Janata Seva Mandal, Bombay; Kurida Mandal, Bombay; Ashoka Leyland, Madras.

The Urban Lok Karya Kshetras have shown tangible results in creating an urge in the slum dwellers to improve their conditions of living through their own efforts and resources supplemented by the opportunities and assistance available under various plan programmes of local bodies. While emphasis is laid on self-help, the Kshetras provide assistance and guidance to slum dwellers as to how they can promote their own welfare. The Kshetras have been successful in securing the cooperation and participation of the people in an appreciable measure in the form of cash, material, shramdan and other free services. A large number of activities like Balwadies, Libraries and Reading Rooms, Adult Education Classes, Coaching Classes for weak students, Craft Centres for women, Dispensaries, etc. have been organised on a purely self-help basis in most of the Kshetras. In many Kshetras community centre buildings have been constructed with the active participation of the people. In some States, mid-day meals programmes for the Balwadies children have been organised purely with contributions from the local people. Slum dwellers offered their voluntary labour for digging drains, repair of dilapidated houses, construction of roads and streets, health & sanitation drives, etc. A number of production-cum-training centres, consumer cooperative stores and industrial cooperatives have been organised by the Kshetra workers to improve the economic conditions of the slum dwellers and to prevent their exploitation by the private traders.

For each Centre, a Kshetra Managing Committee has been set up. This includes the elected Ward Councillor, representatives of the Health and Housing Departments of the Corporation/Municipality, local established active voluntary organisations and educational institutions. This ensures close collaboration with the local bodies and voluntary organisations.

The educational institutions have been actively involved in the implementation of the programme. The teachers and students of the colleges and schools in many Kshetras, in particular in Kerala

and Madras, have been responsible for building community halls, conducting economic surveys, running libraries and rendering free services during sanitation drives and clean up campaigns, organising free tuition classes for weak students and adult education classes. Suitable arrangements had been made for the supervision of the work of the scheme.

- (a) Each Project under the scheme is visited on an average, twice a year by the senior workers and executives of the Bharat Sevak Mamaj. They make an assessment of the work done and submit the report to the Central Bharat Sevak Samaj (S. W. Section).
- (b) Occasionally, selected projects of the scheme have been visited by Shri Shriman Narayan, Member, Planning Commission, the former Deputy Minister, Planning, Shri C. R. Pattabhiraman and officers of the Planning Commission consisting of Shri R. S. Krishnaswamy, formerly Programme Adviser, Shri Krishna Prasada, Secretary, National Advisory Committee on Public Cooperation, Shri H. K. D. Tandon, Director, Public Cooperation, Dr. Baij Nath Singh, former Deputy Director, Programme Evaluation Organisation and Shri P. N. Bhucher, Research Officer in the Planning Commission.
- (c) A Committee has been constituted at the Centre consisting of the representatives of the Planning Commission and senior officers of the Bharat Sevak Samaj. This Committee meets occasionally and reviews the working of the projects of the scheme and make such recommendations as they deem fit for the solution of problems, as they arise.
- (d) Similar Committees have also been set up at the State and the project level consisting of representatives of the concerned Departments of the State Governments and Local Bodies. These Committees also meet periodically. The Pradesh Units of the Samaj are also required to send detailed project report annually to the Central Office of the Bharat Sevak Samaj which is the All India Coordinating Agency for this programme. They in turn prepare a consolidated report which along with the Pradesh Reports are forwarded to the Planning Commission. The latest report is for 1963-64.
- (e) On an average, once in a year, the senior workers from all the projects of the scheme get together either on the

occasion of the annual Convention of the Bharat Sevak Samaj or in special Seminars. In such meetings, detailed discussions are held and the experiences from the different projects are pooled. Two such meetings were held in the Planning Commission in April, 1962 and July, 1964.

- (f) Refresher training and orientation courses of about a month's duration are held periodically at the Central Bharat Sevak Samaj Lok Karya Kshetras Training Centres at Delhi and Trivandrum. These are attended by the whole-time workers of the Lok Karya Kshetras (Urban) who exchange their experiences and also discuss their difficulties etc., if any. So far three such training courses have been held.

It may, however, be added in this connection that it is now proposed to undertake the evaluation by the Programme Evaluation Organisation of the Planning Commission after the evaluation of the Lok Karya Kshetras (Rural) is over.

Annexure I to Part VII (III) (2)

No. 5(3)/63-Pub.

GOVERNMENT OF INDIA

PLANNING COMMISSION

(Public Cooperation Division)

NEW DELHI, April 17, 1964

OFFICE MEMORANDUM

SUBJECT:—*Grants-in-aid for schemes of Public Cooperation—unspent balances—pattern of financial assistance*

The voluntary organisations, receiving grants-in-aid, are normally required to surrender the unspent balance thereof at the close of the financial year. These organisations have been representing from time to time to the Planning Commission that as the first instalment of the grant-in-aid is released sometimes in June, they experience considerable difficulty in respect of continuing schemes, in the payment of salary to the staff, etc. for the first two months of the following financial year.

2. To overcome the above difficulties, it has now been decided that such voluntary organisations/institutions which are entrusted with the implementation of continuing schemes and receive Government grant-in-aid for the purpose, may retain with them at the end of the financial year an amount of unspent balance equivalent to the estimated expenditure in the first two months of the following financial year. The amount in excess of two months' estimated expenditure should be surrendered to the Government. This pattern of financial assistance will be applicable to all voluntary organisations receiving grant-in-aid from the Planning Commission in respect of Public Cooperation schemes.

3. The voluntary organisations/institutions will kindly intimate to the Planning Commission the estimates of expenditure for the first two months as stated above and also the amount of unspent balance available with them from out of expenditure, for regularisation.

4. This letter issues with the concurrence of the Ministry of Finance, Department of Expenditure, I. & S. Division, vide their u.o. No. 2395/FI/64, dated 30th March, 1964.

Sd/ (H. K. D. TANDON).

Under Secretary to the Govt. of India.

To

The Accountant General, Central Revenues.

New Delhi.

Copy forwarded to:—

- (i) The Ministry of Finance, Department of Expenditure, F. 1 Section, New Delhi, with reference to their U.O. No. 2395/F. 1/64, dated 30th March, 1964.
- (ii) The Secretary, Bharat Sevak Samaj, Control Office, New Delhi, with 10 spare copies for circulation among Lok Karya, Social Welfare and Training wings of the Samaj.
- (iii) The Secretary, Central Lok Karya Committee with 30 spare copies for circulation among the voluntary organisations/institutions who are Members of the Central Lok Karya Committee.
- (iv) The Chairman, Bhartiya Grameen Mahila Sangh, Jammagar Hutments, New Delhi.
- (v) The Honorary General Secretary, Association for Moral and Social Hygiene in India, Andhra Vanita Mandli, Indraprastha Estate, New Delhi.
- (vi) Secretary, Central Social Welfare Board, Parliament Street, New Delhi.
- (vii) Secretary, N.A.C.P.C.
- (viii) Financial Adviser (Shri V. P. Mithal).

Sd/ (H. K. D. TANDON).

Under Secretary to the Govt. of India.

Part VIII

Grants for purchase of tools and equipment.

The Bharat Sevak Samaj since its inception in August, 1952 have been organising a large number of students and youth camps

and Shramdan activities all over the country which call for the use of simple tools. The Samaj were experiencing difficulties in securing the requisite supply of these tools and, therefore, made a representation about this to the Government. Their request was considered by the Coordination Committee on Public Cooperation which consisted of Minister of Planning (Chairman) Shri V. T. Krishnamachari, Deputy Minister (Irrigation and Power), Deputy Minister (Planning) and representatives of the Ministries of Community Development, Food and Agriculture, Defence, Education, Health, Home Affairs, Information and Broadcasting, Irrigation and Power and the Central Social Welfare Board at its meeting held on the 20th February, 1957 and made the following recommendations:—

"The Chairman stressed the necessity for initial purchase of tools and equipments (vide statement* attached) required for training centres and other camps run by the Bharat Sevak Samaj and other voluntary organisations. He was of the view that the tools etc. should be purchased immediately so that they might be available to the centres and camps in the beginning of the next financial year. The question relating to their purchase by the Community Development Ministry was examined. It was explained on behalf of the Community Development Ministry that it was not possible for that Ministry to effect the purchase in the short time available, as tenders would have to be invited and quotations considered. On request from the Bharat Sevak Samaj it was then decided that a grant-in-aid of Rs. 4,80,000 should be made to the Samaj for the specific purpose of purchasing the tools and equipment and the Ministry of Community Development should provide facilities for their storage. The tools and equipment would be available not only to the Samaj, but also to the Community Projects authorities and other voluntary organisations in the field. It was also decided that the Ministry of Finance should be addressed immediately to concur in the proposal."

When the grant was sanctioned, it was thought that the Bharat Sevak Samaj would be able to make the necessary purchases without loss of time, unfettered as they were, by governmental rules and regulations relating to purchase of stores. Since the time factor was considered to be very important, the matter was discussed by Minister (Planning) with Finance Secretary and Finance Minister agreed to a grant of Rs. 4,80,000 being sanctioned to the Bharat Sevak Samaj for the purchase of tools and equipment.

*Refer to details in the reply to Q. No. (1)

The answers to the questions relating to this para are given below *seriatim*.

QUESTION (1): *What are the tools and equipment purchased? Is there any stock register relating to these tools and equipment maintained both Centrally and by the Block Development Officers other functionaries?*

ANSWER:

201 sets of tools and equipment were purchased. One set comprised of 13 items as follows:

1. Spad Heads	84
2. Iron Taslas	50
3. Spade Handles	84
4. Pick-axe Handles	36
5. Shovels (3½ lbs.) with handles	84
6. Hammers 1 lb. (with handles)	8
7. Crowbars 5'—5"X1"	8
8. Augers 12 inches	4
9. Axe heads	8
10. Hurricane Lanters	12
11. Stirrup Pumps	2
12. G.I. Buckets, size 12"	24
13. Measuring tapes, 100 ft. metallic	5

The sets were distributed to 169 Block Development Officers and 29 District Convenors of the Bharat Sevak Samaj. The Delhi District convenor had been supplied 4 sets so that the District Convenors had in their possession 32 sets. (referred to as Functionaries in the Audit para).

It was realised that it may be difficult for an organisation like the Bharat Sevak Samaj to get reports from the Block Development Officers. The Planning Commission accordingly addressed the Ministry of Community Development on 28th March, 1957 and in response to their request, the Ministry of Community Development issued instructions to all Development Commissioners of the State Governments, in their letter No. 108(28)/57-PRG, dated 16th May, 1957, in the following terms:

"The tools and equipment would be available for use not only to the Bharat Sevak Samaj but also to the C.D. authorities and other voluntary organisations in the field.

It is requested that necessary instructions may kindly be issued for the storage of these tools and equipments at the Block Headquarters under the charge of the Block Development Officer."

Copies of the relevant correspondence are enclosed (Annexures I & II). In view of these instructions, it became the responsibility of the Block Development Officers to keep these stores in their custody and also to maintain stock registers in accordance with the prescribed procedure. Later reports received from the Samaj indicated that the B.D.Os merged them with the general stores kept in their custody.

At the time of supplying sets of tools and equipment it was laid down as one of the conditions of grant-in-aid that proper Stock Register relating to the tools and equipment would be maintained both Centrally and by the Block Development Officers and other functionaries. As regards the Block Development Officers, the position is as stated in the above paragraph. In the case of Bharat Sevak Samaj, the Central Office of the Bharat Sevak Samaj is maintaining a central Stock Register which indicate the availability of the tools at the various centres.

Part VIII

QUESTION (2): What are reasons for non-receipt of half-yearly reports about physical availability of tools etc.? Have any steps been taken to ensure that the condition laid down are followed by the Block Development Officers etc.?

ANSWER:

So far as the Planning Commission were concerned, they addressed the Ministry of Community Development and Co-operation vide their Office Memorandum No. PC Pub 8(2) 56, dated the 28th March, 1957 requesting them to issue necessary instructions to the Block Development Officers to take physical charge of the tools and equipment, arrange for their storage, issue to different voluntary organisations and their receipt back from them. The necessary instructions were issued by the Ministry of Community Development & Co-operation vide their letter No. 103(28)/57-PRG, dated 16th May, 1957 (Annexure II). These arrangements were considered sufficient from the view-point of the proper storage and utilization of tools and equipment.

It would be observed from the enclosed copy of the letter No. PC/Pub/8(2)/56, dated the 22nd March, 1957 (Annexure III) that

no condition for calling half-yearly reports about physical availability of tools etc. was prescribed by the Government in the Planning Commission while sanctioning the grant-in-aid. The reports received about the use of the tools by the Samaj indicate that the same have been extensively used by the Bharat Sevak Samaj, other non-political voluntary organisations of the area and also by the Block Development Officers for the following activities:—

1. Training camps of villagers.
2. Shramdan work on the Sanitation days and Scout camps.
3. Social Service camps run by students.
4. Farmers' rallies.
5. Social workers voluntary organisation.
6. Kisan Melas and Gram Sahayog camps.
7. Students and youth camps.
8. Laying of kutchra roads, levelling of streets in rural areas and village leaders' training camps.
9. Spraying for anti-malaria operation and plant protection measures.
10. Voluntary manual labour (Shramdan).
11. Construction of roads and digging of ponds by Panchayats.
12. Youth farmers' clubs in villages.
13. Construction of bore-hole latrines.
14. ACC camps.
15. Girls' camps.
16. Extinguishing of fires in rural areas.
17. Gram Sudhar activity.
18. Youth welfare camps.
19. Adult teachers training camps.
20. Gaon Panchayat Punch training camps.
21. Lok Sahayog Sena Work.

Part IX

It was reported by 32 functionaries of the Samaj that they had made no use of the equipment

The factual position is different and is as follows:

As mentioned above, the tools were supplied to 169 Block Development Officers and 29 functionaries of the Bharat Sewak Samaj. The Delhi Functionary had been supplied 4 sets so that the B.S.S. Functionaries had in their possession 32 sets. Later on, a number

of Lok Karya Kshetras and other units run by the Bharat Sewak Samaj approached the Central Office of the Bharat Sewak Samaj for the tools. The Central Office of the Samaj wrote to all the BDOs enquiring whether they were making full use of these tools and, if not, whether they would be willing to transfer these sets to the BSS Functionaries mentioned above. In response to this letter, 35 BDOs agreed to transfer these sets. These sets were, thereafter transferred to the BSS Functionaries with the concurrence of the Planning Commission. After this transfer, the total number of all the BSS Functionaries in possession of such sets aggregated to 64. Of these, the Delhi Functionary had 4 sets so that the total number of sets in possession of these Functionaries was 67. The remaining 134 sets remained in the possession of the BDOs.

QUESTION (1): For what purpose was the equipment issued to the functionaries? What are the functions allotted to these functionaries?

ANSWER:

The functionaries (District Convenors) of Bharat Sevak Samaj were experiencing difficulty in procuring the tools and equipment required by them for conducting students and youth camps and other Shramdan activities all over the country. The equipment (sets of tools) was provided to the functionaries (District Convenors) of Bharat Sevak Samaj for efficiently conducting the above mentioned camps and Shramdan activities in their respective areas. The equipment in the case of functionaries (District Convenors of Bharat Sevak Samaj) was, however, provided to only those who had proper facilities of storage and in case of those who had not such facilities the same was placed under the custody of Block Development Officers concerned. The functions of a District Convenor of the Bharat Sevak Samaj referred to as functionary are to look after the work of the Samaj in his district relating to the overall activities in which the Samaj is engaged including students and youth camps and other Shramdan activities.

Part IX

QUESTION (2): Has all the equipment been returned by the functionaries, since they have no use for the same? Has the equipment (if returned) been found to be complete and in order?

ANSWER:

The Bharat Sevak Samaj, in consultation with the Planning Commission, transferred the tools from those Block Development Officers who could not utilize them fully to the other functionaries of the Bharat Sevak Samaj who could put them to

best use. No sets of tools were thus returned to the headquarters office of the Samaj by any of the B.D.Os. or B.S.S. functionaries.

Part IX

QUESTION No. (3): *What was the purpose of release of grants to a private body for the purchase of tools and equipment for use by officers belonging to a Govt. Department? Is there any precedent for such grants? Who authorised such grants and on what grounds?*

ANSWER:

The Coordination Committee on Public Cooperation in their recommendation for the purchase of tools by Bharat Sevak Samaj stated that ".....a grant-in-aid of Rs. 480,000 should be made to the Samaj for the specific purpose of purchasing the tools and equipment and the Ministry of Community Development should provide facilities for their storage. The tools and equipment should be available not only to the Samaj but also to the Community Projects authorities and other voluntary organisations in the field." Therefore, the tools and equipment purchased were meant for use by the Bharat Sevak Samaj, other voluntary organisations in the field as well as community projects authorities. However, as these voluntary organizations had no facilities for the storage of the tools at all places the same were stored in most places with the Block Development Officers of the area as recommended by the Coordination Committee on Public Cooperation. The Block Development Officers were directed that they should release these tools to the voluntary organisations as and when they are approached for the same. (Annexure II). It would thus be observed that the tools were actually meant for voluntary organisations and stored with Community Development authorities who could also use it and when necessary. In view of the facts mentioned above, the question of quoting any precedent where a grant may have been released to a private body for purchase of tools and equipment for use by officers belonging to a Government Department does not arise. The reasons for selecting the agency of Bharat Sevak Samaj, in preference to a Government department for the purchase of these tools and equipment were recorded in the minutes of the meeting of the Coordination Committee held on 20th February, 1957. These have been given in the reply under Para VIII (iv) above. The grant was sanctioned by the Planning Commission with the concurrence of the Ministry of Finance at the highest level on the recommendation of the Coordination Committee on Public Cooperation.

Annexure I to Parts VIII and IX

Copy of Office Memorandum No. PC/Pub./8(2)/56, dated the 28th March, 1957 from the Planning Commission, New Delhi to the Ministry of Community Development, New Delhi.

SUBJECT:—Grant-in-aid to Bharat Sevak Samaj for the purchase of tools and equipment.

The undersigned is directed to forward herewith a copy of letter No. PC/Pub/8(2)/56, dated 22-3-1957, sanctioning a grant-in-aid of Rs. 4,80,000 to the Bharat Sevak Samaj, for the purchase of tools and equipment required for training centres and camps run by the Samaj and other voluntary and non-political organisations. It was decided in the 4th meeting of the Co-ordination Committee for Public Cooperation held on 20-2-1957 that the Ministry of Community Development should provide facilities for storage of these tools and equipment *vide* para 3 of the minutes of the meeting circulated under Planning Commission's circular No. PC Pub./11/56, dated 28-2-1957. It is, therefore, requested that if they have no objection, Ministry of Community Development may kindly make suitable arrangements for the storage of the tools and equipment and issue necessary instructions to their Project Officers and Block Development Officers. A copy of the instructions issued on the subject may kindly be endorsed to the Planning Commission.

Sd/- JAGAT NARAIN JAIN,

Under Secretary to the Govt. of India.

The Ministry of Community Development, New Delhi.

Copy forwarded to:—

1. The Hony. Secy., B.S.S. Central Office,
9A, Theatre Communication Bldg., New Delhi.
2. Education Division, Planning Commission.
3. Plan Coordination Division, Planning Commission.
4. Coordination Branch Planning Commission.

Together with a copy of Planning Commission's letter No. PC/Pub/8(2)/56, dated 22-3-1957.

Sd/- JAGAT NARAIN JAIN,

Under Secretary.

Annexure II to Parts VIII and IX

Copy of letter No. 108(28),57-PRB dated the 16th May, 1957 from the Ministry of Community Development, New Delhi to the Development Commissioners. All State Governments.

SUBJECT:—*Bharat Sevak Samaj—Facilities for the storage of tools and equipment.*

Planning Commission have recently given grant-in-aid of Rs. 4,80,000 to the Bharat Sevak Samaj for purchasing tools and equipment required for training centres and other camps run by them and other voluntary organisations in the field.

It is requested that necessary instructions may kindly be issued for the storage of these tools and equipments at the Block Headquarters under the charge of the Block Development Officer.

Sd/- A. MOBIN,

Deputy Secretary to the Govt. of India

Copy to Planning Commission.

Sd/- A. MOBIN,

Deputy Secretary to the Govt. of India.

Annexure III to Parts VIII and IX

No. PC|Pub|8(2)|56

GOVERNMENT OF INDIA

PLANNING COMMISSION

New Delhi, dated 22nd March, 1957

To

The Accountant General,
Central Revenues,
New Delhi.

SUBJECT:—*Grant-in-aid to Bharat Sevak Samaj for the purchase of tools and equipments*

Sir,

I am directed to say that the Government of India have approved the proposal of the Bharat Sevak Samaj for the purchase of tools and equipments required for Training Centres and Camps run by the Samaj and other voluntary non-political organisations. The sanction of the President is accordingly conveyed to the payment to the Honorary Secretary, Bharat Sevak Samaj, Central Office, New Delhi, of a grant-in-aid of Rs. 4.80,000 (Rupees Four lakhs and eighty thousand only) for the purpose.

2. The payment of the above grant shall be subject to the following conditions :

- (i) No part of the grant shall be utilised by the Samaj for any purpose other than that for which it is specifically sanctioned.
- (ii) The Samaj shall furnish to the Planning Commission an account of the actual expenditure incurred, duly audited and certified by a Chartered Accountant.
- (iii) Articles purchased shall be taken on Stock Register and proper accounting procedure shall be observed.
- (iv) The Government of India reserve the right to have the accounts of the Bharat Sevak Samaj relating to the above sanction audited by the Comptroller and Auditor General, if and when occasion demands.
- (v) The tools and equipments will be made available as and when required, to the Community Projects Authorities and other Voluntary Non-Political Organisations engaged in Public Cooperation activities.

3. The expenditure is debitable to the sanctioned grant under the head "57-B. Miscellaneous—B.8(ii)-Lump Provision for schemes for Public Cooperation" during the year 1956-57.

4. The Government of India is satisfied about the financial position of the Bharat Sevak Samaj.

11/11/57

Yours faithfully,

Sd/- JAGAT NARAIN JAIN,

Under Secretary to the Govt. of India.

Copy to:—

1. Ministry of Finance.
2. AGCR, New Delhi.
3. Hony. Secretary, B.S.S.

Irregular payments of grants-in-aid—para 69 of 34th Report of PAC (2nd Lok Sabha)

Part X

Question: The PAC (1960-61) had desired that an early decision on the question of channelising all grants to the Bharat Sewak Samaj through a single Ministry should be taken. The Planning Commission informed PAC (1962-63) in a written note appendix VIII to 12th Report—3LS—Vol. II) that a Sub-Committee with representatives of the Ministries of Finance, other Central Ministries (Education Irrigation & Power, Information & Broadcasting) who were giving grants to the Samaj and (ii) a serving Finance Officer may be deputed and attached with the Secretary, National Advisory Committee on Public Cooperation, who was at that time Secretary of the Bharat Sewak Samaj. He would work like an internal Financial Adviser. Finance and Audit agreed with the proposal. The PAC desired to be informed whether the proposal was given effect to.

A note giving the details of the present position may be furnished.

Answers

The Public Accounts Committee in their 34th Report (1960-61) Second Lok Sabha—made the following recommendations concerning the Education Ministry/Planning Commission and the Finance Ministry:—

'The Committee desire that an early decision should be taken on the question of channelising all the grants given by Government to the Bharat Sewak Samaj through a single Ministry'.

The above recommendation was examined in the Planning Commission in consultation with all the Ministries concerned who gave grants-in-aid to Bharat Sewak Samaj and the Ministry of Finance. Planning Commission's note showing action taken or proposed to be taken on the above recommendation of the PAC is placed below (Annexure—I).

Briefly this note indicated that it is not administratively possible for any single Ministry to take responsibility for giving grants-in-aid to Bharat Sewak Samaj for the purpose of the Plan programmes administered by other Ministries. It was stated in the note that the objectives underlying the recommendations of the PAC of ensuring proper coordination in the grants given by the various Ministries and avoidance of overlapping and duplication could be achieved by taking the following steps:—

- (a) A Sub-Committee with the representatives of the Finance Ministry, Planning Commission and the Central Ministries concerned may be appointed to review periodically the grants given to the Bharat Sewak Samaj; and
- (b) A serving Finance Officer may be deputed and attached with the Secretary, National Advisory Committee on Public Cooperation to assist in coordinating the various grants given to the Bharat Sewak Samaj and exercise general financial control over the utilisation of the grants. He will function like an internal Financial Adviser in the day-to-day administration of the grants. This Officer will be responsible to the sub-committee of the Coordination Committee on Public Cooperation.

The PAC again examined the action taken on their earlier recommendation and made the following observation in their 12th Report (3rd Lok Sabha—1962-63):

“The Committee would like to be informed whether the decision referred to in para 3 of the Ministry’s note have been given effect to”.

It is now stated that both the decisions as mentioned in para 3(a) and (b) of the Planning Commission note have been fully given effect to. This position was intimated to the Lok Sabha Secretariat (Public Accounts Committee) in Planning Commission U.O. dated 23rd December, 1963 (Annexure—II).

- (a) A sub-committee of the Coordination Committee on Public Cooperation has been appointed under Planning Commission Office Memorandum No. 8(9)/63-Pub. dated the 10th October, 1963. (Annexure—III). The Committee’s main function will be to ensure proper coordination in the grants given by the various Ministries to the Bharat Sewak Samaj and to avoid overlapping and duplication. This Committee functions under the Chairmanship of the Secretary, National Advisory Committee on Public Cooperation, and includes representatives from the Planning Commission, Ministries of Finance, Information & Broadcasting, Education and Health together with their associate Finances and the Central Social Welfare Board. Since its formation, the sub-committee has met thrice. During these meetings the sub-committee discussed several points of coordination between the schemes of the Bharat Sewak Samaj which are being financed by different Central Ministries.

(b) A serving Finance Officer has been appointed and attached as Financial Adviser with the Secretary, National Advisory Committee on Public Cooperation. He joined on 24th July 1963, and is now functioning in accordance with the recommendations of the Public Accounts Committee.

It will thus be seen that the purpose which the PAC had in view of coordination and avoidance of overlapping in grants-in-aid to Bharat Sewak Samaj by different Central Ministries has been fully achieved.

ANNEXURE I to Part X

PLANNING COMMISSION

Statement showing action taken/proposed to be taken on the recommendation of the Public Accounts Committee made in their 34th Report (1960-61)—Second Lok Sabha.

Serial No.	Para No.	Particulars of the recommendation	Action taken or proposed to be taken
1	2	3	4
34	69 (1)	The Committee desire that an early decision should be taken on the question of channelising all the grants given by Government to the Bharat Sevak Samaj through a single Ministry.	<p>The recommendation has been examined in consultation with the Finance Ministry and the Central Ministries of Education, Irrigation & Power and Information & Broadcasting which are giving grants to the Bharat Sevak Samaj.</p> <p>2. The agreed conclusion is that under the existing administrative arrangements, it is not feasible either for any single administrative Ministry or the Finance Ministry of the Planning Commission to assume responsibility for sanctioning grants to the Bharat Sevak Samaj for all the Plan programmes. The considerations which lead to this conclusion are:—</p> <p>(a) It is not possible for any single Ministry to take responsibility for the Plan programme administered by other Ministries. Thus the Ministry of Education, which gives grants for the Labour and Social Service Camps, cannot assume responsibility for grants given to the Samaj for publicity schemes (I & B Ministry) or Slum Improvements schemes and Lok Karya Kshetras (Planning Commission).</p>

- (b) It is also not possible that while a programme as a whole may continue to be administered by the Ministry concerned, only that part of the grant which relates to the Bharat Sevak Samaj may be transferred to any single Ministry. The progress will suffer since any single Ministry will not be competent to guide, supervise and assess the progress concerning different kinds of programmes of other Ministries.
 - (c) The proposal to entrust this responsibility to the Finance Ministry will not be in keeping with the present policy of delegation of power and devolution of administrative functions. Besides, the considerations mentioned at (a) and (b) above will apply in their case also.
 - (d) The P.A.C. recommendation will necessitate centralisation of the budgetary provision for different Plan programmes under one Ministry which may entail difficulties and be not feasible under the existing pattern of the budget.
 - (e) The P.A.C. recommendation, if it is to be given effect to, will have to be applied to all voluntary organisations receiving Government grants. This opens up a wide general issue.
3. The Ministry of Finance and the Planning Commission, have however, given further consideration as to how the objectives underlying the recommendations of the P.A.C. could be achieved. In their view the following arrangements will ensure proper coordination in the grants given by the various Ministries and avoid overlapping and duplication:
- (a) A sub-committee with representatives of the Finance Ministry, Planning Commission and the Central Ministries concerned may be appointed to review periodically the grants given to the Bharat Sevak Samaj; and
-

- (b) A serving finance officer may be deputed and attached with the Secretary, National Advisory Committee on Public Co-operation, who is also at present, Secretary of the Bharat Sevak Samaj, to assist in coordinating the various grants given to the Bharat Sevak Samaj and exercise general financial control over the utilisation of the grants. He will function like an Internal Financial Adviser in the day to day administration of the grants. This officer will be responsible to the sub-committee of the Coordination Committee for Public Cooperation.
4. The Ministry of Finance and Audit agree with the above course of action.
5. Action is being taken to give effect to the above decisions.

Sd/-

(TARLOK SINGH),

Additional Secretary.

Annexure II to Part X
GOVERNMENT OF INDIA
PLANNING COMMISSION

**SUBJECT: Action taken on the recommendations of the Public
Accounts Committee.**

Recommendation of the Committee

The Committee would like to be informed whether the decisions referred to in para 3 of the Ministry's note have since been given effect to. (Serial No. 23 of Appendix II to 12th Report 1962-63).

Action taken by Government

(a) A Sub-Committee of the Co-ordination Committee for Public Co-operation has been appointed under the Chairmanship of the Secretary, National Advisory Committee on Public Cooperation under Planning Commission Office Memorandum No. 8(9)/63-Pub., dated 10th October, 1963. The main function of this Committee will be to ensure proper coordination in the grants given by different Ministries to the Bharat Sevak Samaj and to avoid overlapping and duplication. A copy of the Planning Commission Office Memorandum No. 8(9)/63-Pub., dated 10th October, 1963 is enclosed for ready reference.

(b) A Financial Adviser has already been appointed for the purpose envisaged in para 3(b). He took charge of his duties with effect from 24th July, 1963.

(c) The Ministry of Finance and Audit have approved the above remarks.

(Sd.) T. P. SINGH,
Additional Secretary.

Planning Commission U.O.No. 8(9)/63-Pub. dated 23-12-62.

Annexure III to Part X

No.8(9)/63-PUB

**GOVERNMENT OF INDIA
PLANNING COMMISSION**

New Delhi, 10th October, 1963.

OFFICE MEMORANDUM

SUBJECT: *Public Accounts Committee—34th Report (1960-61)—
Second Lok Sabha—Action taken on the recommen-
dations.*

The undersigned is directed to refer to the note of the Planning Commission relating to the action taken or proposed to be taken on the recommendations of the Public Accounts Committee made in their 34th Report (1960-61) Second Lok Sabha (Copy enclosed for ready reference). In accordance with the undertaking given in paragraph 2 of this note, it has been decided to set up a sub-committee of the Coordination Committee for Public Cooperation consisting of the following :—

1. Secretary, National Advisory Committee on Public Co-operation Chairman.
2. Deputy Secretary, Ministry of Finance. (C&I Dn.).
3. Director, Public Cooperation, Planning Commission.
4. Financial Adviser (N.A.C.P.C.).
5. Representatives of the following Central Ministries and their associate finance:
 - (i) Ministry of Information and Broadcasting.
 - (ii) Ministry of Education.
 - (iii) Ministry of Health.
6. A representative of the Central Social Welfare Board.
7. Secretary, Bharat Sevak Samaj, Central Office, New Delhi.

2. The Committee's main function will be to ensure proper co-ordination in the grants given by the various Ministries to the Bharat Sevak Samaj and to avoid overlapping and duplication. For this purpose information will be called for from the Ministries giving grants to the Bharat Sevak Samaj.

3. The Committee will meet from time to time as and when considered necessary.

4. The first meeting of the Committee will be convened shortly.

(Sd.) V. P. MITHAL,
Financial Adviser (NACPC).

To

1. Secretary, N.A.C. P.C.
2. Deputy Secretary, Ministry of Finance, C. & I. Dn., New Delhi.
3. Director, Public Cooperation, Planning Commission.

- | | | |
|--|---|---|
| <ol style="list-style-type: none"> 4. (i) Ministry of Information and Broadcasting. (ii) Ministry of Education. (iii) Ministry of Health. | } | <p>It is requested that the names of the representatives of the Committee may please be intimated at an early date.</p> |
|--|---|---|

5. Ministry of Finance, Department of Expenditure, with the request that the names of officers to represent the associated finance of the Ministries of I. & B., Education and Health may be communicated at an early date.

- | | | |
|--|---|--|
| <ol style="list-style-type: none"> 6. (i) The Central Social Welfare Board, New Delhi. (ii) The Bharat Sevak Samaj, Central Office, New Delhi. | } | <p>With the request that the name of the officer nominated may please be intimated at an early date.</p> |
|--|---|--|

7. All Ministries of the Government of India.
8. The Accountant General, Central Revenues, New Delhi.
9. Lok Sabha Secretariat (P.A.C. Section), New Delhi.

Part XI: In answer to S.Q. No. 54 in the Rajya Sabha on the 23-4-1963, it was stated that a sum of about Rs. 10: 58 lakhs had been spent by the Samaj in different States for the Lok Karya Kshetras (Rural), Lok Karya Kshetras (Urban) and Lok Karya Kshetras (Educational work on Prohibition).

Question (1): What amount for these programmes was given from the Centre? What is the unspent balance?

Answer:

The information given in answer to Starred Question No. 54 in Rajya Sabha on 23-4-1963 relates to the amount of grant-in-aid given to Bharat Sewak Samaj (Central Office), New Delhi, by the Planning Commission during the year 1962-63 for the Lok Karya Kshetras (Rural), Lok Karya Kshetras Training Centres, Lok Karya Kshetras (Urban) and Lok Karya Kshetras (Educational Work on Prohibition). The position with regard to grant-in-aid and the unspent balances during that year is given below:

Scheme	Amount of Grant-in-aid	Unspent balance as per audited statement of Accounts
Lok Karya Kshetras (Rural)	6,51,600	1,65,063
Lok Karya Kshetras Training Centres	1,15,000	24,811
Lok Karya Kshetras (Urban)	2,85,300	70,853
Lok Karya Kshetras (Educational Work on Prohibition)	6,000	..
	10,57,900	2,60,727

The unspent balances accrued due to the strict measures of economy taken on account of National Emergency declared in October 1962. The Bharat Sewak Samaj was even advised not to open any more new Lok Karya Kshetras, rural as well as urban. The saving in the expenditure of Lok Karya Training Centres was due to the fact that the training programme was cut short due to the emergency.

The unspent balances were adjusted in the amounts of grant-in-aid for the year 1963-64 as per requirements of Audit.

Part XI:

Question (2): Has any assessment of the result of the programmes been made? What are the results of assessment?

Answer:

The programmes under reference are periodically assessed. So far as the urban and rural Lok Karya Kshetras are concerned, the position has been explained in details in reply to the questions under paras IV and VII.

As regards the training schemes, there is a Central Committee in the Central Office of the Bharat Sewak Samaj which is in overall charge of both the Training Centres in Delhi and Kerala. This Committee includes senior non-officials having wide experience of training schemes and officers concerned from the Planning Commission and the Central Ministries concerned. Besides, there is a separate Committee for each of the two Training Centres. Senior teachers and executives from institutions like the Tata Institute of Social Work, Delhi School of Social Work, Harijan Sevak Sangh, Gandhi Samarak Nidhi, etc., are also associated with the training programmes.

The educational work on prohibition is being organised under the guidance of the Central Prohibition Committee of the Ministry of Home Affairs and the All India Prohibition Council which is an All India voluntary organisation specialised in this field. The working of this programme was recently assessed by the Study Team on Prohibition set up by the Planning Commission. The general assessment by the Study Team was that the Nashabandi Lok Karya Kshetras are doing good work in educating the people about evil effects of drinking. The Team has recommended that—

“it will be desirable to open a net-work of Nashabandi Kshetras throughout the country. There should be one Kshetra in every district and in important industrial projects and urban areas”.

APPENDIX II
MINISTRY OF INFORMATION & BROADCASTING
(BHARAT SEVAK SAMAJ)

Central Government Audit Report (Civil) 1964

Notes on list of points

(See Para 2 Introduction and para 35 & 38)

Para 86 (A)

I—Para (i) Page 103.

QUESTION (1) *Under what circumstances was an excess re-imbursement of Rs. 16,000 made for the period 1960-62?*

Answer:

(1). —During the period 1960-62, this Ministry gave grant-in-aid to the Bharat Sevak Samaj (Jan-Jagran Vibhag) for the following of its schemes:—

- (1) Mass Contact
- (2) Jan Sahyog Kendras
- (3) Bharat Sevak Journal
- (4) Brochures
- (5) Bulletins

The grant was given subject *inter alia* to the following conditions:—

- (a) The grant would be limited to not more than 82½ per cent of the total admissible expenditure.
- (b) In respect of the three schemes which essentially related to field activities *viz.* 'Mass Contract', 'Jan Sahyog Kendras' and 'Bulletins', the headquarters expenditure (on staff, contingencies, etc.) as admissible for the purpose of the grant-in-aid, would not exceed 10 per cent of the total gross expenditure, the remaining 90 per cent being actually incurred in the field.

During the course of a review under-taken by the Accountant General, Central Revenues in respect of the Accounts of the Jan Jagran Vibhag of the Samaj in early 1963, it was observed that the expenditure incurred on (1) rent of telephones and (2) rent, rates and taxes paid in respect of the office building had been debited to the 'Brochures' instead of treating it as 'Headquarters' expenditure, as a result of which, according to the Accountant General, Central Revenues, the Samaj had the benefit of an excess grant amounting to Rs. 16,000.

This Ministry determines the admissibility of grant-in-aid on the basis of the Accounts submitted by the Samaj, duly audited by their Chartered Accountants. In the accounts so received in this Ministry, the impugned items of expenditure were shown as relating to the 'Brochures' instead of being shown under 'Headquarters' and hence were admitted as such. As soon as the wrong classification of the items of expenditure in question was brought to the notice of this Ministry by the Accountant General, Central Revenues, comments of the Samaj were called for in the matter and they explained that the expenditure in question had been debited to 'Brochures' as a large portion of the accommodation hired by the Samaj and telephone extension was used for the Office and stores for 'Brochures'. This explanation was not found satisfactory and the Samaj was informed accordingly.

Q. (2) *Has the amount been recovered since? if not, what are the reasons for the delay?*

Ans. (2) The amount of Rs. 16,000 has been since recovered from the Samaj by adjustment against the second and final instalment of the grant-in-aid released to the Samaj by this Ministry in March, 1964.

II.—*It was stated in reply to the Unstarred Question No. 181 in the Rajya Sabha on the 25th February, 1964 that a Committee was appointed in December, 1963 to examine and evaluate the publicity work of the Jan Jagran group of the Samaj.*

Q. (1) *Has the Committee since submitted their Report? What are the salient features thereof?*

(Three copies of the Report may be furnished).

Ans. (1) The Committee has not yet furnished its Report; it expects to do so by the end of January, 1965.

Q. (2) *In how many States such Jan Jagran Groups were constituted—whether the Groups received any financial assistance from State Governments and the public? If so, the details of such assistance may be furnished.*

Ans. (2) According to the information furnished by the Samaj, it has set up Jan Jagran Groups in every State to operate programmes of Mass Contact, Plan Publicity as well as Publications. These Groups have as their members representatives of Pradesh Bharat Sevak Samaj and workers engaged in social enlightenment and Plan Publicity Programmes, as well as representatives of other voluntary organisations and the Government Departments dealing with Plan

Publicity and Public relations. The State Branches do not receive any financial assistance from the State Governments. The public co-operation and contributions are obtained in operating the programmes, such as in holding Seminars, Study Camps, Padyatras, Exhibitions etc. Also, the Jan Jagran Groups ran Plan Information Centres in selected places. These Centres and Seminars get assistance from the public by way of contributions, free accommodation, papers, arrangements for meetings, etc. The details of assistance received in terms of cash contribution during the past years is given below:—

(i) 1959-60	. . . . .	Rs. 930.00
(ii) 1960-61	. . . . .	Rs. 11,170. 29
(iii) 1961-62	. . . . .	Rs. 36,074.77

III—Para (ii)—Page 108

Q. (1) How many District Information Organisers have been appointed up till now? What is their pay or maintenance allowance?

Ans. (1) The Jan Jagran Group has 75 whole-time District Information Organisers. Each District Information Organiser is paid a monthly allowance in the grade of Rs. 120-5-150. They are also entitled to T.A. and D.A. while on tour at the rate of Rs. 3 per diem as daily allowance plus actual train or bus fare.

Q. (2) What were the reasons for replacing the 'Pracharaks' by the District Information Organisers?

Ans. (2) According to the information furnished by the Bharat Sevak Samaj, before November, 1961 Pracharaks were employed by them to carry on Plan publicity in the rural areas. Subsequently, it was found more feasible to utilise the services of Multi-purpose Community Workers in the Lok Karya Kshetras in rural areas to carry out Plan Publicity along with their other rural development and public co-operation activities. Consequent on this change, a new cadre of District Information Organisers was created at the District level to cover the whole District. Their functions were defined as follows:—

- (a) To organise Seminars at Block and District Level;
- (b) To organise Plan Study Circles or Centres in the various parts of the District;
- (c) to promote the sale of Journals—'Bharat Sevak' (English and Hindi) and also publications of the Central and Pradesh Bharat Sevak Samaj;

- (d) To propagate the message of the Five Year Plan and to make people Plan conscious;
- (e) To supervise the work of Information Centres, Lok Karya Kshetras, etc., set up in the District;
- (f) To assist the District Convener in organising the units of the Samaj and also to follow up the activities of the Camps;
- (g) To organise melas, festivals, cultural activities, etc., for Plan Publicity Work;
- (h) To organise all such activities which would help in creating an atmosphere of greater public participation in the Plans.

Q. (3) *How are they appointed? Who selects them and how is their salary and other terms fixed?* ..

Ans. (3) According to the information furnished by the Bharat Sevak Samaj, the District Organisers are selected for their competence and capacity to organise Plan publicity programmes as well as for their knowledge of rural conditions. In the first instance, many of the senior Workers in the Lok Karya Kshetras, who had shown notable capacity for organisation, were promoted from Mukh Sahyogi of the Lok Karya Kshetras to District Information organisers of the Jan Jagran Group. Also, senior workers engaged in other types of Plan activities like holding of seminars, rural and other Camps, family planning and welfare camps have also been drafted as District Information Organisers, besides their work as Regional Programme Organisers. The selection of these persons has been done on the recommendation of the concerned Jan Jagran Group of the State and confirmed by the Central Jan Jagran Section. The salary grade of the District Information Organisers is Rs. 120—5—150.

It has now been laid down that the Central Bharat Sevak Samaj (Jan Jagran Group) will notify to the Pradesh Bharat Sevak Samaj the number of District Information Organisers sanctioned during a particular year along with the names of selected Intensive Districts. Thereafter, the District Committees of the Bharat Sevak Samaj will forward in the prescribed manner particulars of suitable candidates to the Pradesh Bharat Sevak Samaj Office Selection Committee at the Pradesh level which will screen the applicants and recommend a panel of three names to the Central Bharat Sevak Samaj (Jan Jagran Group), who will finally select the best qualified candidate.

Q. (4) *Has any review at any time been made of the working of the scheme by the Ministry as prescribed under the financial rules? If not, the reasons for the same.*

Ans. (4) The Bharat Sevak Samaj is required to furnish half-yearly reports on the working of each of the schemes including that of 'Mass Contact', for which they receive grant-in-aid from this Ministry. These half-yearly reports give a detailed survey of the activities undertaken by the Samaj in the specified fields and are critically examined in this Ministry. So far only a brief mention was being made in the Annual Reports of this Ministry about the activities of the Bharat Sevak Samaj in the various fields, for which they received grant-in-aid from this Ministry. When this fact was brought to the notice of the Accountant-General, Central Revenues, they made the following observations :—

“As the review conducted by the Ministry does not indicate the performance, progress shortcomings and achievements along with the measures to remedy the ills or improve the results of the scheme, the facts brought out in the para (Audit para) remain unaltered”.

The above observations of the audit have been noted for future guidance.

IV—Para (iii)—Page 108.

Q. (1) On what grounds did the Ministry agree to the converting of 'Jan Jagran Kendras' into 'Lok Karaya Kshetras' when they were dis-satisfied with the working of the former scheme?

Ans. (1) At the request of the Public Co-operation Division of the Planning Commission which gives grant-in-aid to the Bharat Sevak Samaj for the operation of the scheme of 'Lok Karya Kshetras', the programme Evaluation Organisation of the Planning Commission made a study of the working of that scheme in 1960. Para 3.17 of the Report on the study so made stated as follows :—

“Finally, the Bharat Sevak Samaj receives grants from the Planning Commission, the Ministry of Information and Broadcasting and certain other Government departments. The Lok Karaya Kshetras and the Jan Sahyog Kendras (financed by the Ministry of Information and Broadcasting) operate in the same districts with much the same objective. The separate identity of the grant giving department percolates to the field level and tends to perpetuate departmentalism and separatism among the workers.”

In the light of the above observations the position was reviewed by the Bharat Sevak Samaj and they decided to convert the Jan Sahyog Kendras into Lok Karya Kshetras and made a request to

this effect to the Planning Commission who had to provide funds for the Lok Karya Kshetras so formed. This Ministry raised no objection to such conversion.

As indicated above, the Jan Sahyog Kendras were converted into Lok Karya Kshetra, not because they were not functioning effectively but because of the duplication of activities of the two organisations in the same areas.

Q. (2) What were the points of actual dissatisfaction? How were they remedied in the new set-up?

Ans. (2) As stated earlier there was no dissatisfaction in regard to the working of the scheme of the 'Jan Sahyog Kendras' in general. It was only in respect of the eleven (11) specific Kendras that it was felt that their performance was not satisfactory during the half-year ending 31st March, 1961 as reflected by the number of public meetings, group meetings, cultural programmes, films shows, number of village units formed, etc. arranged by those Kendras. This fact was simply brought to the notice of the Samaj for their guidance and necessary remedial action.

Q. (3) What are the differences between the two Schemes? If there is no difference, was the matter brought to the notice of the Planning Commission by the Ministry?

Ans. (3) The Jan Sahyog Kendras were in the nature of rural information Centres intended for Plan publicity. On the other hand, the Lok Karya Kshetras were intended for multifarious activities in the various fields and were set up with the following objectives:—

- (a) To build up the initiative of the people and assist growth of local leadership;
- (b) To augment the resources of the people;
- (c) To initiate projects which will increase the capacity of the people (production plans for families).
- (d) To mobilise man-power and resources to increase production especially of food;
- (e) To create an atmosphere and preconditions in which people's institutions, particularly co-operatives and panchayats can function effectively.

As stated earlier, the scheme of the Lok Karya Kshetras is the concern of the Planning Commission and it is at their suggestion that this Ministry agreed to the conversion of the Jan Sahyog Kendras into Lok Karya Kshetras.

V—Para (iv) (a)—Page 108

Q. (1) *On what basis did the Ministry admit the expenditure of Rs. 28,701 incurred on 14 Brochures brought out by the Samaj when in their opinion the material brought out was not in conformity with the objective for which the subsidy was paid? (one set of 14 brochures may be furnished).*

Ans. (1) The brochures in question generally contained material in regard to the activities of the Bharat Sevak Samaj in the various fields and were, therefore, not considered in strict conformity with the objective for which this Ministry gave grant-in-aid viz. Plan publicity. It was felt that it was necessary to arrest the tendency to include in these brochures material with emphasis on the activities of the Bharat Sevak Samaj rather than on Plan publicity—the primary object for which the grant-in-aid was given by this Ministry. The Samaj was apprised of this fact for future guidance.

Q. (2) *Was Finance Ministry consulted before giving this subsidy? If so, what was their opinion?* ..

Ans. (2) The grant-in-aid to the Bharat Sevak Samaj is given by this Ministry in consultation with the Ministry of Finance. Subsequent to the release of grant-in-aid, this Ministry gets half-yearly reports from the Samaj in regard to their activities in respect of the various schemes for which they receive grant-in-aid from this Ministry. These half-yearly reports are scrutinized with a view to ensuring that the grants are being utilized for the purpose for which they are sanctioned. It is only after satisfying themselves in the matter that the necessary utilisation certificate is issued by the Ministry to the Audit. The Ministry of Finance do not come into the picture in this process unless a particular item of expenditure is disallowed and a suitable adjustment is to be made against the next instalment of grant-in-aid.

As it was decided to admit the expenditure on the 14 brochures under reference, the question of consultation with the Ministry of Finance did not arise.

Q. (3) *At what level was the decision to admit the expenditure taken?*

Ans. (3) The decision to admit the expenditure was taken at Secretary's level.

Q. (4) *Has the amount actually been paid to the Samaj?*

Ans. (4) Yes. As explained earlier, the grant-in-aid is given first and the question of admittance or otherwise of a particular item of

expenditure arises later. It is only if it is decided not to admit a particular item of expenditure that action has to be taken for the recovery or adjustment thereof against the grant-in-aid to be given in future.

VI—Para (iv) (b)—Page 108-109

Q. (1) What was the expenditure incurred in printing the brochures? What was the amount realised by sale of those brochures?

Ans. (1) The following statement shows the expenditure incurred on the printing of brochures during 1959-60 to 1961-62 and the income realised from the sale thereof:—

	1959-60	1960-61	1961-62
	Rs.	Rs.	Rs.
(A) Expenditure			
(i) Gross expenditure	29,712.63	53,755.98	30,049.17
Less			
(a) Sale commission	(—) 11,894.36	(—) 73.00	(—) ..
(b) Telephone charges	(—) ..	(—) 1,816.19	(—) 1,752.99
(c) Rent, rates & taxes	(—) ..	(—) 5,310.58	(—) 5,031.32
(ii) Net expenditure	17,818.27	46,556.21	23,264.86
(B) Income			
(i) Income	25,111.18	405.53	22,853.19
Less			
(ii) Sale commission	(—) 11,894.36	73.00	..
(iii) Net income	13,216.82	332.53	22,853.19

As advised by the Accountant General, Central Revenues, the income by sale in cash and on credit (rounded in rupees) is shown separately in the sub-joined statement:

(i) Income from sale in cash	13,242	125	7,973
(ii) Income from sale on credit	11,869	281	14,880
Gross income	25,111	406	22,853

Q. (2) On what basis were the names of individuals or associations, etc. placed on the free mailing list? What is the total number of persons etc. who receive free copies of the brochures?

Ans. (2) The Bharat Sevak Samaj have explained that they are not maintaining any standing mailing list for the distribution of brochures. They are, however, stated to be distributed to the Pradesh and District Chairmen of the Bharat Sevak Samaj and whole-time workers in the camps and Lok Karya Kshetras, annual conventions, etc. They are also distributed to important workers of the Samaj such as Central Group or Section Secretariets and Pradesh organising Secretaries and to the prominent public-men and writers. Bharat Sevak Samaj have, however, now started to maintain a regular stock register in which the names of persons or institutions receiving free copies are entered.

Q. (3) Is any account of the sale of the brochures kept? Has any check been made to see whether the records are actually maintained?

Ans. (3) According to the information furnished by the Samaj, the accounts of the sale of brochures are kept in the stock registers of their publication Section and these accounts are regularly audited by their Chartered Accountants and included in the accounts submitted to the Ministry of Information and Broadcasting. This Ministry does not exercise any physical verification of the records maintained by the Samaj.

VII—Para (iv) (v)—Page 109

Q. (1) What are the reasons for allowing the irregular benefit to the Samaj with regard to the re-imbusement of the gross expenditure?

Q. (2) Has the amount of Rs. 8,973 paid in excess been recovered since? If not, what are the reasons for the delay?

Ans. (1) & (2) In the Accounts submitted to this Ministry by the Bharat Sevak Samaj, duly audited by the Chartered Accountants, the commission on sale was shown on the expenditure side and was admitted as such by this Ministry. As soon as the error was pointed out by the Accountant General, Central Revenues, the matter was taken up with the Samaj and the amount of Rs. 8,973 recovered from them by adjustment against the instalment of grant-in-aid released to the Samaj in March, 1964.

VIII—Para 86 (v)—Journals—Page 109

Q. (1) *On what basis Government sanctioned the grant from year to year for publishing the journals?*

Ans. (1) So far as the grant-in-aid to the Bharat Sevak Samaj for the publication of the journal 'Bharat Sevak' (English and Hindi) during the three years 1959-60, 1960-61 and 1961-62, is concerned, it was sanctioned on the basis of meeting the deficit in income over expenditure incurred by the Samaj on the journal, subject to a maximum of Rs. 30,000 per annum.

The following table will indicate the quantum of grant-in-aid actually admitted for the three years under reference:—

Year	Expenditure	Receipt	Deficit	Govt. grant
	Rs.	Rs.	Rs.	Rs.
1959-60 . . .	55,242	15,991	39,251	30,000
1960-61 . . .	82,114	24,022	58,092	30,000
1961-62 . . .	57,841	29,421	28,420	28,420

Q. (2).—*What are the reasons for distributing free a large percentage of the printed copies?*

Ans. (2) According to the information furnished by the Bharat Sevak Samaj, free distribution of the journal at Seminars, Exhibitions, Conventions and Conferences held by the Samaj and other organisations was considered essential as a measure of publicity and this accounted for a large percentage of free distribution of the journal.

(Vide O.M. No. 1/23/63-PP dt. 30-22-64).

APPENDIX III

List of points on which written notes are required by the Public Accounts Committee

MINISTRY OF EDUCATION

(See para 2 Introduction)

Para 86(B) of Audit Report (Civil) 1964 Labour & Social Service Camps—(Bharat Sevak Samaj)

Points raised by the P.A.C.	Replies
I (1) Before giving grants to the Samaj for Organising the Camps, did the Deptt. of Social Security ascertain from other Ministries whether similar work was being done under other programmes? Was any effort made to avoid sanctioning grants to the Private body for doing identical work for which programme already existed in other Department?	The Labour & Social Service Camps Scheme is being implemented only by the Ministry of Education since April, 1954 and not by the Deptt. of Social Security. It is a fact that no other Ministry is implementing this programme or sanctioning grants for doing identical work.

Supplementary Information

In order to avoid duplication of work undertaken in the Youth Camps *vis-a-vis* the programmes of the other Ministries, an Advisory Body—Committee on Labour & Social Service Camps was constituted in May, 1954. On this Committee representatives of the Planning Commission, Ministry of Finance, Ministry of Community Development & Cooperation, Ministry of Defence (N.C.C. Directorate), eminent educationist and a Social Worker, and a representative of the Bharat Sevak Samaj were nominated to advise about the implementation of the day to day programme. This Committee has since been wound up.

A sub-committee of the Coordination Committee of Public Cooperation (Planning Commission) has since been appointed in pursuance of the recommendations of the Public Accounts Committee made in Para 69(i) of the 34th Report (1960-61) Second Lok Sabha for the purpose of co-ordinating the grants-in-aid given to the Bharat Sevak Samaj by different Central Ministries and to avoid overlapping.

I (2) What was the amount granted for holding camps in 1962-63, the amount actually spent and the amount of unspent balance, if any, that has been refunded? Similar figures for 1963-64 may also be furnished.

A statement (Annexure A) showing the required information is enclosed.

II. The PAC (1963-64) were informed in a written note by the Ministry of Education (Item 8 page 7, Appendix III to their 26th Report, 3 LS VOL. II) that the scheme of Labour & Social Service Camps has since been re-oriented with a view to assessing to what extent self-sufficiency could be achieved. In these camps only remunerative projects were proposed to be taken up and the beneficiary agency was expected to pay for the labour put in by the students. It was therefore likely that the samaj would not be able to conduct as many camps as they have hitherto been conducting.

(i) The Ministry had stated to Audit in September, 1963 that they had stopped giving further grants to the Voluntary Organisations for rural youth camps (non-students) from the year 1963-64. What is the present position? Have Government stopped all grants for Labour & Social Service Camps or the quantum of grants will be reduced in view of the proposal to conduct lesser number of camps by the Samaj?

The statement forwarded to Audit in September, 1963 was in accordance with the following recommendation made by the Asoka Mehta Team which had evaluated the scheme in connection with the Rural Youth Camps:—

“Separate camps for non-students, urban as well as rural would be valuable, but for that an appropriate scheme, with suitable financial provision, would have to be drawn up.”

The purpose of Rural Youth Camps is also educational as in the case of students' camps. As there was no suitable machinery to pay grant-in-aid for rural youth camps other than the Ministry of Education, a sum of Rs. 30,000 was paid on 31st January, 1964 to the Samaj for conducting 100 rural youth camps during February-March, 1964.

In the light of the recommendations of the Asoka Mehta Team, the Ministry of Community Development & Cooperation was requested to take over the scheme of rural youth camps. That Ministry has however stated that it would not be possible for them to take over the scheme of rural youth (non-students) camps. According to them the role of the Ministry of Community Development & Cooperation is to encourage the subject matter Ministries to promote their programme in rural areas more effectively. They have promised to cooperate with the Ministry of Education in all possible ways in organising these camps.

A proposal for giving grants for Rural Youth Camps during the year 1964-65 is under consideration.

The Government has not stopped all grants for Labour & Social Service Camps. The quantum of grants for the purpose will depend on the availability of budget provision. Due to an economy cut of Rs. 2 lakhs out of the budget provision of Rs. 4.50 lakhs in India Circle during the current year, only a lesser number of camps will be held.

(2) Has the re-oriented scheme of the camps since started functioning? If so, the details thereto and the part played by the Samaj may be furnished.

It is a fact that it was decided in February, 1963 to conduct Pilot Project Labour & Social Service Camps for students not only by Bharat Sevak Samaj but by all the agencies in the field with a view to ascertaining the degree of self-sufficiency which could be achieved through these camps. Out of a total number of 84 Pilot Project Camps, the Bharat Sevak Samaj conducted 66 camps. The re-oriented scheme of camps was given up due to various difficulties faced by the organisers in finding out the remunerative projects for the camp. In fact it was visualised that hundred per cent self-sufficiency could not be anticipated nor it was desirable to employ the students in competition with the unemployed rural youth in the villages. The grants for the Pilot Project Camps was initially paid at the full rate of Rs. 1.75 per camper per day. It was on the initiative of the organiser of a camp that a remunerative project was to be found out. The Ministry of Community Development & Cooperation was not in a position to issue a directive in this behalf. A copy of letter No. 506/1/G/ACC dated 2nd May, 1963 from the Director National Cadet Corps, Punjab, Chandigarh, which is self explanatory is enclosed for information (Annexure B).

A statement (Annexure C) showing the number of camps held by the Bharat Sevak Samaj from the year 1954-55 to 1964-65 (25th November, 1964) is enclosed for information. The Samaj was permitted to hold the Labour & Social Service Camps on the old pattern without a remunerative project after 30th June, 1963 and this practice has continued. Another statement (Annexure D) showing the receipts obtained by the Bharat Sevak Samaj out of the remunerative projects in respect of 27 camps for which intimation has been received so far is attached for information.

Points raised by the P.A.C.

Replies

(3) The Ministry of Education informed the Committee (*vide* Item 8, p. 7, Appendix III to 26th Report, Vol. II) that the account of camps will be audited by Chartered Accountants. Has any such audit been carried out so far? If so, what are the results?

No audit by the Chartered Accountants as recommended by the P.A.C. has so far been carried out. The position is as follows:—

In order to implement the recommendation a meeting was convened on the 4th May 1964 with the representatives of the Comptroller and Auditor General, A.G.C.R., Ministry of Finance and Bharat Sevak Samaj to discuss the procedure for auditing the camps held by the Bharat Sevak Samaj. A copy of the minutes of the meeting (Annexure E) is enclosed.

The Zonal Headquarters where the camps accounts will be produced by the Bharat Sevak Samaj to the Chartered Accountants to be selected by the Comptroller and Auditor General of India have been finalised in consultation with the Samaj. The latter has also furnished recently list of Chartered Accountants approved by him. The A.G.C.R. has since prepared the necessary directives in consultation with the Comptroller & Auditor General and a copy of these instructions have also been sent directly to the Bharat Sevak Samaj for further necessary action for auditing of accounts by the Chartered Accountants.

(R. K. KAPUR)
Joint Educational Adviser.

(*Vide* O.M. No. F. 7-6/63-P.E. I, dt. 13-1-65.)

Annexure A

Statement showing the grants paid to the Bharat Sevak Samaj during the year 1962-63 & 1963-64.

Year	Amount granted	Amount actually spent by Bharat Sevak Samaj	Unspent balance, if any.
	Rs.	Rs.	
1962-63	5,50,042	4,62,042 (Approx.)	Rs. 88,000 has been adjusted against the grant for 1964-65.
1963-64	3,05,300	2,79,212 (Approx.)	Rs. 26,088. This is being adjusted against the additional grants due to Bharat Sevak Samaj for the year 1958-59.

N.B. The figures of expenditure and refunds are subject to final settlement of accounts.

Annexure B

Chandigarh Tele. 627.

No. 506/1/G/ACC
 NCC Directorate Punjab
 Chandigarh.
 2 May 1963.

To

Directorate General NCC
 Ministry of Defence
 Government of India
 DHQ NEW DELHI 11.

SUBJECT:—ACC Labour and Social Service Camps.

Reference your letter No. 1107/8/NCCTRG (B) dated 4/5 March 1963 and your signal No. 093219/TRG (B) dated 16th April 1963.

This Directorate has made a herculean effort to arrange the above camp as per the instructions contained in your above quoted letter and at one stage the State Government had tentatively agreed to holding a camp of 400 boys at Project Moga-1. Subsequently this scheme has been rejected for the following reasons:

- (a) The State Government are committed to utilise the local rural manpower in the area of the block Development schemes as it would alleviate the unemployment in villages.
- (b) The Block Development Organisation in this State is not willing to reimburse the NCC on the basis of the cost of labour, or earth work performed by the Cadets, as they consider the villagers are much better workers than the cadets.

The State Government is however willing to utilise the services of cadets on a 'no cost basis'.

Sd/-
 Brigadier, Director National
 Cadet Corps.

Annexure C

The type and number of Labour & Social Service Camps held by Bharat Sevak Samaj since 1954.

Year	Rural Youth Camps	Tehsil Camps	Distt. Student Camps	Organis-sers Training Camps	Total
1	2	3	4	5	6
1954-55	..	..	79	..	79
1955-56	..	..	451	23	474
1956-57	37	230	382	25	674
1957-58	87	344	515	37	983
1958-59	240	470	646	186	1542
1959-60	340	543	411	258	1552
1960-61	527	393	330	260	1510
1961-62	533	474	178	144	1329
1962-63	129	370	165	167	831
1963-64	72	..	316*	..	388
1964-65	..	..	140	..	140
Total	1965	2824	3613	1100	9502
		6437			

*including 66 Pilot Project Camps.

Annexure D

A Statement showing the Audited expenditure and receipts obtained by the Bharat Sevak Samaj for Pilot Project Student Camps.

Name of the Organisation	Location of the Camp	Audited expenditure	Amount earned
1	2	3	4
		Rs.	Rs.
Bharat Sevak Samaj	<i>Uttar Pradesh</i> Gangashari	1620·11	600·00
Do.	Moradabad Sohwal	1950·00	600·00
Do.	Faizabad Nau Jheel	1972·23	620·00
Do.	Mathura Dwarabat	2000·00	600·00
Do.	Almora Sahabatpur	1801·00	600·00
Do.	Meerut Parhgaon	1640·50	600·00
Do.	Gazipur <i>Punjab</i> Talwandi Bhai	1531·65	300·00
Do.	Ferozepur Chabaiwal	1998·00	300·00
Do.	Hoshiarpur Malakpur	1858·00	300·00
Do.	Ludhiana Pakhariwal	1890·00	300·00
Do.	Gurdaspur Panjwar	1961·18	300·00
Do.	Amritsar Dongah Hoshiarpur	1759·35	300·00

1	2	3	4
Bharat Sevak Samaj— <i>contd.</i>			
Do.	Lakhnaur Ambala	Rs. 1801·50	Rs. 300·00
<i>Andhra Pradesh</i>			
Do.	Sirivaram Anantapur	2010·00	411·00
Do.	Jaggaihpet Kistna	1905·00	557·63
<i>West Bengal</i>			
Do.	Choapur Murshidabad	2010·00	561·00
Do.	Mohammadpur Midnapur	2010·00	845·25
<i>Madhya Pradesh</i>			
Do.	Dokrikhera Hoshangabad	1718·82	55·60
Do.	Dhubela Chhatarpur	1348·29	200·00
<i>Bihar</i>			
Do.	Patka Ranchi	1554·57	257·51
Do.	Jamgoria Dwarbad	1715·02	264·09
<i>Gujarat</i>			
Do.	Berua Sabarkantha	1552·33	462·00
Do.	Kim Surat	1690·62	520·00

1	2	3	4
<i>Maharashtra</i>			
		Rs.	Rs.
Bharat Sevak Samaj— <i>contd.</i>	Betawad	1964·00	375·00
	Dhulia		
	<i>Mysore</i>		
Do.	Mahakoot	1867·43	396·00
	Bijapur		
Do.	Chandanband	1985·66	420·58
	Raichur		
<i>Pondicherry</i>			
Do.	Uruvaiyar	1296·07	494·00
	Villianur		
	TOTAL	48411·83	115397·66

Annexure E

MINISTRY OF EDUCATION

(P. E. I. Section)

Minutes of the meeting held in the Ministry of Education on the 4th May, at 3.30 p.m. to discuss the procedure of Auditing the Accounts of Camps held by the Bharat Sevak Samaj.

The following were present:

- | | |
|--|---|
| 1. Shri P. K. Kathpalia
Deputy Secretary,
Ministry of Education | Convener |
| 2. Shri P. V. Vasudevan,
Deputy Director,
(Technical Administration) | Comptroller and Auditor General of India |
| 3. Shri T. S. Anand,
Assistant Accountant General | Accountant General Central Revenues, New Delhi. |
| 4. Shri Bhupinder Singh
Assistant Financial Adviser | Ministry of Finance,
New Delhi. |
| 5. Shri D. D. Chopra,
Joint Secretary | Bharat Sevak Samaj, New Delhi. |
| 6. Shri C. A. Kohli
Also present | |
| 1. Shri N. M. Tagore,
Assistant Educational Adviser,
Ministry of Education | |
| 2. Shri H. C. Tandan,
Section Officer | |

The Convener welcomed the members present and briefly explained the purpose of convening the meeting. The representative of the Bharat Sevak Samaj explained the various forms used for auditing of the camp accounts at present at the regional levels and also at the Headquarters before they are submitted to the Ministry of Education.

2. It was decided that the country-wide Camps constituted into four zones,—North, South, East and West. The Ministry was request to work out the details of the zones. It was further decided that 50% of the total number of camps should be audited by Chartered Accountants, the audit being completed within 6 months of the close of the camp. The representative of the Comptroller & Auditor General stated that there would be no objection to advise the names of Chartered Accountants to be appointed in each zone for the audit

of the Camps selected by the Ministry. On receipt of a request from the Ministry, indicating the zones and the number of Camps selected, the headquarters in each zone at which the accounts records of the Camps selected would be produced to the Chartered Accountants. The Ministry of Education would advise the Chartered Accountants so selected for the purpose, for appointment by the Bharat Sevak Samaj.

As regards the issue of suitable directives to the Chartered Accountants for the audit of the Camps, the representative of the Comptroller and Auditor General stated that the Accountant General, Central Revenues would prepare the directives in consultation with the Comptroller and Auditor General, and that the Instructions so prepared would be sent to the Ministry for communication to the Bharat Sevak Samaj, which would issue the same to the Chartered Accountants selected for the purpose.

3. At present, the Bharat Sevak Samaj is receiving grant from the Government at the rate of Rs. 1.37 np per camper per day for the Labour and Social Service Camps. This amount is made up of Rs. 1.00 per camper per day for food, 0.12 np per camper per day for incidentals, 0.13 np per camper per day for Central Organisational expenses and 0.12 np per camper per day for Regional Camp Committees expenses. The representatives of the Bharat Sevak Samaj indicated that the audit fees for a camp would not be more than Rs. 50.00. They were asked whether they could not meet this expenditure from within the existing grant-in-aid. They regretted their inability to meet the expenses. It was, therefore, decided that for payment of audit fees the Samaj may be paid an extra grant upto 0.06 np per camper per day or actual expenses, whichever is less. As the amount of 0.06 np is within the approved ceiling grant of Rs. 1.75 np per camper per day, the Assistant Financial Adviser had no objection to it.

APPENDIX IV

GOVERNMENT OF INDIA

DEPARTMENT OF SOCIAL SECURITY

(See para 2 Introduction)

*Notes on points called for the Public Accounts Committee vide Lok Sabha Secretariat
Office Memorandum No. 21/17/64/ PAC, dated 23-11-64.*

Information called for by the P.A.C.

Reply of the Department of Social Security

I

2

Para 88—(d) of Audit Report (Civil), 1964—page 116—Night shelters.

1. The observations of the Central Social Welfare Board's Inspectors in respect of some of the shelters were stated to have been brought to the notice of the Bharat Sevak Samaj.

(i) What are the contents of the Report furnished by the Bharat Sevak Samaj in respect of the observations of the Inspectors, especially in respect of the night shelters at Hubli, Saupal (Bihar), Varanasi, Srinagar, Ambala and Cuttack?

(ii) Five copies of the report furnished by the Samaj, may be supplied to the Committee.

(i) Extracts from the replies received from Bharat Sevak Samaj on the observations made in the Inspection reports are enclosed (Annexure A).

(ii) Copies of the relevant letters from the Bharat Sevak Samaj are enclosed (Annexure B).

(iii) What action has been taken by the Board in these cases? (iii) Action taken by the Board in respect of these shelters is indicated below:—

- (a) *Hubbly* —In view of the unsatisfactory working of this Night Shelter, the Board has decided to discontinue grant to this Night Shelter from 1st November, 1963. The Central B.S.S. had applied for continuation of grant on the plea that the shelter has been shifted to a new building; but from the latest inspection report it is noticed that the number of beneficiaries is only two. It has, therefore, been decided that no grant will be given to this Night Shelter after 31st October, 1963.
- (b) *Supal* : The Central Bharat Sevak Samaj have not furnished the clarification in respect of all the points raised by the Board. The matter is being followed up with the Central Bharat Sevak Samaj. Meanwhile a State Board Member has been requested to visit and report on the working of this Night Shelter.
- (c) *Varanasi* : The Central Bharat Sevak Samaj has clarified the position with regard to the various points emerging from the Inspection Reports. The Samaj has been requested to furnish statement of accounts and a progress reports for the previous two years. The State Board has also been requested to verify the number of beneficiaries in the Night Shelter. Further action will be taken on receipt of the information.
- (d) *Srinagar* : The State Board Chairman has recommended that the grant to this Night Shelter may be stopped. The matter is under consideration .

(e) *Ambala and Cuttack* : There are no specific points on which action had to be taken. These Night Shelters are reported to be functioning satisfactorily and the grants for 1964-65 have been approved.

2. It has been stated that the equipment, namely blankets, radios, furniture etc. of the closed shelters has either been transferred to other shelters or has been kept by the Samaj for new shelters.

(i) Has this been done by the Samaj with the prior permission of the Central Social Welfare Board ?

(ii) Has it been verified by the Inspectors that the equipment etc. have been physically transferred or that they are actually in stock ?

(iii) Has any report about the working of the shelters where the equipment have been transferred since been received from the Samaj ? If so, what are their remarks ?

(iv) How many new shelters have been opened since April, 1963 ?

(v) Does any officer of the Board examine the suitability of the locality before organising a night shelter in that area ?

(vi) What is the total amount of non-recurring grant given for the new shelters opened since April, 1963 ?

(vii) Apart from the inspection by the Board, is any other survey made periodically to see whether the shelters are actually being used by persons for whose benefit they are intended ?

(i) The transfer of equipment is always done with the prior approval of the Central Social Welfare Board.

(ii) and (iii) : So far equipment of only one closed Night Shelter has been transferred to another Night Shelter. The transfer of equipment has been verified by the Inspecting Officer.

The Bharat Sevak Samaj has reported that the equipment is being put to proper use. This has also been verified by an Inspecting Officer of the Central Board at the time of his visit.

(iv) No new night shelter has been sanctioned after April, 1963.

(v) No. The locality is selected by the Bharat Sevak Samaj who are responsible for implementing the scheme.

(vi) No new Shelter has been sanctioned after April, 1963.

(vii) At present the shelters are being inspected/visited only by members and officers of the Central and State Boards. The visits are generally surprise visits.

Annexure A

Extracts from the Replies Received from Bharat Sevak Samaj on the observations made in the Inspection Reports of Night Shelters

NIGHT SHELTER—HUBLI

(i) Observation

It is located in an out-of-the-way place and is not catering to the needs of those for whom it is meant.

B.S.S. Reply

The Night shelter has been shifted to a new building near Durgadabail. It is situated in a central place in Hubli city. This is shifted from 1st of March, 1964 and from this week we are going to send the weekly report about the progress of the shelter.

(ii) Observation

The rent of the building at Rs. 100 p.m. seems to be on the high side as the accommodation available is not very much sufficient for the rent.

B.S.S. Reply

As it is experienced here, it is very difficult to get the house for the low rent. The scarcity of the Houses in Hubli is too much. So there was no other way except to give the rent as they require.

(iii) Observation

The building at which the activity is being conducted has no sanitary block attached to it.

B.S.S. Reply

When Smt. Sudha Reddy had visited the shelter, the sanitary block was being built. Now it has got all types of sanitary equipments for the sake of the inmates. But we have already shifted from that place to Durgadabail. In this new building also all arrangements are there. One latrine, bathroom, and washing place etc., are constructed well in this house.

(iv) Observation

The Caretaker is being paid at the rate of Rs. 25 p.m. only and is acting as the Compounder for the Urban Pilot Project.

B.S.S. Reply

After the grant was stopped, it became very difficult to pay the caretaker Rs. 50 as before. The previous caretaker did not agree to work for the low pay. So he resigned. That is why the compounder is looking after the N.S.H. for Rs. 25 only p.m.

(v) Observation

The shelter has been shifted to a new premises but the State Board has not been intimated about this change.

B.S.S. Reply

The Night shelter was shifted on 5th July, 1963 from Pinjaraoni to Jagalur Building. But we have informed in our letter dated 15th July 1963, about transfer of the shelter. The too was mentioned in the quarterly report sent to the C.S.W.B. New Delhi (From 1st April to 30th June, 1963).

(vi) Observation

A brief progress report on the number of beneficiaries during 1963 and accounts for the period of utilisation of the grant 1st April, 1963 to the 31st October, 1963.

B.S.S. Reply

Herewith enclosed the †list of the number of beneficiaries during 1963 and ††audited accounts from 1st April 1963 to 31st October, 1963 as per your above referred letter.

From November 1963 we are running the Night shelter House by our own resources. It is told that the grant will be given further if the shelter is shifted to the centre place and the progress is shown in the number of inmates. The present house is well situated in the the centre part of the city. Now we will send the weekly progress report for your reference. Now we hope this will run well. So please sanction the grant early after seeing the progress report of ours.

(vii) Observation

Details of equipment purchased indicating the cost of each item and their present condition may also be sent at an early date.

† Enclosed.

Not enclosed.

B.S.S. Reply

The audited detailed equipment purchased out of grant indicating the cost of each item and their present condition is also enclosed herewith (list enclosed).

NIGHT SHELTER—SUPAL**(i) Observation**

Use of the Night shelter by the students should be discouraged immediately.

B.S.S. Reply

No reply.

(ii) Observation

The date of appointment of the caretaker and the duration & nature of his training, and whether he had been paid for that period.

B.S.S. Reply

The caretaker had been appointed with effect from 1st October, 1962. A substitute was provided during caretaker's absence for participation in a ten day Seminar for the training of caretakers arranged by State Branch of B.S.S.

(iii) Observation

Progress report and accounts for 1962-63 & 1963-64 sought.

B.S.S. Reply

As regards the audited statement of accounts for 1962-63, it has been stated that since there is no chartered accountant in Saharsa, the Vouchers and records of the Night shelter have been sent to the State Office of the B.S.S. at Patna. We are, therefore, reminding the Pradesh Office in the matter.

Note:

No progress report sent so far. Account furnished for 1962-63. Accounts for 1963-64 not furnished inspite of repeated reminders.

NIGHT SHELTER—VARANASI**(i) Observation**

The shelter was visited by one of our inspectors on the 3rd October, 1963, and it has been reported that the actual number of

†Not enclosed.

inmates at the time of visit at 8 p.m. was only three and on an average the number of inmates varies from three to five, whereas your letter No. CW-NS/Varanasi/63-64/625, dated the 24th May, 1963 indicates that average number of inmates is 25 per night. Please clarify. It appears the register of attendance of the inmates does not appear to be authentic.

Reply from B.S.S.

No reply.

(ii) *Observation*

The rent charged from the inmates may be indicated.

Reply from B.S.S.

No reply.

(iii) *Observation*

It has been brought to the notice of this office that the building at which this shelter is being constructed is owned by the B.S.S. in that case, no rent will be allowed from the Board's grant.

Reply from B.S.S.

No reply.

(iv) *Observation*

No caretaker. No arrangement for kitchen. No blankets or bedding provided. No sanitary arrangements.

Reply from B.S.S.

The Night shelter has got two lavatories, baths, two water taps and a big lawn.

The Night shelter is already equipped with a kitchen and a cooking place which is quite sufficient for the inmates.

It is true that no blankets or bedding have been provided so far. This is mainly due to the non-availability of funds. In the past also when we had requested the District Bharat Sevak Samaj to purchase a radio set for the Night shelter, they had expressed their inability to do so as the grant from the Central Social Welfare Board had not been released. In this connection we would like to mention that since the Night shelter was taken over by the Bharat Sevak Samaj only a sum of Rs. 2,300 has been released which is just sufficient to meet the recurring expenditure of the Night shelter.

NIGHT SHELTER—SRINAGAR

(i) *Observation*

Some of the beneficiaries are Ladakhi trainees.

Reply from B.S.S.

As has been explained before poor Ladakhis experienced **great** difficulties in securing accommodation in Srinagar amid **healthy** surroundings. For very obvious reasons it has been our aim **as** social workers to give all possible amenities to these **extremely** backward people whom in the present context of political development across the Ladakh border, it is the duty of every-one of **us** to treat in a most friendly and brotherly way. Our night shelter has been of great use in serving as a bond of love between **us** and these very distant and poor people. The Ladakhis trainees to whose accommodation objection has been taken were in the receipt of monthly stipends of Rs. 25 to 30 per month which is **utterly** insufficient for the maintenance of a person in Srinagar. It was on their earnest request that the accommodation was allowed as a special concession to these very backward people. In **fact** many of them were doing manual jobs before and after the **training** hours to supplement their meagre stipends. It was, therefore, purely on humane considerations that they were allowed to stay in the Night shelter. They are no longer being allowed to stay in the shelter.

(ii) *Observation*

Not adequate sanitary arrangements. Living conditions to **be** improved.

Reply from B.S.S.

So far as the living conditions of the rooms is concerned, the Bharat Sevak Samaj workers are trying their best to have **healthy** and sanitary conditions but this largely depends on the inmates themselves. They have been doing their best to inculcate **habits** of cleanliness in the inmates but it is not an easy task to bring about a complete change in the **habits** and mental outlook of these **backward** people within a period of few months. However the B.S.S. are happy to inform that many of these ladakhis were **completely** transformed after staying in the night shelter. But since groups of such people come and go at intervals, the new-comers take **some**-time to keep their rooms and surroundings clean. We would like to assure the Central Social Welfare Board that the branch concerned is trying their best to bring about a change in the habits and **out**-look of the people. The workers have been directed to pay **more** attention to this aspect, in future. We do hope the Board will **be**

satisfied with the explanation given by the Bharat Sevak Samaj, Srinagar and allow the night shelter to continue.

(iii) *Observation*

There is no regular Caretaker; instead, two chowkidars have been appointed.

Reply from B.S.S.

We have been informed by the branch that they are looking for a suitable man who would stay at Night Shelter both during day as well as night time to keep a proper watch on the equipment etc. lying in the building.

(iv) *Observation*

These inmates have been charged rent varying from Rs. 2 to Rs. 10 for occupying rooms in the Night Shelter.

Reply from B.S.S.

As regards the charging of monthly rent from the inmates, we have been advised by the Bharat Sevak Samaj, Srinagar that this has not been done. The difficulty is that the wage earners are paid their wages weekly or even monthly. It, therefore, becomes difficult for us to realize the charges daily. However, hence forth this will be done as desired by the Board and those people who are not in a position to pay daily charges will not be allowed to stay in the Night shelter, if the Board so directs.

NIGHT SHELTER—AMBALA

There was no specific point on which any clarification was required. The shelter has been functioning well.

NIGHT SHELTER—CUTTACK

There was no specific point on which any clarification was required. The shelter all through has been reported to be running well in a suitable locality, with all the required facilities and staff.

Enclosure to Annexure A
NIGHT-SHELTER—HUBLI

The List of the inmates from the 1st of April 1964 to 31st July, 1964.

	Inmates
April 1964	209
May 1964	259
June 1964	334
July 1964	The detail of progress of inmates in this month is as follows :—
	Inmates
1-7-1964	32
2-7-1964	21
3-7-1964	21
4-7-1964	23
5-7-1964	17
6-7-1964	16
7-7-1964	16
8-7-1964	16
9-7-1964	21
10-7-1964	27
11-7-1964	15*
12-7-1964	19
13-7-1964	26
14-7-1964	23
15-7-1964	17
16-7-1964	19
17-7-1964	19
18-7-1964	16
19-7-1964	17
20-7-1964	18
21-7-1964	14
22-7-1964	15
23-7-1964	15
24-7-1964	15
25-7-1964	15
26-7-1964	19
27-7-1964	12
28-7-1964	16
29-7-1964	17
30-7-1964	20
31-7-1964	24

Concener

BHARAT SEVAK SAMAJ.

*Not enclosed.

Annexure B

Copies of letters received from B.S.S. in reply to the Observations made in the Inspection Report

NIGHT SHELTER—HUBLI

Copy of the letter No. SW-NS/Hubli/63-64/2399 dated the 6th December, 1963 from the Secretary Bharat Sevak Samaj, Central Office, New Delhi.

In accordance with the decision taken at the meeting with the Chairman, Central Social Welfare Board held on 31st July, 1963, the Night Shelter at Hubli was sanctioned only upto the end of October, 1963 when a joint inspection by the representative of the Central B.S.S. and State Board was to be undertaken. The further continuation of the Night shelter was to be decided on the basis of the report.

The working of this night shelter was discussed with the representative of the Dharwar Pradesh, B.S.S. at the time of the Annual Convention of the B.S.S. held in Bangalore. It was observed that the main reason, why the night shelter at Hubli was not attracting enough inmates, was due to its location away from the heart of the city. The B.S.S. are trying their best to locate another building but have not so far been successful. It was, therefore, decided that till such time that night shelter was shifted to a suitable building and its working improved, it will not request for any grant from the Central Social Welfare Board but try to run with the help of local resources. A request for the grant will be made only when it starts functioning satisfactorily. As such we hope, the Board will not insist on a joint inspection at this stage.

Copy of the letter No. 896/63-64 dated 4-3-1964 from the Convener, B.S.S. Hubli.

With reference to your letter No. Mysb/A2/12827 dated 22nd February, 1964, we like to give the explanations for the Observations made by the Central Social Welfare Board, New Delhi as follows:—

We have shifted the night shelter House from Jagalur Building to Near Durgadabail. This is situated in the centre place of Hubli city bus-stand. This is shifted from 1st of March, 1964 and from this week we are going to send the weekly report about the progress of the shelter.

As it is experienced here, it is very difficult to get the house for the low rent. The scarcity of the House in Hubli is too much. So there was no other way except to give the rent as they require.

When Smt. Sudha Reddy had visited the shelter, the sanitary block was being built. Now it has got all types of sanitary equipments for the sake of the inmates. But we have already shifted from that place to Durgadabail. In this new building also all arrangements are there. One latrine, bathroom, and washing place etc are constructed well in the house.

After the grant was stopped, it became very difficult to pay the care-taker Rs. 50 as before. The previous caretaker did not agree to work for the low pay. So he resigned. This is why the Compounder is looking after the N.S.H. for Rs. 25 only P.M.

The night shelter was shifted on 5th July, 1963 from Pinjaraoni to Jagalur Building. But we have informed in our letter dated 15-7-1963 about transfer of the shelter. That too this was mentioned in the quarterly report sent to the C.S.W.B. New Delhi (from 1st April to 30th June 1963).

Herewith enclosed the last of the number of beneficiaries during 1963 and audited accounts from 1st April, 1963 to 31st October, 1963 as per your above referred letter.

The audited detailed equipments purchased out of grant indicating the cost of each item and their present condition is also enclosed herewith.

From November, 1963 we are running the Night shelter House by our own resources. It is told that the grant will be given further if the shelter is shifted, to the centre place and the progress is shown in the number of inmates. The present house is well situated in the centre part of the city.

Now we will send the weekly progress report for your reference. Now we hope this will run well. So please sanction the grant early after seeing the progress report of ours.

Hope our request will be considered and do the needful.

Thanking you.

Copy of the letter No. SW-NS/Hubli/63-64 380 dated 16th March, 1964 from Secretary, B.S.S. Central Office, New Delhi.

Please refer to your letter dated the 4th February, 1964 pointing out certain irregularities in the working of the Night shelter. The Bharat Sevak Samaj, Dharwar who were asked to send their comments on the various observations made by the Member of the Board, have advised that their comments have been submitted to the State Social Welfare Board vide their letter dated the 4th

March, 1964. A copy of the same has also been endorsed to your office.

As regards paras 3 and 4 of your letter, the Branch have furnished the necessary information direct to your office. It may please be noted that the B.S.S. have been successful in locating a suitable building for the Night shelter in a Central locality. The Night shelter has been shifted with effect from 1st March, 1964. Hence forward the shelter will be submitting weekly reports about its progress.

Copies of letters received from B.S.S. in reply to the observations made in the inspection report.

NIGHT SHELTER—SANPAL

Copy of letter No. SW-NS/Sanpal/63-64/76 dated the 16th January, 1964 from the Secretary, Bharat Sevak Samaj, Central Office, New Delhi.

Please refer to your letter dated 30th November 1963.

2. With reference to para 3 of your letter, we have been advised by the Secretary of the Night Shelter Committee, Supaul that the Caretaker was appointed with effect from 1st October, 1962. As regards his joining the training at Patna, we have been advised that he attended a 10 day Seminar in March, 1963 held specifically for the training of the Caretakers of the Night shelters organised by the State B.S.S. The caretaker attended the course under instructions from the State and the District B.S.S. During his absence the Night shelter was under the charge of a substitute and so the question of salary does not arise.

3. As regards the audited statement of accounts for 1962-63, it has been stated that since there is no chartered accountant in Saharsa, the Vouchers and records of the Night shelter have been sent to the State Office of the B.S.S. at Patna. We are, therefore, reminding the Pradesh Office in the matter.

Copies of letters received from the B.S.S. in reply to their observations made in the inspection reports.

Night Shelter—Varanasi—acceptance of accounts for the second year and refund of grant for the second and third year.

Copy of letter No. SW-NS/Varanasi/63-64/800 dated the 2nd July 1963, from the Secretary, Bharat Sewak Samaj, Central Office, New Delhi.

Please refer to your letter dated the 29th June 1963 settling the accounts of the Night Shelter upto the end of the 2nd year. We are however surprised to note from your letter that the Officer of the State Social Welfare Advisory Board has reported that the Night

Shelter has not restarted due to the non-availability of a suitable accommodation. As already informed in our letters dated 29-1-63 and 24-5-63 the Night Shelter has been functioning since October 1962. The attendance in the Shelter had slightly decreased from January onwards as the Kachha building in which it was originally located was converted into a Pucca Building. We are glad to inform you that the building has now been completed and Latrine, Bath and other sanitary arrangements have also been provided. The Night shelter was visited twice by a very senior member of the Bharat Sewak Samaj. When he visited the Shelter for the first time sometimes in January 63 he had looked into the attendance register etc. It is, therefore, not clear to us how the Officer of the State Board reported that the Night Shelter had not started functioning.

2. In view of the circumstances explained above there is no question of the refund of the grant of Rs. 2,300 released as the first instalment for 1962-64. So far as the unspent balance on 31-1-63 is concerned it will be adjusted in the grant for 1961-63.

3. As regards the details of equipment purchased by the Shelter from October onwards the Branch is being directed to furnish the same. The list of the equipment purchased by the Nagar Samaj Kalian Samiti has already been furnished to you vide our letter dated the 25th October 1962, only consisted of new wooden Takhaks, chairs, table and sign-board. No Blankets etc. were purchased by them.

Copy of letter No. SW-NS/Varanasi/63-64/320 dated 3rd March 1964 from the Secretary, Bharat Sewak Samaj, Central Office.

Please refer to your letter dated the 17th December 1963 on the subject indicated above.

2. As desired therein, the Branch was directed to furnish an audited statement of accounts duly signed by a Chartered Accountant from 2nd October, 1962 to 31st March 1963 and unaudited statement of accounts for the period 1st April 1963 to 31st December 1963 together with the progress report. They are being reminded again to furnish these statements immediately.

3. As regards para 2 of your letter, the Branch concerned has advised that the Night Shelter at Varanasi is accommodating only working people. These people who are mostly daily wage earners not only work during the day time but continue to work quite late at night also. As such they can hardly be expected to take shelter at about 8 p.m. when the Inspector of the State Social Welfare Board visited the Night Shelter on 3rd October 1963, it was too early for these people to have come to the Night Shelter. They have assured us that they are continuously trying their best to popularise the Night Shelter and increase the number of inmates.

4. As regards para 5 of your letter, the Branch concerned have advised that the caretaker was appointed from 2nd October 1962 at Ra. 75/- per month.

NIGHT SHELTER IN VARANASI

Copy of letter No. SW-NS/Varanasi/64-65/981 dated the July 31, 1964 from the Secretary, Bharat Sewak Samaj, Central Office.

Please refer to your letter the 9th June 1964 on the subject indicated above. The District Branch of the Bharat Sewak Samaj was requested to comment on the various observations made in your letter. Their replies are given below:—

1. The Night Shelter is already equipped with a kitchen and a cooking place which is quite sufficient for the inmates.

2. The Night Shelter has got two lavatories, baths, two water taps and a big lawn.

It is true that no blankets or bedding have been provided so far. This is mainly due to the non-availability of funds. In the past also when we had requested the District Bharat Sewak Samaj to purchase a radio set for the Night Shelter, they had expressed their inability to do so as the grant from the Central Social Welfare Board has not been released. In this connection we would like to mention that since the Night Shelter was taken over by the Bharat Sevak Samaj only a sum of Rs. 2,300/- has been released which is just sufficient to meet the recurring expenditure of the Night Shelter.

The Night Shelter is running under proper care and supervision of the Bharat Sevak Samaj. However, with a view to improve the working of the Night Shelter a new committee with the following persons have been set up:—

1.	Sri Radha Raman Prasad	..	..	Chairman
2.	„ Prem Narain Misra	..	..	Secretary
3.	„ P.K. Mukherji	..	..	Treasurer
4.	„ Vidya Bhushan	..	..	Member
5.	„ Kishori Lal Misra	..	..	„
6.	„ Shriram Singh	..	..	„
7.	„ Shital Prasad	..	..	„
8.	„ Shyam Lal Sharma	..	..	„
9.	„ Sadanad Chaubey	..	..	„

Arrangement for publicity through local newspapers beat of drums at public places has also been arranged. A worker trained in school of social work has also been appointed to establish personal contact with the shelterless people.

The audited statement of accounts for the period October 1962 to the end of March 1964 will be submitted shortly.

Copies of letters received from B.S.S. in reply to the observations made in the Inspector Reports.

NIGHT SHELTER—SRINAGAR

Copy of letter No. SW-NS/Srinagar/63-64/2333 dated the 26th November 1963 from the Secretary, Bharat Sevak Samaj Social Welfare Central Office, 25, Theatre Communication Building, Connaught Circus, New Delhi.

Please refer to your letter dated the 29th October 1963 on the subject indicated above. The Secretary, Bharat Sevak Samaj, J. & K. State who was requested to clarify the various points raised in your letter has stated as follows:

“As has been explained before poor Ladakhis experienced great difficulties in securing accommodation in Srinagar amid healthy surroundings. For very obvious reasons it has been our aim as social workers to give all possible amenities to these extremely backward people whom, in the present context of political development across the Ladakh border, it is the duty of every one of us to treat in a most friendly and brotherly way. Our Night Shelter has been of great use in serving as a bond of love between us and these very distant and poor people. The Ladakhis trainees to whose accommodation objection has been taken were in the receipt of monthly stipends of Rs. 25 to 30 per month which is utterly insufficient for the maintenance of a person in Srinagar. It was on their earnest request that the accommodation was allowed as a special concession to these very backward people. In fact many of them were doing manual jobs before and after the training hours to supplement their meagre stipend. It was, therefore, purely on human considerations that they were allowed to stay in the Night Shelter.

However, as desired by the Board they are no longer being allowed to stay in the Night Shelter.

As regards the charging of monthly rent from the inmates we have been advised by the Bharat Sevak Samaj, Srinagar that this has not been done. The difficulty is that the wage earners are paid their wages weekly or even monthly. It, therefore, becomes difficult for us to realize the charges daily. However, hence-forth this will be done as desired by the Board and those people who are not in a position to pay daily charges will not be allowed to stay in the Night Shelter, if the Board so directs.

As regards the appointment of a regular caretaker instead of 2 chowkidar, we have been informed by the Branch that they are looking for a suitable man to stay at Night Shelter both during day as

well as night time to keep a proper watch on the equipment etc. lying in the building.

So far as the living conditions of the rooms is concerned, the Bharat Sewak Samaj workers are trying their best to have healthy and sanitary conditions but this largely depends on the inmates themselves. They have been doing their best to inculcate habits of cleanliness in the inmates but it is not an easy task to bring about a complete change in the habits and mental outlook of these backward people within a period of few months. However the B.S.S. are happy to inform that many of these Ladakhis were completely transformed after staying in the Night Shelter. But since groups of such people come and go at intervals, the new-comers take sometime to keep their rooms and surroundings clean. We would like to assured the Central Social Welfare Board that the branch concerned is trying their best to bring about a change in the habits and outlook of the people. The workers have been directed to pay more attention to this aspect in future. We do hope the Board will be satisfied with the explanation given by the Bharat Sewak Samaj, Srinagar and allow the Night Shelter to continue.

NIGHT SHELTER IN SRINAGAR

Copy of letter No.SW-NS/Srinagar 64-65/915 dated the July 15, 1964 from the Secretary, Bharat Sewak Samaj, Central Office, New Delhi.

This is to acknowledge receipt of your letter No.CBQ/NS-V/J&K/63-64 dated the 12th June 1964 enclosing extracts from the report of the Welfare Officer Jammu and Kashmir about the working of the Night Shelter, Srinagar.

A copy of the observations made by the Welfare Officer was forwarded to the Chairman, B.S.S. Jammu & Kashmir for favour of his comments. A detailed note containing replies to all the points raised in the report has since been received from him. A copy of the same is enclosed herewith. As is evident from the note the main cause responsible for the fall in the efficiency of the Night Shelter during the last two years is the lack of finances. While the grant from the C.S.W.B. has been reduced to 50% enough local contribution are not forthcoming to make up for the reduced grant. The result has been that the standard of efficiency have gone down. Request were made to the Central Social Welfare Board a number of times during 1962-63 & 1963-64 that in view of the special conditions prevailing there, they may agree to give 75% grant to the Shelter during the 4th & 5th year also. We are sorry to say that the Board did not agree to it though it meant an extra few hundred rupees only. During the year 1963-64 a sum of Rs. 900/- only were received from the

Board against a total expenditure of Rs. 3,000/-. Under such circumstances how would the Board expect Night Shelter to run efficiently. The B.S.S. still maintains that the conditions in Kashmir justify special consideration of the case.

According to the reports of the senior workers of the Samaj, who visited the State a number of times in the past, it was running quite well for the first 3 years. If its efficiency has gone down during the last two years it is mainly due to insufficient financial assistance from the Board. We would therefore once again request the Board to kindly give 75% assistance during 63-64 and 64-65 as a special case. We are quite confident that if the Board agrees to our request the Night Shelter will be again run on proper lines. We may also mention for the information of the Board that Jammu & Kashmir Government has agreed to put up a new building for the Night Shelter.

APPENDIX V

MINISTRY OF WORKS & HOUSING

(See para 2 of Introduction and paras 49, 56, 58, 60, 61, 65, 66, 67, 69, 71 and 72 of Report)

Notes on points furnishing the further information desired by the Public Accounts Committee on Para 65 of the Audit Report (Civil) 1964 regarding grant of unusual facilities to a contractor.

(Lok Sabha Secretariat O.M.
No. 2:117:64 PAC, dated the
8th October, 1964).

I Para 65 (a).

Question No. (1) The details of the items of work allowed to the organisation may please be furnished.

Answer.—The details of 45 works allotted to the Bharat Sewak Samaj are given in Annexure I.

Question No. (2) What are the reasons for allowing the organisation exemption from payment of Earnest Money/Security Deposit?

Question No. (3) Are there any special reasons for deviating from the normal practice of not allowing such concessions to the contractors?

Answer.—At the instance of the Minister, for Planning, it was decided to encourage the Bharat Sewak Samaj, which is a voluntary organisation, to enter the field of construction to promote better competition and put Government in a strong bargaining position *vis-a-vis* other contractors. On the recommendations made in the Third Five Year Plan (p. 296) Government have decided to encourage voluntary organisations and labour cooperative to take up construction works in preference to private contractors. In this connection, a copy of the Planning Commission's letter No. 19/10/61-Pub., dated the 24th August, 1961 is attached (Annexure II). Moreover, the Samaj has works of the order of over Rs. 4 crores with the C.P.W.D. and large sums of money get held up from time to time in the form of pending bills for the work done by the Samaj; and materials collected at site. These dues provide sufficient safeguards for making recoveries that may become due from the Samaj. Unlike other contractors, the Samaj has got officers of the Central and State P.W.D.'s on deputation as incharge of the works. Administrative arrangements have been made by Government in the Planning Commission by appointing a whole time senior Engineer as Director, a whole-time Financial Adviser and Administrative Director who

are also members of their Managing Committee, to guide and keep a watch on the activities of the Samaj. The role of this voluntary organisation is different from that of private contractors who are interested in their personal gains whereas the Samaj is interested in the good of the community.

II Para 65 (b).

Question No. (1).—What are the reasons for giving a loan of Rs. 11 lakhs to the organisation in respect of 45 contracts? Is this a normal practice?

Answer.—In pursuance of the policy set out in the Third Five Year Plan, and the Planning Commission's letter, referred to above, Government grant an initial loan not exceeding 1/4th of the estimated cost of the work, if desired by the Samaj. The loan is given in two instalments—half at the start of the work and the remaining half after 25 per cent of the work has been completed. The recovery of the amount of loan, together with interest, is effected in two instalments—half after 50 per cent of the work is completed and the balance after 75 per cent of the work is completed. These loans are in the shape of ways and means advances to the voluntary organisation. A sum of Rs. 7,99,926 (and not Rs. 11 lakhs) was granted as loans to the Samaj in respect of 29 works (and not 45 works). These loans are given at the normal rate of interest. Such loans are generally not given to private contractors.

Question No. (2).—Has any portion of the loan been recovered since.

Answer.—A sum of Rs. 5,64,483 has since been recovered.

Question No. (3).—What is the amount of interest charges recovered from the organisation so far?

Answer.—A sum of Rs. 23,328-60 paise has been recovered as interest.

III. Para 65 (c).

Question No. (1).—Is it the responsibility of the Ministry of Works & Housing or of the Planning Commission to ensure that the loan of Rs. 15.80 lakhs advanced for purchase of equipment and machinery for constructional activities and for financing constructional work are actually utilised for the purpose for which it was given? If the Ministry is responsible, have they made any investigation in the matter? If so, with what result?

Answer.—It is the responsibility of the Planning Commission.

Question No. (2) (a).—Since the Planning Commission advanced a loan to the organisation for purchase of machinery and equipment

etc., were the Ministry aware of the same when they advanced a loan of Rs. 11 lakhs to the same organisation in respect of 45 contracts?

Answer.—The loan advanced by the Planning Commission is a long-term loan repayable over a period of five years and is meant for the long-term needs, such as purchase of machinery and equipment and long-term working capital required for setting up production units of essential construction materials such as bricks, metal, etc. These purchases are not related to specific projects but are intended for the general development of the Service. The machinery and equipment purchased as also the materials produced are used over a large number of projects. In the case of work advances given by the Central Public Works Department, the amount can be used only for the specific works against which the advance is made. The Ministry of Works & Housing were aware of the grant of loan to the Bharat Sewak Samaj by the Planning Commission at the time of sanctioning advances against several works.

Question No. 2(b).—What steps, if any, were taken to ensure the proper and economic utilisation of this loan of Rs. 11 lakhs?

Answer.—The Ministry do not watch the utilisation of the advances granted to the Samaj. The Central Public Works Department ensure, however, that recoveries are made in accordance with the set procedure, namely, half after 50 per cent of the work has been completed and the other half after 75 per cent of the work has been completed. (The amount advanced was Rs. 7,99,926 and not Rs. 11 lakhs as explained above).

IV. It has been stated in para 86(D)—Outstanding service charges (page 112 of Audit Report) that service charges amounting to Rs. 26,816 for the period 5th December, 1958 to 30th June, 1963 are outstanding against the Samaj for Government accommodation covering an area of 12,728 sq. feet which was allotted to them free of rent in September, 1954. It was stated in reply to U.S. Question No. 349 dated the 18th March, 1963, in the Rajya Sabha that apart from office accommodation, five residential buildings and two Community Centres were in occupation of the Bharat Sevak Samaj.

Question No. (1).—What is the rent charged, if any, for this accommodation allotted to the Bharat Sevak Samaj?

Question No. (3).—What is the total rental value per annum of all the accommodation allotted to the Samaj? What would have been the total amount due from the Samaj as rent so far had the accommodation not been allotted rent-free?

Answer.—The required information is given below:

Particulars of accommodation	Purpose for which allotted	Rent charged per month	Total rental value per annum	Total amount due from the Samaj had the accommodation not been given free of rent
90-B, Pusa Road	Residential use	Rs. 154/- (market rate).	Rs. 1,848/-	
26, Baisakha Singh Building	Do.	Rs. 78/- (under F.R. 45-B)	Rs. 936/-	
9, Queensway Lane	Do.	Rs. 90/- (under F.R. 45-B)	Rs. 1,080/-	
B-12/182, Lodi Road	Consumers' Store	rent-free	Rs. 2,712/- (under F.R. 45-B)	Rs. 21,324/- as upto 31-10-64.
Theatre Communication Building Janpath Barracks	} Office accommodation	rent-free service charges recoverable.	Rs. 37,008/- (under F.R. 45-B)	Rs. 2,96,227.65 (upto 31-10-64)
Community Hall, Sarojni Nagar Community Hall, Kidwai Nagar					} For allotment to various organisations	Do.	Rental value has not been fixed so far.	Rental value has not been fixed so far.

Question No. (2).—If no rent is charged, what are the special reasons for allotting even residential buildings to the Samaj employees rent-free?

Answer.—No residential building has been given rent-free to the Samaj employees.

Question No. 4(a).—At what level was the decision taken to allot rent-free accommodation to the Samaj? Was the approval of the Ministry of Finance taken? If so, what was their reaction?

Answer.—The decision was taken with the concurrence of the Ministry of Finance and the approval of the then Prime Minister.

Question No. 4(b).—Is there any time limit for this free accommodation being given to this organisation?

Answer.—No.

Question No. 4(c).—How is this accommodation actually utilised?

Answer.—As indicated under Question No. (1) & (3).

Question No. 5(a).—What is the present position of recovery of the outstanding service charges of Rs. 26,816?

Answer.—The arrears of service charges have not been paid by the Samaj. The Planning Commission have been requested to use their good offices in getting the payment expedited. As on 31st October, 1964, the amount due from the Samaj on this account was Rs. 40,644.98 paise.

Question No. 5(b).—What are the reasons for the accumulation of such large sums of service charges?

Answer.—Non-payment of dues by the Samaj despite demands and reminders.

Para V of the Questionnaire.—Thirteen out of the forty-five works entrusted to the organisation have been completed so far (October, 1963), three were abandoned by them, two works were withdrawn for departmental execution, and a portion of these involving 40 lakhs cft. of earth-work was re-allotted to them at higher rates.

Explanation.—The correct position in respect of works referred to as abandoned or withdrawn is as under:

(i) *Resectioning and regarding the Najafgarh Jheel Drain.*

It was decided to entrust the work of four sections of the Najafgarh Drain to the Bharat Sevak Samaj at negotiated rates. The

Samaj, however, took up work on two Sections only. They claimed that the basis of working out of the rates was incorrect. The matter was, therefore, referred to a Technical Committee under the chairmanship of Shri Yadhav Mohan, Member, Central Water & Power Commission. On the recommendation of the Committee, revised rates were worked out. The Bharat Sevak Samaj claimed that the conditions of work had changed due to increased flow in the Nullah which made working with manual labour impossible at several places. In order to expedite work, it was decided at a meeting of the representatives of the Ministries of Irrigation & Power, Works Housing & Supply, Bharat Sevak Samaj and the Central Public Works Department to reduce the work allotted to the Samaj and to take it up departmentally with the help of heavy earth-moving machinery. Thus the scope of the work was reduced. At the time of review of the whole work in March, 1963, it was considered necessary to complete the work quickly as a flood-control measure. Tenders were, therefore, invited for the entire project. The single tender of the Bharat Sevak Samaj @41.28 per cent above the estimated cost was received. This was accepted by the Works Advisory Board.

- (ii) Construction of temporary bridge across Jamuna near Metcalf House in connection with the present Emergency.

The work was started by the Bharat Sevak Samaj as desired by the Central Public Works Department. It was later decided to stop this work, and the Samaj was ordered not to proceed with it any further. Accordingly, this work was closed. Hence it is not a case of abandonment of work.

- (iii) *Development of 129.45 acres of land to the north-west of Naraina village and construction of road joining Patel Road with Ring Road running west of Pusa Road.*

The Samaj was asked to quarry stone at sites near the Naraina village to specified levels and to bring that stone for road work. At the time of actual execution it was found that the stone of Naraina hills was 'Kutchi'. Therefore the Samaj was asked not to continue with the work. Thus, it is not a case of abandonment of work by the Samaj.

The present position of the works is that twenty-one works out of forty-five works awarded to the Samaj have been completed. Out of the remaining twenty-four works four were completed except for minor defects; two contracts were cancelled and one was closed. The scope of two works was reduced.

*Question No. (1).—*Has any inspection been carried out to see if the thirteen works carried out by the organisation were according to specifications and standards? If any item of work was found to be below standard, what action has been taken in the matter? (Copies of Reports of such inspection may be furnished).

*Answer.—*Yes, inspections were made to see if the works carried out by the organisation were according to specifications and standards. Copies of reports of inspection are at Annexure III.

*Question No. (2).—*What are the reasons for withdrawing two works for departmental execution?

*Answer.—*The two works in question were 'Resectioning and re-grading of Najafgarh Drain, (Phase II)' from R. D. 111000 to RD 114000 and from RD 114000 to RD 119000. The position has been explained above.

*Question No. (3).—*What are the reasons for taking the extraordinary step of re-allotting a portion of the same work to the same organisation at higher rates?

*Answer.—*At the time of the review of the whole work in March, 1963, it was considered necessary to complete the work quickly as a flood control measure. Departmental execution was not feasible. Moreover a number of trucks had to be employed for removing the earth at places where the Nullah flowed through crowded localities as it was not possible to dump earth there. Tenders for cartage of earth alone were not successful. It was therefore, considered expedient to call for tenders for the entire project. A single tender of the Bharat Sewak Samaj @41.28 per cent above the estimated cost was received. The Works Advisory Board decided that a part of the work should be awarded to the Samaj at that rate and the balance work should be awarded to them only if they showed good progress. As the progress was satisfactory, the remaining work was also awarded to them.

*Question No. (4).—*What is the present position of the three works abandoned by the organisation?

*Answer.—*These works were awarded to other contractors. The present position is as under:

1. Construction of road joining Patel Road with Ring Road running west of Pusa Institute—Completed on 22nd February, 1964.
2. Development of 129.45 acres of land near Naraina Village for industrial colony (S.H. Road).—Nearing completion.

3. Development of 161.6 acres of land near Village Naraina for residential colony.—Completed in July, 1964.

Question No. (5).—Was any penalty or compensation claimed for abandonment? If so, what was the amount and what is the position regarding its realisation?

Answer.—No penalty or compensation was claimed. The agreement for one of these three works was closed and the remaining two were cancelled, as their execution on the conditions on which they were awarded to the Samaj were not considered economical. The conditions were to quarry hills near Naraina village to specified level and to bring that stone for road work. The stone was found to be 'kutchha'.

Question No. (6).—What is the present position regarding the remaining twenty-seven works?

Answer.—Ten works have been completed; thirteen are in progress and four have been completed except for minor defects.

Question No. (7).—What is the total amount of loss in financial terms (apart from the delay) suffered by Government in respect of these contracts?

Answer.—There does not appear to be any loss.

Question No. 8.—Were there any written contracts executed with the Samaj in respect of these contracts? Was there any penalty clause incorporated in the contract? If so, were the provisions of this clause invoked on the failure of the contractor? If not, why?

Answer.—Yes. Written agreements were executed for all the works awarded to the B.S.S. Penalty clause was also incorporated. Generally this clause has not been invoked with a view to promoting the growth of the organisation. The provision of this clause was, however, invoked in respect of one completed work namely the 'Mahatma Gandhi Memorial' at Rajghat.

VI. Para 65 (i)—page 80.

Question No. (1).—What are the reasons for awarding the work on four sections to the organisation at negotiated rates? Why open tenders were not invited?

Answer.—At the instance of the then Prime Minister, it was decided to award these works to the B.S.S. at negotiated rates.

Question No. (2).—What are the special circumstances which led Government to allot work on six sections (including four sections

which had originally been awarded to the organisation, but which were not taken up for execution by the organisation) at rates higher than those agreed to earlier for the four sections?

Answer.—The original rates were based on a depth of water of 3'-0" which was observed at RD 65000. While working out of the quantities in the lower reaches, the water line was assumed to be parallel to the bed of the drain, on the assumption that bad levels would have a uniform gradient but the longitudinal section of the drain revealed that the bed level in some of the reaches was higher than in the higher reach. The Bharat Sevak Samaj contended that the basis of working out the rates originally was incorrect. The matter was referred to a Technical Committee under the chairmanship of Shri Yadav Mohan, Member, Central Water & Power Commission. The Committee agreed that the depth of water at RD 65000 was 3'-0" but the water line should be assumed parallel to the existing water line in reaches, instead of assuming to be parallel to bed of drain as was done by Department. Because of this, the earth work in saturated soil in lower reaches became more. Fresh rates were, therefore, worked out on the recommendations of the Committee, and the work on six sections (including the previous four sections) was re-awarded to the Samaj at the revised rates.

Question No. (3).—What compelling reasons and circumstances made the Government award work of the entire project to the organisation at 41.28 per cent above the sanctioned rate (sanctioned estimate of Rs. 51.37 lakhs), after rescinding the earlier contracts and after getting a part of the work done departmentally?

Answer.—The reasons and circumstances have been explained in answer to Question No. V(3).

Question No. (4).—What check, if any, is exercised on the quality of the work—who certifies the bills before they are paid?

Answer.—The quality of the work is checked by the Executive Engineers and the Superintending Engineers in accordance with the normal procedure and regulations.

The Assistant Engineer certifies the bills before they are paid?

Question No. (5).—Is the work done according to the time schedule?

Answer.—This work was behind schedule. It was transferred to the Punjab Government in September, 1963, at the instance of the Minister for Irrigation & Power.

Question No. (6).—What is the present position of the progress of work and expenditure incurred thereon?

Answer.—The required information is not available with this Ministry, as the work is now being executed by the Punjab Government, on behalf of the Ministry of Irrigation & Power.

VII. *Para 65 (ii).*

Question No. (1).—When the organisation was awarded work on the basis of negotiation, what were the reasons for inserting an unusual clause in the agreement that the rates were liable to revision?

Question No. (2).—Why were tenders not invited for this work? What were the reasons for upward revision of rates after completion of the works involving an extra payment of Rs. 33,628.

Answer.—Tenders were invited for all the four works. There was no response for two works. Another work had been awarded to a contractor but he left the work after stacking some stone. For this work, tenders had been called for the second time, but high rates were received. For the fourth work also, the rates quoted were on the high side.

Most of the stone was to come from the Chandrawal quarries which had been leased out to the Bharat Sevak Samaj for quarrying. It was, therefore, decided by the Chief Commissioner that the material should be taken directly from the Samaj. He felt that if the work was taken up by the Samaj, supplies would be ensured and profits if any, would go to the workers of a cooperative society. In view of these facts and because of the urgency of the development work, the Samaj was asked to undertake supply of materials for the road works at the site. It was decided that the rates for the supplies would be worked out on the basis of the price per truck at which the Bharat Sevak Samaj was selling the materials in the market. The rates for these supplies were worked out on the basis of stack measurements of a few truck loads at the site of work. These rates were approved, subject to the condition referred to as 'unusual clause', because the Samaj were agreeable to undertake the work of transport and payment on the basis of stack measurements at site of work only on the condition that their rates on the basis of stack measurement would be subsequently revised if the quantity as per stack measurements per truck load was different from what was provided in the agreement. During the actual execution it was found that the quantity of stack measurements per truck load was less than that assumed at the time of framing the agreement. The rates were therefore, revised on the basis of the actual stack measurement.

VIII. Para 65 (iii)

Question No. (1).—Why was the work allotted to the organisation by negotiation and not by open tender?

Question No. (2).—What are the reasons for agreeing to the cost at 10 per cent above the estimated cost, when the contract was negotiated?

Answer.—Tenders for the work in question (Raising and strengthening the marginal Bund at Shahadara) were invited twice. When the lowest tender at the first call was being considered, the Bharat Sevak Samaj offered to take up the work at 2 per cent below the lowest acceptable rates already received by the Central Public Works Department. The Works Advisory Board recommended that the work should be awarded to the Samaj at the estimated rates. This offer was not accepted by the Samaj. Tenders were called again. When the lowest tender received at the second call was being considered by the Works Advisory Board, representative of the Samaj was also present. The Board recommended award of the work @ 10 per cent above the scheduled rates to the Bharat Sevak Samaj. A period of four months was fixed for completion of the work.

Question No. (3).—What were the circumstances under which a sum of Rs. 23,265 was paid in addition to the final payment of the final bill made one year earlier?

Answer.—Some dispute arose between the Central Public Works Department and the Bharat Sevak Samaj in respect of certain claims put forward by them. The Samaj claimed that they had been underpaid. These claims were considered at a meeting held in the Planning Commission under the chairmanship of Dr. A. N. Khosla, Member, Planning Commission, and payments were made on the basis of the decisions arrived at that meeting with the approval of this Ministry and the Ministry of Finance.

IX. General.

Question No. (1).—Has the Chief Technical Examiner examined all these cases of contracts awarded to the Bharat Sevak Samaj? If so, what are his findings?

Answer.—The Chief Technical Examiner examined 19 works awarded to the Samaj. His findings are given at Annexure IV.

Question No. (2).—Are there any precedents where such unusual concessions, exemptions and conditions of contracts were allowed as in the case of the Bharat Sewak Samaj?

Answer.—The concessions regarding exemptions from payment of earnest money are also being given to M/s Hindustan Housing Factory and National Buildings Construction Corporation Ltd.

Question No. (3).—Has any investigation or enquiry been held with regard to the contracts allotted to the Bharat Sewak Samaj? If so, what is the result thereof?

Answer.—No such enquiry has been held so far.

Question No. (4).—Has any of the work given to Bharat Sewak Samaj been given to sub-contractors by them? If so, the details of such sub-contracts may be furnished?

Answer.—In respect of works mentioned in the Audit Para no work has been sublet by the Bharat Sewak Samaj.

Question No. (5).—Have any complaints been received in respect of any work given to Bharat Sewak Samaj about the misuse of the building materials? If so, has any investigation been made by any department including Police and if so, the result of that inquiry may be furnished?

Answer: No such complaint has been received.

(Vide O.M. No. 8 8 63-WII dated 17-1-65).

Annexure I

Statement showing works awarded to Bharat Sewak Samaj.

SL No.	Name of the work	Estimated cost put to tender	With or without call of tenders Name & amount of the lowest tenderer	Tendered value of work awarded to BSS	Percentage above/below the estimated cost	Time allowed as per agmt.	Date of commencement	Actual date of compl.	Amt. of loans granted	If in progress %age of up-to-date progress	Loan recovered	Interest recovered
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Raising Marginal Bund Shahdara.	2,33,105	Negotiations	2,56,416	10% above	4 months	30-3-59	13-6-60	40,000	..	40,000	814.25
2	Regrading and Desilting of Najafgarh Jheel drain.	1,36,425	Do.	1,50,613	10.4% ..	3½ "	5-4-59	8-9-59	30,000	..	30,000	392.38
3	Constn. of works shop shed for training and work centre at Arab-ki-Sarai.	3,89,421	Do.	3,92,536	0.8% ..	10 "	23-2-60	9-2-62	..	..	..	..
4	Constn. of 8-A type factories at Okhla.	4,04,782	By tenders	4,10,426	1.4% ..	8 "	25-6-60	1-4-64	6,974	..	6,974	..
5	Constn. of Higher Secondary School at Model Town, Delhi.	1,89,207	Negotiations	1,92,991	2% ..	9 "	4-6-60	24-8-63	..	..	..	..
6	Constn. of Training & work centre Arab-ki-Sarai (Admn. Block) Phase I.	1,65,574	Do.	1,90,410	15% ..	10 "	17-6-61	31-1-64	20,600	..	20,600	..

1	2	3	4	5	6	7	8	9	10	11	12	13
7	Constn. of workshop shed for training & work centre at Arab-ki-Sarai S.H. Hostel Bldg.	1,91,025	Negotiations	2,19,679	15%	above 11 months	17-6-61	In progress	23,800	..	23,800	..
8	Const. of workshop shed for training & work centre at Arab-ki-sarai S.H. Pools pavement.	8,410	Do.	9,672	15	" 1 month	1-9-61	30-9-62	..	..	..	..
9	Constn. of Elect. sub-station at Arab-ki-Sarai.	13,129	Do.	15,091	15	" 2 months	20-10-61	19-10-62	..	..	..	..
10	Constn. of Addl. accommodation at Police Station Nizamuddin	74,272	Do.	85,412	15	" 6 months	12-6-62	24-3-64	9,200	..	3,000	..
11	Constn. of Nurses Training Centre & sister's quarters at L.H. M.C., New Delhi.	2,41,695	Do.	2,77,949	15	" 10 months	19-1-62	Work completed except for some minor defects	30,000	98%	30,000	1,710-74

1 (Aii) LS-18.	12	Constn. of Hos- tel for 310 students at I.T. I. Pusa	5,78,448	Do.	6,65,215	15	„	18 months	29-12-61	Do.	1,00,000	98.5%	85,000	6,728.02
	13	Constn. of Model Training Insti- tute workshop for work cum- orientation centre (Pusa) New Delhi	1,14,282	Do.	1,31,424	15	„	8 months	18-9-61	Do.	14,000	97 %	14,000	568.75
	14	Constn. of work shop shod for training & work shop centre at Arab-ki Sarai Admn. block II.	1,95,481	Negotiation	2,24,803	15	„	11 months	3-3-62	10-6-64	..	..	..	..
	15	Constn. of 41 goo s factories at Okhla	7,28,781	Do.	8,58,504	17.8	„	12 months	17-12-62	in progress	50,000	71%	25,000	..
	16	Constn. of I.T.I. Pusa (Admn. Block Phase II)	5,97,729	Negotia- tions	6,87,388	15	„	14 months	15-1-62	Do.	13,00,000	69%	50,000	7,240.09
	17	Extn. of Work- shop for work cum-training Centre at I.T.I. Pusa	36,120	Do.	41,538	15	„	5 months	18-9-61	Work completed except some minor defects	3,000	97 %	3,000	121.88

1	2	3	4	5	6	7	8	9	10	11	12	13
18	Development of 65 acres of land at Najafgarh Rd. S.H. Roads (Supply of soling stone & Metal.)	52,578	Negotiations	86,057	63.67%	above 4 months	15-7-62	31-12-62	8,000	..	8,000	85
19	Dev. of land near Rampura village for an Industrial colony (S.H. constn. of roads part I (Supply of stone & road metal)	1,13,215	Do.	1,87,780	66.74	6 months	9-8-62	28-5-63	21,400	..	21,400	436
20	Dev. of land along Rly. line to Rewari to the south west of Ring Road for an Industrial colony (SH) Roads-Supply of soling stone & metal)	79,827	Do.	1,34,245	68.3	6 months	20-8-62	16-5-63	12,900	..	12,900	254
21	Constn. of road running parallel to Cantt. Rly. to its west & connecting Jail Rd. (S. H. Roads supply of soling stone and metal)	56,416	Do.	96,676	66.05	6 months	20-8-62	1-6-63	7,700	..	7,700	219

22	Dev. of 99.91 acres of land for Indl. colony at Jhilmila Tahirpur S.H. Constn. of sum-pwell for sewerage).	63,514	Do.	1,13,627	78.90	..	12 months	5-10-62	in progress	..	85%	..
23	Dev. of land for Industrial use near Okhla Marshalling Yard S. H. Levelling & Dressing Block 'B'	3,86,337	Negotiations	4,94,511	28	..	12 months	29-7-62	in progress	55,000	81%	..
23(a)	Do. Block 'C'	35,978										Loan of Rs. 55,000 was given in lump against works at S. Nos. 23, 24, 35 & 36. 55,000 865.09
24	Constn. of a road connecting Mathura Rd. with the proposed road from Mehrauli Rd. to Chiragh Delhi Kalkaji Rd. to the west of Okhla Industrial Estate. S.H. Earth work.	16478	Do.	21092	28	..	3 months	16-12-62	9-10-63	..	..	..
25	Constn. of mental Hospital at Shahdra.	750463	by tenders	8,91,175	18.75	..	15 months	17-3-63	in progress	..	19%	..
26	Constn. of Staff Qts. at I.T.I. Pusa (12 H)	34,572	Negotiations	40,373	16.78	..	6 months	1-2-63	Work completed on 1-9-64	..	..	..

1	2	3	4	5	6	7	8	9	10	11	12	13
27	Constn. of staff Qrts at I. T. I. Pusa (4D)	74,764	Negotiation	87,312	16.78% above	9 Months	6-3-63	1-9-64	..	..	..	..
28	Constn. of Employment Ex. Pusa	1,95,233	Negotiation	2,29,284	17.8	12 Months	14-3-63	In progress	..	32%	..	..
29	Dev. 161.6 acres of land to the east of Ring Rd. North of Naraina Village for Rly colony S.H. Roads & paths	1,58,134	Do.	2,18,225	38	25-1-63 to 31-12-63	25-1-63	27-7-63	20,000	..	20,000	272,66
30	Constn. of road joining Patel Rd. with Ring Rd. running West of Pusa Institute	1,08,118	Do.	1,49,203	Do.	Do.	Do.	cancelled	13,700	..	13,700	97.88
31	Development of 129.45 acres of land to the North West of Naraina village east of Rly line to Rewari for Industrial colony Phase I (S.H.) consolidation of Roads.	1,26,287	Do.	1,74,276	28 % above	25-1-63 to 31-12-63	25-1-63	cancelled	16,300	..	16,300	203.75
32.	Development of land in Jhilmila Tahirpur for residential colony S.H.S.W. Drains and Cul.											

33	Dev. of land in Jhilmila Tahirpur for residential colony (S. H. Soling stone & Ballast for Road work)	1,01,344	Negotiation	1,89,279	53.65% above	6 months	10-3-63	10-6-64	..	..	..	..
34	Constrn. of temporary bridge across Jamuna near Metcalf House in connection with the present emergency	42,097	Do.	52,621	100%	1 month	7-1-63	contract closed	..	..	..	..
35	Dev. of land for industrial use near Okhla Marshalling yards S. H. Drains & Culverts, Block A. B. & C.	2,61,568	Do.	2,77,207	28%	6 months	3-2-63	In progress	..	52%		
36	Do. (S. H. Sewerage Bl. AB C)	3,12,953	Do.	4,22,487	35%	6 months	18-2-63	Do.	..	67%		
37	C/O O.P.D. at Willingdon Hospital N. Delhi	7,85,609	Call of Tenders	9,39,421	19.66%	12 months	6-1-63	Work in progress	(65% completed upto April 1964)			No loan

Statement showing Works awarded to Bharat Sevak Samaj upto 3/63

Sl. No.	Name of the Divn. Name of the work	H.C. Put to Tender	With or without call of tenders Name & Amount of the Lowest Tenders	Tendered value of the work Award to B.S.S.	Percentage Above below the Stipulated Cost	Time Allowed as per Agt.	Date of Commencement	W. No. of Agt./Date of Execution	Actual Date of Completion	(i) Amount of Loans granted with C.V. No. & Date (ii) The Rate of Interest to be Charged	Remarks
38	C/O 200 'H' Qrts. in N. H. VII of R.K. Puram	5,56,197	Call of tenders	From 7 on %age basis	17.80% above	14 months	15-6-62	E.E. 14 of 62-63	14-8-63	Rs. 50,000/- CV-41 of 12/62	
39	C/O 104 'H' type Qrts. in N.H. VII of R.K. Puram.	2,89,194	By negotiations.	Do.	17.00% above	12 "	27-10-62	E.E. 20 of 62-63	26-10-63	No loan.	
40	C/O of a Cycle Stand in Supreme Court Building	39,624	Call of tenders	47,549	20.00%	6 "	11-11-62	72/EE of 62-63	10-5-64	Rs. 4950/ CV/180 of 3/63	
41	C/O Mahatma Gandhi Memorial at Rajghat S. H. Earth Work.	4,18,765	Negotiations.	3,75,986	10.22% below	10 "	25-12-61	16/EE of 62-63	14-8-63	No loan	
42	Re-sectioning of and regarding Najafgarh Drain-phase II RD 111000 to R.D. 114000	1,44,872	Do.	1,50,039	3.57% above	6 "	10-4-61	EE-10 62-63	Scope reduced by Min. of 1/62 WH&R as decided in the meeting held on 6-2-62 in the Min. of W.H and R.	Rs. 18109 CV-37 of 1/62	

43	Do. RD 114000 to 119000	2,74,343	Do.	2,80,414	2.21% above	6	..	7-4-61	EE 8 of 63-64	Do.	Rs. 34293 CV/38 of 1/62	
44	Development of 218.3 Acres of residential colony at Kalakaji for displaced persons from East Pakistan.	47,00,043	Call of tender	5,73,452	22% above	..	..	..	..	..	Rs. 60,000 out of which Rs. 30,000/- has been recovered from their VI R A Bill in 11/63	The work was started on 26-7-62 and was required to be completed within 10 months i.e. 25-5-63 53% of the work has been complete till now.
45	Construction of office-cum-workshop bldg. in Barakhamba Phase (II) remaining work.	4,30,922	Do.	5,15,754	19.60% above.	..	..	..	..	..	Nil	The work was started on 17-11-62 and was required to be completed within 15 months i.e. stipulated date of completion is 16-2-64. The work is still in progress and only 75% work has been done.
		<u>51,30,965</u>		<u>10,89,206</u>							<u>60,000</u> out of which 30,000 has been recovered from VI R. A. Bill in 11/63	

ANNEXURE II

Copy of letter No. 19(10)/61-Pub. dated 24th August, 1961 from Shri J. M. Kitchlu, Deputy Secretary, Planning Commission, New Delhi to the Chief Secretaries of all State Governments and Administrations of Union Territories.

(See Annexure II to Part III of Appendix I).

ANNEXURE III

Copy of letter No. ABI/MGS/3824—28 dated 27th February, 1963 from C.P.W.D. to M/S Bharat Sewak Samaj.

SUBJECT: Construction of M. G. Samadhi at Rajghat, New Delhi.

REF: Your letter No. CS/89 dated 18th February, 1962 & even No. dated 15th February, 1963.

Dear Sir,

I have to inform you as under:—

As per terms of contract you have to fill earth in the mounds at Rajghat Samadhi, the earth means soil which should contain a substantial percentage of clay and a very little percentage of sand. What you are filling in earthen mounds is no earth but a type of soil which contains a substantial percentage of sand and a very little percentage of clay. This type of soil is not at all suited for grassing purposes and it was very well known to you that earthen mounds are to develop layer of grass at the top. We have not to convey the entire area into a desert as you propose to do by filling a type of soil which contains enormous percentage of sand. It is on this account that your action of filling this type of soil which is contrary to the spirit of agreement was objected to in the Samadhi Courts area. It can be seen at site that the Samadhi courts have been converted into a twin desert where all the sand that has been filled is blowing from one corner to another. We have been getting assistance of Horticulture department in approval of sample, because it is they who are to determine whether the soil contains requisite percentage of clay and will develop grass at a latter stage. It may again be emphasised that for this type of soil this department will not entertain any claim for any extra payment. This may be clearly noted. During the course of meeting on 13th February, 1963, the Samaj agreed to fill the soil of approved character without extra payment.

As regards compaction of soil, your attention is invited to Shri K. Rama Verma, S.E., Construction Circle letter No. W.3(ii)/229 dated 10th January, 1963 wherein it was clearly explained to your

representative that consolidation done is not at all satisfactory and this can be found also from casual look of the area. The Samaj were told that in order to determine whether the consolidation done is proper or not, a few trial bores will be taken at site and Dry Bulk Density tests will be carried. If these tests revealed that the work has not been done properly, you will be asked to re-roll the area. That has also been made clear to you vide this office letter No. ABI/MGS/Earth/2041-43 dated 1st February, 1963.

As regards payments are concerned, whatever amount is due to you is being paid by way of running bills. We have not paid for upper layer of soil in Samadhi Courts and two sectors where you have not filled soil of approved character in the top layer. Further the full rate for the unit will be paid on determining the element of compaction by doing dry bulk density tests.

Your faithfully,

Sd - E. E. Constn. Dn. VII.

CENTRAL P.W.D.

No. ABI/MGS 34-08-10

Dated 27th February, 1962.

To

Shri A. N. Malhotra,
Construction Services,
Bharat Sewak Samaj, New Delhi.

SUBJECT: *Construction of Mahatma Gandhi Memorial at Rajghat, S. H. Earthen Mounds.*

REFERENCE: Your note dated 8th February, 1962 addressed to pvt. secy. to H. M. for planning and copy endorsed alongwith others to this office.

Sir.

With reference to para 2 of your note mentioned by the under-signed during the telephonic conversation referred above, this is to state that it was not mentioned to in your note that the S. E., Construction Circle had accepted both types of earth. What was stated was that S.E. had permitted the B.S.S. to dump two types of earth in separate locations.

It has been reported by my Asstt. Engineer and the S.O. incharge of the work that the filling has not been done in 9' layers and no watering and proper consolidation has been done as required under contract. Simply stating that the work is being done according to the specifications (as has been written by Shri D. R. Bakshi,

in the site order book) will not help Shri D. R. Bakshi has stated in site order book that your S.O. Shri B. S. Khurana is always at site during the working hours. It is requested that Shri B. S. Khurana may be given a letter of authority to receive instruction from the departmental officials and sign site order book, as an authorised representative is required to be at site. Shri D. R. Bakshi states that he visits the site in the afternoon, it would be desirable if an authorised representative is available at the site particularly during the morning hours.

As the rolling done by the Hand Roler is not found to be satisfactory, your S.O. Khurana was instructed by the undersigned at site that he should get the loaded trucks run over the earth which should be spread in 9' layers and watered properly. As such running of the loaded trucks will give the required consolidation which should be done in such a way that there is no settlement at any state later on. It is therefore requested that you may kindly pay a visit to the site on any working day under intimation to the undersigned so that this point can be settled. If such points are not settled at initial state of the work, it will be very difficult to settle these points at a later stage and it will be very difficult for the department to accept the work. It may, please be noted that the Bharat Sewak Samaj will be held fully responsible for any defects noticed in the work at any later state.

Yours faithfully,

Sd/- R. Pichumani,

Executive Engineer Construction Dn. VIII.

Copy to S.E. Construction Circle (Shri N. Rama Rao) New Delhi for his information. A copy of A.E's letter No. 101 dated 15th February, 1962, is enclosed.

D.A. one

Copy to A.E.I. for his information with reference to his letter No. 100 and 101 dated 15th February, 1962. It should be the responsibility of the Assistant Engineer to see that the work is going on according to the specifications. It will not be of any purpose to say that the work requires rejections as he should endeavour to ensure that the work is done according to the specifications. He can very well stop further work till the contractors completes the spreading rolling and consolidation of the layers already brought to site.

Sd/- Executive Engineer Construction Dn. No. VII.

CENTRAL PWD

No. Cont. VII/ABI/Samadhi/24652-54 dated 17th December, 1962.

To

The General Manager,
Bharat Sewak Samaj,
Construction Services,
New Delhi.

SUBJECT: *Construction of Mahatma Gandhi Memorial at Rajghat,
S. H. Earth Work.*

Dear Sir,

It has been noticed that filling of earth in mounds is going on in a haphazard manner without any reference to CPWD specifications. We have been complaining about the poor performance from time to time but to no result. The earth is being dumped by the truck Drivers in way it suits them. There is no responsible representative at site to receive the instructions of the department. The rolling is also very defective. Instead of six passes of hand roller sometime two passes and some time three passes are being given, with the result that consolidation is absolutely imperfect. It may again be emphasized that in case no attention is paid to proper rolling necessary compensation will be claimed from the Bharat Sewak Samaj for the defective work.

It had in my earlier letter requested that some responsible officer should fix time with the undersigned for joint inspection but so far no action has been taken. It is needless to emphasize that a responsible organisation like B.S.S. is working in such a careless manner which is very regrettable.

Yours faithfully,
Sd/- C. D. DHARMANI,
E. E., Construction Dn. VII.

Copy of letter No. Const. VII/ABI/MGS/22663-65 dated 21st February, 1962, from C.D. Dharmani, E. E. Const. Divn. VII to M/S B. S. S. and copy to S. E. Construction Circle, CPWD, New Delhi and AEEI, for information.

SUBJECT: *Construction of Mahatma Gandhi Memorial at Rajghat,
New Delhi S. H. Earthen mounds.*

Inspite of repeated requests, the earth carted and filled in side the courts and in the earthen mounds contain a lot of sand and it not at all fit for horticultural purposes. You are invited to have

look at the filling done inside the courts and verify the above report for yourself. It is doubtful whether department can pay for such materials.

The filling that has been done in the earthen mounds is not according to specifications. The earth is being dumped in the earthen mounds without any regard to ramming and consolidation. The representative of Bharat Sewak Samaj does not respond to the instructions issued by the undersigned or site staff. It is not expected that body like Bharat Sewak Samaj will exhibit such a poor standard of workmanship. I am, therefore, compelled to inform you that in the event of improper consolidation the department reserves the right to claim necessary compensation, from you in terms of contract. Further if the earth filling does not suit the purpose for which it is required no payment will be made.

Copy of letter No. K AB 22577—79 dated 24th December, 1962 from E.E., 'K' Divn. CPWD, New Delhi addressed to M/s. Bharat Sewak Samaj, 27A, Theatre Communication Building, Con. Circus, New Delhi and copy endorsed to S.E. 1st Circle New Delhi and A.E. I K Sub-Division, CPWD New Delhi.

SUBJECT: *Construction of Cycle stand in the Supreme Court Building, New Delhi.*

The date of start for the above noted work was 11th November, 1962 and it is regrettable to point out that you have not taken the work in hand so far. One of your representative called at the office of my Assistant Engineer and asked for the indent for cement. It was prepared but none has come again to collect the indent.

This apathy on your part from the very beginning is rather surprising. The Supreme Court authorities are pressing hard for completing this work at an early date.

You are, therefore requested to collect the indent for cement immediately and push up the work so that its progress is in comparison with the time elapsed as per terms of the agreement.

Copy of letter No. 54(59)/63-K/13489 dated 7th December, 1963, from the E.E. 'K' Dn. M/s. Bharat Sewak 27A, Theatre Communication Buildings, Connaught Place, New Delhi and copy endorsed to S.E., DCCI and Shri Ramji Dass, A.E.—I/k.

SUBJECT: Construction of Cycle stand at Supreme Court Building Agreement No. EE-72 during 1962-63.

In continuation of this office letter No. 54(59)/63-K/12454 dated 31st October, 1963.

The above noted work as commenced on 11th November, 1962 and as per terms of Agreement it was to be completed on 10th May, 1963 but it is regretted to point out that the work is at stand still. It is your responsibility to arrange for the materials etc. and push on the work. You are again requested to expedite and complete the work within four weeks. This letter is issued without prejudice to the right of Government to levy compensation under Clause of the Agreement.

Copy of letter No. K AB/8393-94 dated 30th May, 1963, from the E.E. 'K' Divn. to M s. Bharat Sewak Samaj, New Delhi and copy endorsed to AEI/K.

SUBJECT: Construction of Cycle shed in Supreme Court Building.

Please refer to my Assistant Engineer I/K Sub-Division letter No. AB I-K/545 dated 17th May, 1963 and copy to the undersigned on the above noted subject.

In this connection I have to inform you that the above noted work was required to be completed on 10th May, 1963 as per terms of the agreement but it is regretted to note that this work is still lying incomplete and is at plinth stage and therefore the progress of work is not in proportion to the time that has elapsed.

You are therefore requested to accelerate the progress of work and complete the same within 2 weeks period failing which necessary action in terms of your clause 2 & 3 of your agreement will be taken which please note.

Copy of letter No. AE OK 545 dated 17th May, 1963, from Asstt. Engineer, I K Sub-Divn. C.P.W.D. New Delhi addressed to M s. Bharat Sewak Samaj, New Delhi & copy endorsed to the E.E. 'K' Divn. C.P.W.D., New Delhi

SUBJECT: Construction of cycle stand in Supreme Court Building.

The above work was commenced on 11th November, 1962 and as per terms of the Agreement it was to be completed on 10th May, 1963 but it is regretted to point out that the work is at stand still and it is just at plinth stage. It is therefore requested that suitable arrangements may please be made to restart the work and complete the same at an early date.

Copy of letter No. 5311/25/W/DSIII dated New Delhi the 30th November, 1963 to General Manager, Construction Service, New Delhi.

SUBJECT: *Constrn. of two workshop sheds for Training-cum-Workshop Centre at Arab-ki-Sarai.*

The above work has been inspected by the Chief Technical Examiner's Organisation of the Ministry of Works Housing & Supply and the following observations have been made which is brought to your kind notice.

1. The agreement required that R. R. masonry both in plinth and superstructure should be done in 1:6 cement mortar whereas the mortar actually used is weak and below specifications.

2. The brick work in plinth and superstructure is required to be done in 1: 1:8 mortar whereas the mortar in joints had not set at all and has a tendency to case when joints are raked. The mortar, therefore, used is below specification.

3. Some of the R.C.C. columns are out of plumb by as such 1½" 2". This defective portions need to be dismantled and redone.

From the above observations you are hereby asked to show cause why recoveries of defective mortar should not be effected at 50 per cent of cost of mortar. It is also requested that the portions of RCC columns which are out of plumb should be got dismantled immediately and redone.

Copy of letter No. 5180/2500 dated October, 1964 from the Executive Engineer, Delhi State Divn. No. III. CPWD New Delhi to the General Manager, Construction Service, B.S.S. 12, Theatre Communication Building, Connaught Circle, New Delhi.

SUBJECT: *Construction of two sheds for workshop for training Centre at Arab-ki-Sarai.*

It is reported by the A.E. that you have started fixing the frames of windows and ventilators without getting approved by him. Some frames were inspected by the undersigned as well as by the superintending Engineer Delhi State Circle, and they were found to be undersize. I would, therefore, request you to get the wood work checked up by the Assistant Engineer before they are actually fixed

at site otherwise you are doing this work at your own risk and cost. However it would be better if the undersize wooden frames are replaced as early as possible.

Copy of letter No. 2307/25000/DS.III, dated 28-4-1960, from the Ex. Engineer, Delhi Admn. Division No. III, C.P.W.D. New Delhi, addressed to the General Manager, Bharat Sevak Samaj, New Delhi.

SUBJECT: *Construction of Workshop at Arab-Ki-Sarai.*

Dear Sir,

Kindly refer to your letter No. CS/50, dated 20th April, 1960. The work of excavation of central columns has already been taken in hand by you but the progress is slow. The necessary details of casting the central RCC columns have already been given to your representative at the site. I understand that necessary arrangement is being made by you to cast the columns as early as possible.

It is further desired that some rubbish iron material which is dump and at the site of work is required to be removed away from the site. Necessary action, therefore, may kindly be taken immediately.

The cement which has been supplied by the Department, has not been properly stored in your godown. I have already given instructions at the site to store the cement properly under double lock key arrangement. The time which has been stacked by you at the site of work is not good. Proper arrangement may kindly be made for stacking of the lime.

Copy of letter No. 1498, dated 28-7-1960, from the Asstt. Engineer I DAD. III/CPWD, New Delhi & copy to E.E., D.A.D. III.

SUBJECT: *Const. of two sheds for training and work centre at Arab-Ki-Sarai.*

It is noticed that the lime brought by you for the above work seems to be of inferior quality. No arrangement for whether proof shed has been made by you for storage of lime which is very essential.

You are requested to remove all the rejected lime from site of work and arrange for good quality of lime and proper storage the same. Failure to do so will be at your risk and responsibility.

Copy of letter No. 2975/250, dated 3-6-1960, from the Executive Engineer Delhi Admn. Division No. III, CPWD, to the General Manager, Bharat Sevak Samaj, New Delhi.

Subject: Const. of sheds at Arab-ki-Sarai.

Kindly refer to your letter No. CS/50, dated 27th May, 1960. The above work was inspected on 30th May, 1960 alongwith you and it was personally explained that the progress on the work is very slow. Special efforts are therefore, absolutely necessary to complete the foundations and plinth before the rains come in Delhi.

In the end I shall appreciate if Mr. K. P. Udeshi Resident Engineer of the Bharat Sewak Samaj meets me on ever Monday at 8:30 in the morning at the site of work.

Copy of letter No. 507/AE. II/DS. III dated the 26th Dec., 1962 from the Assist. Engineer No. II, Delhi Admn. Divn. III to the General Manager, Construction Department, Bharat Sewak Samaj.

SUBJECT: Construction of 8-A type Factories at Okhla Industrial Estate.

Dear Sir,

During inspection of the above work it has been observed that the brick work in pointing was not been cleaned and there are cement mortar and white wash spots which give a bad appearance to the work.

The edges of cement plaster are broken at a number of places, only two masons were employed by you for repairs but this is not satisfactory. These repairs must be completed immediately.

The rectifications of rolling shutters have so far not been completed and these do not operate properly. Further you are also requested to intimate under whose orders these rolling shutters were fixed as this make does not appear in the approved list of manufacturers of C.P.W.D. specifications.

Copy of letter No. 449/A.B. dated the 24th Jan., 1963 from the Executive Engineer, Delhi State Division No. III to the General Manager, Construction Department, Bharat Sewak Samaj.

SUBJECT: Construction of 8-A type factories at Okhla Industrial Estate work done by M/s B.S.S.

During inspection it has been observed that the cement pointed brick work is spoiled with cement mortar and white wash splashes.

The cement plaster has been spoiled at several places.

The rolling shutters are not functioning properly. They are not of the standard makes as such you are requested to replace them with standard makes, so that they are not required to be repaired again and again.

The defects may please be attended early.

Copy of letter No. 49 AE. II/DS. III dated the 19th Jan., 1963 from the Assistant Engineer II Delhi State Division No. III, CPWD to the General Manager, Construction service, Bharat Sewak Samaj.

SUBJECT: Construction of 8-A type factories at Okhla Industrial Estate.

Ref: This office No. 377/AE. II/DS. III dated 24-9-1962.

In continuation to this office No. quoted above the following items are still required to be attended by you. This may be attended and the work may be completed early in all respects.

- (1) Swan neck of the rain water pipe has not been fixed properly. this may please be fixed early.
- (2) Fixing of slab covers have not yet been done.
- (3) The rolling shutters in most of the factories have gone out of order even the interlocking of M.S. laths has come out in some shutters. In this connection please refer to this office No. 507 dated 26-12-62 and furnish the information early.
- (4) Repairs to plaster and touching of white washing and colour washing have not yet been completed.
- (5) Glass panes and fittings in steel window shutters have not yet been provided fully in all the shutters.
- (6) Hardonate flooring in some factories have cracked badly, these may please be replaced early.
- (7) The gate of the courtyard has not yet been fixed, and this may please be expedited.
- (8) The cement mortars, white wash splashes etc. must be removed from the wall floors etc. early.
- (9) Though you were requested by Executive Engineer, Delhi Admn. Divn. III *vide* his No. 6109/AB, DS. III

dated 6-12-62 to complete the item of North Light Glazing, but sorry to say that no action has been taken by you so far to complete this item.

- (10) Further it is brought to your notice that no cement concrete work should be done without concrete mixer.

Your early action in the above matter will be highly appreciated.

Copy of letter No. 23(49)/7643/DS. III dated 20-8-63 from the XEN Delhi Admn. Divn. III to the General Manager, Bharat Sewak Samaj, New Delhi.

SUBJECT: *Construction of 8-A type factories at Okhla.*

Reference: No. 722/23/49/DS. III/63, dated the 8th February, 1963 and No. 1469/23/49/63, dated 20-3-63 and subsequent reminder.

List of defects and incomplete items in respect of the above work were intimated to you in the above reference but very little has so far been done. You are once again requested to rectify and complete the items as below without any further delay:—

1. Two factories have not yet been fixed with north light frames.
2. The compound gates have not yet been fixed.
3. The swan necks to rain water down pipe have not yet been fixed at several places as a result the gutters are leaking.
4. The glass panes and the fittings have not yet been completed in the windows in several factories.
5. Certain floor panels have cracked and sound hollow. They should be replaced.
6. Some of the rolling shutters have gone out of order and the lock arrangement of M.S. Lath has failed. They should be replaced with the rolling shutters of some reputed firm.
7. The floors are smeared with superfluous mortar and mortar droppings which should be cleaned.
8. The wooden hand rail of stair case railing have not been properly embedded as a result they shake. It should be properly set in. The iron bars fixed to stair case

railing which are not straight should be straightened properly.

9. Splashes of white wash on the beams, gutters and cement pointed walls should be cleared. The plaster to jambs of windows have not been finished even and smooth. The cement mortar without any figment has been used in terracota jali and as such have not been finished properly.

10. Holes made in the chajja for fixing 1" G.I. Pipe has not been finished properly.

You are requested to please attend to the above items at an early date. Since they are pending since long.

Copy of letter No. 23/49/DS 3/63,8865 dated the 5th Nov., 1963 from the XEN Delhi Admn. Dn. III to the General Manager, Bharat Sewak Samaj, New Delhi.

SUBJECT: *Construction of 8-A type factories at Okhla Industrial Estate.*

In continuation of this office No. 23/49/7643/DS 3, dated the 20th August, 1963 it is regretted to see that no action has been taken by you inspite of repeated requests to remove the defects.

You are once again requested to rectify the defects and complete the remaining items of work without any delay within 15 days (fifteen days) from the date of issue of this letter, failing which action under clause 14 of your agreement will be taken against you and the work will be carried out at your risk and cost without any further notice.

Copy of letter No. 442/250W dated 25-1-61 from the Executive Engineer Delhi State Division No. III New Delhi to the General Manager (Contn. service) Bharat Sewak Samaj, Communication Bldg. New Delhi copy endorsed Assistant Engineer No. I/DS III and copy to S.E.D.S.C. New Delhi for information and further necessary action.

SUBJECT: *Construction of two workshop sheds-cum-training centre at Arab-ki-Sarai.*

I am pleased to learn that the above work has again been taken in hand by you after a complete gap of more than six weeks. Your representative at site has started hoisting of built up girders. Before hoisting Mr. Razaq and Shri Bhagawat—Engineer and representative of Bharat Sewak Samaj were told to hoist the build

up girders along with the trusses so that it may become one rigid frame. Moreover, it is learnt that the built up girders are being hoisted without the trusses. I am afraid that there is every likelihood built up girders may topple down and there may be a serious accident. I would, therefore, request you to take up the matter immediately and stop hoisting only the built up girders. It is absolutely necessary that the girders must be hoisted along with the trusses. Further in the last meeting it was decided that manufacture of purline was required to be taken in hand immediately so that they may also be hoisted and fixed along with the trusses. It appears no action has yet been taken at site.

Copy of letter No. 5554/250-W/DS. III dated 28-10-64 from the Executive Engineer, Delhi State Division No. III, C.P.W.D., New Delhi to the General Manager, Construction Services B.S.S., 12, Theatre Communication Building, Connaught Circus, New Delhi.

SUBJECT: *Construction of two sheds for works at Training Centre at Arab-Ki-Sarai.*

Kindly refer to your letter No. CS/50 dated 13-12-60. As per specifications the wooden frames should be of proper size shown in the plans and tolerance allowed for planning etc. is 1/16" on either side. Accordingly this tolerance is being allowed by the Assistant Engineer while checking the sections of wooden frames manufactured by you. The wooden frames manufacturers were examined by the Assistant Engineer in the presence of Shri N. R. Bhagwat Engineer representative of the work and the wooden members where the tolerance was more and the quality of the wood was inferior were rejected and it was requested to replace those. I would, therefore, request you to replace the wooden members as early as possible, and as regards the tolerance where it is more than 1/16" on either side, it is not within my power to accept such frames and therefore the matter has been referred to the higher authorities.

A Copy of letter No. 23/2/DS. III, 63/8735, dated 23-10-63, from the Executive Engineer, Delhi State Division No. III, C.P.W.D., New Delhi to the General Manager, Construction Service B. S. S. 12 Theatre Communication Building, C/Circus, New Delhi.

SUBJECT: *Construction of two sheds for works at Training Centre at Arab-ki-Sarai.*

Kindly refer to your letter No. CS/50 dated 13-12-60. As per specifications the wooden frames should be proper size shown in

the plans and tolerance allowed for planning etc. is $1/16''$ on either side. Accordingly this tolerance is being allowed by the Assistant Engineer while checking the sections of wooden frames manufactured by you. The wooden frames manufactured were examined by the Assistant Engineer in the presence of Shri N. R. Bhagwat Engineer representative of the work and the wooden members where the tolerance was more and the quality of the wood was inferior were rejected and it was requested to replace those. I would, therefore, request you to replace the wooden members as early as possible, and as regards the tolerance where it is more than $1/16''$ on either side, it is not within my power to accept such frames and therefore the matter has been referred to the higher authorities.

ANNEXURE IV

List of Works awarded to Bharat Sewak Samaj upto March 1963 which were inspected by C.T.E. Organisation and the observations made.

Serial No.	Name of Work	Tendered amount of work	Observations made
1	2	3	4
<i>Construction Division No. VI.</i>			
1	Construction of O.P.D. at Willington Hospital	9,39,421	Defects were observed in a large number of items. Some of them were rectified. Report regarding action taken on remaining defects awaited from the Executive Engineer.
<i>Delhi State Division No. III.</i>			
2	Construction of training and Workshop centre at Arab-ki-Sarai, Adm. Block., Phase I.	1,90,410	Minor defects were observed in a few items. E.E. reported that these were rectified.
3	Do. Hostel Building	2,19,679	Defects were observed in a large number of items including one major defect. Report of the Executive Engineer regarding action taken is awaited.
4	Construction of Additional accommodation at Police Station at Nizamuddin.	85,412	Defects were observed in a few items. The Executive Engineer agreed to recover Rs. 805 for the same.
5	Construction of Administration Block at I.T.I. Arab-ki-Sarai Phase II.	2,24,803	Defects were observed in a few items. Some of them were rectified. Report of the Executive Engineer regarding action taken on the remaining defects is awaited.

1	2	3	4
6	Okhla Industrial Estate, Phase II, S.H. Construction of factory type -A.	4,10,426	Minor defects were observed in a large number of items. Executive Engineer reported that they were being rectified. Final report regarding rectification is awaited
<i>Special Division III (Delhi Admn. Division IX).</i>			
7	Development of 65 acres of land at N.G. Road and H. Road S/O Soling Stone in material.	86,057	No defects were observed.
8	Development of land near Railway line to Rewari, S.W. of Reins Road for Industrial Colony.	1,34,245	No defects were observed.
9	Development of land near Rampurr village S.H. Road supply of solong stone and material.	1,87,780	No defects were observed.
10	Construction of roads running parallel to Cantt. Rly. Line towards West S.H. supply of stone and materials.	93,676	No defects were observed
<i>Delhi State Division No. V.</i>			
11	Construction of I.T.I. Pusa, S.H. Admn. Block, Phase II	6,87,388	Defects were observed in a large number of items including one major defect. Executive Engineer reported that some were rectified and for the rest recoveries would be effected. Amount of recovery to be effected is awaited from Executive Engineer.
12	Construction of staff quarters at I.T.I Pusa-12, H. Type Qrs.	40,373	A few defects were observed. Executive Engineer reported that some of them were being rectified and for the other reduced rates would be paid. Final report from Executive Engineer is awaited.

Construction Divn. III.

- | | | | |
|----|--|----------|---------------------------|
| 13 | Re-sectioning and regrading of Najafgarh Drain-ph. II Rd.-
111000-114000. | 1,50,039 | No defects were observed. |
| 14 | Do. RD 114000-119000 | 2,80,414 | No defects were observed. |

Special Division IV.

- | | | | |
|----|---|----------|---|
| 15 | Development of land in the village Jahanpur for Residential
Colony S.H., S.W. Drains and culverts. | 4,52,893 | A few defects were observed. Executive Engineer reported that Rs. 889 would be recovered in respect of one of them. Report regarding action on remaining defects awaited from Executive Engineer. |
| 16 | Do. Construction of Pump well and pump house | 1,13,627 | No defects were observed. |
| 17 | Temporary bridge near Metcalf House across Jamuna in connection with present emergency. | 46,307 | The work was stopped soon after commencement. No defects were observed. |

Special Division No. V.

- | | | | |
|----|--|----------|---------------------------|
| 18 | Development of land for Industrial Estate near Okhla Marshalling yard S.H. sewerage in Blocks A, B, C. | 4,22,487 | No defects were observed. |
|----|--|----------|---------------------------|

Delhi State Division No. III.

- | | | | |
|----|---|----------|---------------------------|
| 19 | Construction of W.C. Training Centre, Sisters quarters in
L.H.M.C., New Delhi. | 2,77,949 | No defects were observed. |
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APPENDIX VI

MINISTRY OF HEALTH

(See para 2, introduction)

Notes on list of points

Audit Report (Civil) 1964

Para 117—Indirect subsidy to Bharat Sewak Samaj.

Detailed note on clarification required by the Public Accounts Committee.

“According to the Audit Para the allotment of land to Bharat Sewak Samaj at a nominal fee of Rs. 360 per annum resulted in an indirect subsidy of over Rs. 1 lakh to the Samaj computed with reference to the rate charged to the private contractor in 1960. It was stated in the Rajya Sabha on the 18th September, 1963 in reply to Unstarred Question No. 526 that the contract for the removal of sand from the Jamuna Bridge area was given to the Samaj for the year ending 30-6-1963 at the same rate as was obtained in the auction held in the year 1961-62. The question of financial loss to Government did not, therefore, arise.

Question 1. Do the cases referred to in the Audit Para and in the reply to the Question in the Rajya Sabha, relate to the same contract or are they different ones?”

Answer: These are two different cases.

In Para 117 of the Audit Report (Civil) 1964 (copy enclosed), Audit has objected to the allotment of 3 acres of Nazul land in Bela Estate to the Bharat Sewak Samaj in June, 1962 on a licence fee of Rs. 360 per annum. This piece of land was intended for the stacking of Jamuna sand and was allotted by the Delhi Development Authority to the Bharat Sewak Samaj. The Unstarred Question No. 526 which was replied to by the Minister of Works, Housing and Rehabilitation in the Rajya Sabha on 18th September, 1963 (copy enclosed) refers to the contract for removal of sand from the Jamuna entered into by the Ministry of Works and Housing and not to the allotment of 3 acres of Nazul land by the Delhi Development Authority to the Bharat Sewak Samaj for the stacking of sand.

Question II. What are the reasons for charging a nominal fee for the allotment of land from the Samaj as against the rates charges to the private contractor in 1960? Does this act amount to a financial loss to Government?

Answer: The circumstances under which the Bharat Sewak Samaj was charged a nominal fee for the allotment of land are as follows:—

(1) The Bharat Sewak Samaj took contract for quarrying sand from the Jamuna bank from the Municipal Corporation of Delhi for the year 1962. In January, 1962, a written request was received from the Samaj for allotment of 3 acres of Nazul land near the Mahabir Ice Factory in Bela Estate, Delhi, for the purpose of stacking sand. In its subsequent communication dated 25th April, 1962, it was indicated that the Samaj took up this contract in order to bring down the prices of sand and to associate the public with the development activities. It was further requested that concessional rates be charged from the Samaj for allotment of this land. The Delhi Development Authority in its Resolution No. 157 dated 26-4-1962 and No. 235 dated 30-6-1962 resolved to allot the aforesaid area of 3 acres in Bela Estate, Delhi, to the Bharat Sewak Samaj on licence for a period of one year with effect from 1-5-1962 at a licence fee of Rs. 360 per annum. Calculated at Rs. 25 per bigha kham per annum. It may be stated that this rate is at par with the rate prescribed by the Ministry of Works and Housing for temporary allotment of land for the purpose of dumping materials.

(2) It appears that the concessional rate was charged in the hope that the price of sand which was rising very fast would come down due to fair trade practices of the Bharat Sewak Samaj.

In the earlier years, the extraction of sand from the banks of Jamuna was controlled by contractors who sometimes exploited the seasonal scarcity that prevailed and charged heavy prices. It was hoped that the Bharat Sewak Samaj being in control of sand extraction and stacking would be in a position to effect prices in the downward direction. This expectation was confirmed by the reports received from the Director, Public Co-operation, Planning Commission and the Housing Commissioner, Delhi Administration, in February, 1963. The licence was, therefore, renewed for another year from 1-1-1963 to 31-12-63 on the same terms and conditions as in 1962 vide Authority's Resolution No. 140 dated 27th April, 1963. This expectation was also confirmed by the Surveyor of Works 1, Zone 1, C.P.W.D., New Delhi stating that even the present rates are less than the rates prevailing in March and April, 1962 despite the fact that the Chief Commissioner had fixed increased labour rates from June, 1964 resulting in sharp rise in price of sand.

As the Bharat Sewak Samaj was charged concessional rates primarily with a view to bringing down the high prices of sand which

aim, as explained above, was also achieved, the shortfall of revenue amounting to about Rs. 45,700 was unavoidable.

The above note has been vetted by Audit subject to the following comments:

Q. 1. Do the cases referred to in the Audit para and in the reply to the question in the Rajya Sabha relate to same contract or are they different cases?

The reply given by the Ministry that the Audit Para 117 refers to the allotment by the Delhi Development Authority of 3 acres of Nazul Land in Bela Estate to the Bahat Sewak Samaj in June, 1962 on a licenced fee of Rs. 360 per annum and that this land was intended for the *stacking of Jamna Sand* is correct. The contract for *removal of sand* from the Jamuna seems to be different one which might have been entered into with the Samaj *by the Ministry of Works, Housing and Supply*.

Q. II. What are the reasons for charging a nominal fee for the allotment of land from the Samaj as against the rates charged to the private contractor in 1960? Does this not amount to a financial loss to Government?

(a) The Bharat Sewak Samaj requested the Delhi Development Authority on 23-4-1962 for early allotment of the land and were prepared to pay whatever rates the Ministry decided. However, on 25-4-1962 the Samaj requested the Delhi Development Authority to charge as low a rate as possible. The Delhi Development Authority resolved that licence fee should be charged @ Rs. 30 per month for 3 acres of land from the Samaj against the rate of Rs. 30 per 100 sq. yds. charged for the same land during the earlier year for the same purpose without recording any reasons in their Resolution.

In the Ministry's note it has been stated that the 'nominal fee' was charged from the Samaj with the object of bringing down the prices of sand. It is, however, observed from a recorded note of the discussion held in the Ministry of Works and Housing on 30-10-1964 that the Samaj was forced to sell sand at cheaper rates and thus incurred losses due to competition from the private contractors (working in other areas) and that after the declaration of the National Emergency the construction activities had slowed down.

In view of this, it cannot be held that the fall in prices of sand was necessarily due to low rate of fee charged from the Bharat Sewak Samaj.

(b) The figure of Rs. 1.04 lakhs as mentioned in the audit para was computed for the period from 1-1-1962 to 31-12-63 at the rates previously charged to the private contractor. The amount of

Rs. 45,700 mentioned in the Ministry's note has been calculated on the basis of revenue collected during the period from 1-5-1961 to 31-12-1961."

It is observed that the Audit has repeated the figure of Rs. 1.04 lakhs as the indirect subsidy to the Bharat Sewak Samaj as against the shortfall of revenue amounting to Rs. 45,700 mentioned in reply to Question No. 2 above. It may be observed in this connection that even the latter figure is hypothetical as the land in question was, in the past, being taken on licence, only by the contractor lifting sand from the Yamuna river and, in case the Bharat Sewak Samaj, who had secured the sand contract in 1962—had not been allotted the land in question, it is unlikely that any revenue would have been realised for it. This is evidenced by the fact that the land was surrendered by the Bharat Sewak Samaj in April, 1964 and is lying unallotted since then.

Sd/- (GIAN PRAKASH)
Joint Secretary,
Ministry of Health.

Vide O.M. No. F. 1-4/64-LSG, dated 12-1-1965.

[Copy of Para 117 of the Audit Report (Civil, 1964)]

117. *Indirect subsidy to Bharat Sewak Samaj:* 3 acres of Nazul land in Bela Estate was allotted to the Bharat Sewak Samaj in June, 1962 for the stacking of Yamuna Sand on a licence fee of Rs. 360 per annum as the Samaj had entered into a contract with the Municipal Corporation of Delhi for the quarrying of sand. This works out to 21 naya paise per 100 sq. yd. per month as against Rs. 30 per 100 sq. yds per month charged to a private contractor in 1960 for 2 acres at the same place. The period of licence was 1st January 1962 to 31st December, 1962. The licence was renewed further upto 31st December, 1963, on the same terms. The allotment of land at a nominal fee resulted in an indirect subsidy of over Rs. 1 lakh to the Samaj computed with reference to the rate charged to the private contractor in 1960.

RAJYA SABHA
GOVERNMENT OF INDIA
MINISTRY OF WORKS, HOUSING AND REHABILITATION

Unstarred Question No. 526

To be answered on the 18th September, 1963

*Reply to the Question asked by Shri B. D. Khobaragade
lease for removal of sand from the Jamuna in Delhi.*

No. 526

Shri B. D. Khobaragade

Will the Minister of Works, Housing and Rehabilitation be pleased to state:

(a) whether it is a fact that Government have directed the Delhi Municipal Corporation to give annual lease for removal of sand from the Jamuna Bridge area to the Bharat Sewak Samaj at a low rate without any question;

(b) whether it is a fact that this has resulted in financial loss to government and the Delhi Municipal Corporation;

(c) if so, what are the reasons for giving this concession to the Bharat Sewak Samaj; and

(d) what steps are being taken in the matter so that Government do not suffer any financial loss?

A N S W E R

**Minister of Works, Housing and Rehabilitation
(Shri Mehr Chand Khanna)**

(a), (b), (c) and (d):

No such direction has been given to the Municipal Corporation of Delhi.

The land in the Jamuna Bridge area belongs to Government and the contract for the removal of sand from this area was given to the Bharat Sewak Samaj for the year ending the 30th June 1963, at the same rate as was obtained in the auction held in the year 1961-62. The question of financial loss to government does not, therefore, arise.

APPENDIX VII

PLANNING COMMISSION

(PUBLIC COOPERATION DIVISION)

[Vide O.M. No. 9(20)/I/64—Pub. dated 31-12-64]

(See para 2 of Introduction and paras 12, 16, and 17 of Report)

SUBJECT: *Note on programmes of Bharat Sewak Samaj which are being assisted by the Planning Commission through grants and loans.*

It will be useful to state briefly the history of the creation of the Bharat Sewak Samaj. The Resolution setting up the Planning Commission had emphasised the fact that the success of the Commission "will depend on the extent to which it enlists the association and co-operation of the people at all levels". In a note prepared in May 1950, by the then Deputy Chairman of the Commission, it was pointed out that public cooperation was needed both because it was necessary that the real and felt needs of the people should receive the fullest consideration in the formulation of the Plan and because the people should play an important part in the implementation of the Plan. It was necessary to ascertain public opinion through a proper machinery devised for the purpose and also to educate and re-train "the minds of the people so that they have a better understanding of facts and their own needs and problems, and may be ready to join in a large-scale constructive effort". It was also necessary to evolve a method and an agency for making the best use of the hitherto untapped energy and resources of the people. The idea of evolving a new national non-official agency for this purpose was suggested for meeting these requirements.

2. The Commission's Panel on Social Welfare in June, 1951, approved the proposal to set up the Bharat Sewak Samaj, a non-political and non-official voluntary organisation, to meet these requirements. The Planning Commission, in its Draft Outline of the First Five Year Plan, endorsed the proposal. The continuation of the proposed Samaj was considered by the National Advisory Committee on Public Cooperation that was set up by the Commission and the Samaj was then set up in 1952. The Bharat Sewak Samaj was thus set up as the result of the thinking initiated in the Commission and it continues to work closely with the Commission in the furtherance of their common objectives.

3. In so far as the organisation and the functions of the Bharat Sewak Samaj are concerned, a comprehensive review has been given in the Samaj's annual Report for the years 1961 and 1962. Copies of this report are available in the Parliament Library.

4. With regard to the activities of the Bharat Sewak Samaj *vis-a-vis*, the grants-in-aid/loans given by the Planning Commission, the information is given in the following paragraphs.

5. The Planning Commission gives grants-in-aid from out of the funds provided for schemes of Public Cooperation to non-official voluntary organisations, including the Bharat Sewak Samaj, for the purpose of mobilising public cooperation and participation for the successful implementation of Plan Programmes. Such schemes of Public cooperation are approved by the Inter-Departmental Committee, *viz.*, Coordination Committee for Public Cooperation and by its various *ad hoc* Sub-Committees. Then the schemes are further scrutinised in the Planning Commission and in the Ministry of Finance before the grant-in-aid/loan are sanctioned. The Bharat Sewak Samaj, in consultation with the Planning Commission, evolved schemes of Rural, Urban and Nashabandi Lok-Karya Kshetras, National Consumer Service and Construction Service. The amount of grant-in-aid given to the Bharat Sewak Samaj for the programmes of Rural, Urban and Nashabandi Lok Karya Kshetras, the training and National Consumer Service and the work done in them is given in the table and the following paragraphs:—

year	Lok Karya Kshetras (Rural)	Lok Karya Kshetras (Urban)	Kok Karya Kshetras (Traning Centres)	Lok Karya Kshetras (Nasha- bandi)	National Consumer Service
	Rs.	Rs.	Rs.	Rs.	Rs.
1958-59	54,000	63,000	27,300	..	..
1959-60	1,95,570	1,14,980	52,958	..	..
1960-61	2,67,800	2,09,930	60,890	..	..
1961-62	6,72,700	2,97,800	73,000	..	..
1962-63	6,51,600	2,85,300	1,15,000	3,000	..
1963-64	7,60,000	3,34,000	95,800	6,890	20,000

6. *Lok Karya Kshetras (Rural)*: The main object of this programme is to secure people's participation in the various development programmes in the rural areas. The programme is run by a group of twelve All India Voluntary Organisations and a number of educational institutions. The Bharat Sewak Samaj is the All India Coordinating agency, but the general steering and supervision is done by the Lok Karya Committee set up at the centre and State levels with representatives of the Government and the various participating organisations. Financial assistance of Rs. 5,000 is given for each Lok Karya Kshetra. A Kshetra covers an area of about 100 villages. About 10 villages are taken up at a time for intensive work. A minimum of 2 workers known as Sahyogi and Up-Sahyogi are appointed for each Kshetra. These workers are given training at the Lok Karya Training Centres, Delhi and Kerala (Trivandrum). At present about 350 Kshetras are running in different parts of the country. Of these, 200 are in the Central Sector and the remaining in the State Sector.

6.1. One of the major activities of the Lok Karya Kshetras is to assist in the development and proper functioning of the basic institutions of the village, viz. Panchayat, Cooperative and the School. The notable work in this regard has been the unanimous election of the Panchayats in most of the Lok Karya Kshetras in Goa and in certain Lok Karya Kshetras in Rajasthan, U.P. and Bihar. Village development plans were prepared in collaboration with Panchayats. Kshetras have particularly collaborated in building community assets, such as, repair or construction of roads, school buildings, drinking water wells, tanks and ponds, etc. By holding seminars and discussions, particularly in U.P., Bihar, Rajasthan and Gujarat, the members have helped the Panchayat members to reorganise and understand their duties well. The workers of the Lok Karya Kshetras and the Panchayats have helped each other to implement the 7-point programme and the Village Volunteer Force Schemes. The Report* for the Lok Karya Kshetra programme for the year 1962-63 is enclosed for reference. Some of the main activities are detailed below.

6.2. *Cooperatives*: Lok Karya Kshetra workers helped in increasing membership, conversion into service cooperatives and organisation of new cooperatives. The increase in membership in the cooperatives functioning in Lok Karya Kshetras is of the order of 6.4 per cent.

6.3. *Schools*: Lok Karya Kshetra workers persuade the parents to send their children to school. Good work has been done in this

*Not printed.

regard in U.P., Bihar, Rajasthan and Gujarat. Another important feature has been the cooperation between the school staff and the Lok Karya Kshetra workers. About 90 per cent of the schools in the Lok Karya Kshetra areas have been helpful in organising Shramdan, cleanliness drives, camps, games and sports and cultural programmes.

6.4. Agriculture: The Kshetra workers have been indirectly instrumental in augmenting agricultural production by educating and persuading the farmers to adopt improved methods of farming. Individual and group meetings with cultivators, seminars and demonstration of improved techniques have been organised in cooperation with Block staff for this purpose. The Kshetras have been able to popularise the use of compost-manure and chemical fertilizers in Kerala, Gujarat, U.P., Mysore, Bihar, Rajasthan and Punjab. The Fertilizer Festivals organised in Kerala have proved very popular. Irrigation channels and wells have been dug in U.P., Bihar, Rajasthan and Punjab.

6.5. Organisation of Youths, Children and Women: Lok Karya Kshetras have organised about 616 Yuvak Mandals in villages. The main activities of these Mandals have been games, sports, discussions and debates. In some of the Lok Karya Kshetras, the Mandals have taken up some special responsibilities, such as, sanitation, shramdan activities and conducted adult literacy classes. Balvadis and Mahilla Mandals have been organised in many Kshetras. The main activities of the Mahilla Mandals are crafts, sewing, literacy and education of children.

6.6. Use of Local Resources: It is estimated that during 1961-62 and 1962-63, about 4,00,000 and 10,05,843 man-hours, respectively were put in by the local people in Shramdan activities through the efforts of the Lok Karya Kshetras, in constructing approach roads, school buildings and to secure water resources, etc. It is estimated that during 1962-63, the people's contribution in cash and kind amounted to Rs. 1,25,000.

6.7. Participation of Educational Institutions: A welcome feature of the Lok Karya Kshetra programme is the increasing participation by educational institutions in running Lok Karya Kshetras. Recently about 35 Lok Karya Kshetras have been allotted to different educational institutions. The technique adopted is that a group of villages from Lok Karya Kshetras is adopted by an educational institution and extension work in different fields of development is done by socially inclined teachers and students. This provides continuity of

work and a permanent relationship between the educational institution and the villages adopted. Where this work is being done by educational institutions in collaboration with voluntary organisations, the results have been better.

7. *Lok Karya Kshetra (Urban)*: This programme was originally initiated in Delhi at four centres on a pilot basis. Later on, on the basis of the experience gained in Delhi it was extended to other States. The late Prime Minister, Pandit Jawaharlal Nehru, in his letter dated 10th July, 1961, laid special emphasis on improving living conditions in the slum localities. This programme is, therefore, devoted mainly to slum localities. A grant of Rs. 7,500 is given for each field centre and Rs. 10,000 for each State unit responsible for co-ordinating the activities of the field centres in the State and organizing training of the workers.

7.1. These Kshetras have been allotted to the Bharat Sewak Samaj who have actively associated a large number of educational and other institutions in the implementation of the programme. Important institutions among those participating in this programme are Tata Institute of Social Sciences, Bombay; Delhi School of Economics, Delhi; Delhi School of Social Work, Delhi; Nirmala Niketan, Bombay; Lions Club, Madras; Kothari's educational Trust, Madras; T.B.C. Works Educational Trust, Madras; Faculty of Social Work, Baroda; Y.M.C.A.; Gandhi Smarak Nidhi; Child Welfare Council, Kerala; Bharat Scouts and Guides; A. N. Sinha Institute of Social Studies, Patna; Bharat Seva Dal; Janta Seva Mandal, Bombay; Karida Mandal, Bombay; Ashoka Leyland, Madras. The Progress Report* for the year 1963-64 is enclosed for reference.

7.2. The Urban Lok Karva Kshetras have shown tangible results in creating an urge in the slum dwellers to improve their conditions of living through their own efforts and resources supplemented by the opportunities and assistance available under various plan programmes of local bodies. While emphasis is laid on self-help, the Kshetras provide assistance and guidance to slum dwellers as to how they can promote their own welfare. The Kshetras have been successful in securing the cooperation and participation of the people in an appreciable measure in the form of cash, material, shramdan and other free services. A large number of activities like Balwadis, Libraries and Reading rooms, Adult Education Classes, Coaching Classes for the Weak students, Craft Centres for women, Dispensaries etc. have been organised on a purely self-help basis in most of the

*Not printed.

Kshetras. In many Kshetras community centre buildings have been constructed with the active participation of the people. In some states, mid-day meals programme for the Balwadis children have been organised purely with contributions from the local people. Slum dwellers offered their voluntary labour for digging drains, repair of dilapidated houses, construction of roads and streets, health and sanitation drives etc. A number of production-cum-training centres, consumer cooperative stores and industrial cooperatives have been organised by the Kshetra workers to improve the economic conditions of the slum dwellers and to prevent their exploitation by the private traders.

7.3. For each centre, a Kshetra Managing Committee has been set up. This includes the elected Ward Councillor, representatives of the Health and Housing Departments of the Corporation/Municipality, local established active voluntary organisations and educational institutions. This ensures close collaboration with the local bodies and voluntary organisations.

7.4. The educational institutions have been actively involved in the implementation of the programme. The teachers and students of the colleges and schools in many Kshetras, in particular in Kerala and Madras, have been responsible for building community halls, conducting economic surveys, running libraries and rendering free services during sanitation drives and clean up campaigns, organising free tuition classes for weak students and adult education classes.

8. *Lok Karya Training Centres, Delhi and Kerala.* The Bharat Sevak Samaj is running two training centres at Delhi and at Trivandrum in Kerala for training the whole-time paid and part-time voluntary workers from the Lok Sarya Kshetras. The Delhi Training Centre was started in January 1959. Subsequently, on the expansion of the programme and to meet the language difficulties, it was decided to open a second regional training centre for the South at Trivandrum (Kerala). This Centre started functioning from March 1963. It imparts training to the workers from 4 States and 2 Union Territories of South, viz., Andhra, Madras, Mysore, Kerala, Pondicherry and Goa, Daman and Diu. The reports* of these 2 training centres for the year ending 31st March, 1964 are enclosed.

8.1. The Delhi Training Centre has organised, upto the end of 1963-64, 17 training courses and trained 792 workers. The Kerala Training Centre has organised 5 courses and trained 230 workers. The

*Not printed.

trainees have been drawn from Rural and Urban Lok Karya Kshetras, Urban Welfare Projects, Rural Welfare Extension Projects, Planning Forums and Rural Works Projects. The trainees belong not only to the Bharat Sewak Samaj but to all the other voluntary organisations and educational institutions who are participating in the Lok Karya Kshetra programme. Their number is about 25 and is given at page 9 of the Delhi Training Centre Report. After the declaration of the emergency in October 1962, the programmes were re-oriented so as to meet the needs of the special programmes taken up to step up defence efforts in the country.

8.2. There is a Central Committee in the Central Office of the Bharat Sewak Samaj which is in overall charge of both the Training Centres at Delhi and Kerala. Shrimati Premvati Thapar, who is one of the leading women social worker in the country and was formerly adviser in the Central Social Welfare Board, is the Secretary of this Committee. Besides, there is a separate Committee for each of the two Training Centres. The Chairman of each of these two Committees is a senior social worker having wide experience of development work in the rural areas. Prof. N. R. Malkani, Adviser on Training Programmes to the Ministry of Community Development and Cooperation and Panchayati Raj, is the Chairman of the Delhi Training Centre. The Principals are trained and Senior experienced workers of the Bharat Sewak Samaj. Major Ramchandra, a well known social worker, is working as the Director of the Training Programmes. Besides the Principal and trained paid instructors in each training centre, there are a large number of guest speakers who are experts on their subjects and drawn from established institutions like Delhi School of Social Work, Adimjati Sewa Sangh, Harijan Sevak Sangh and Gandhi Smarak Nidhi. Senior Officers from the Planning Commission, Ministry of Health (Family Planning Board), Ministry of Community Development and Cooperation, the State Governments and local bodies are represented in the Training Committee and also invited to deliver lectures.

8.3. The trainees are given a broad background about the various development programmes that are being undertaken in the rural areas. The main emphasis in the training is how to promote active people's participation in the implementation of these programmes. They are taught how to collaborate and strengthen (a) institutions in the rural areas, namely, Panchayats, Co-operative Societies and Schools, and (b) the block development staff. The methods and techniques of raising local contribution from people in cash, kind and services, based on available experience, is also explained to them.

8.4. The training is problem oriented and case studies of how local specific problems have been tackled in the field are undertaken. Two Seminars are held in each training course. One relates to the field work where the Sahyogis are given an opportunity to discuss and have their experience. In this Seminar Block Development and other field officers are invited. The Second Seminar is held at the end of the course. This deals with concrete programmes and their solutions. As part of the follow up programmes, the Instructors from the Training Centre go to the Lok Karya Kshetras and study on the spot how the Sahyogis, trained at the Centre, are functioning. The Sahogis are also encouraged to consult the Centre, through correspondence. The detailed syllabus of training which includes both theoretical lectures and practical field work may kindly be seen in the enclosed Annual Report of the two Centres for the year ending 1963-64.

9. *Lok Karya Kshetras (Nashabandi)*.—In pursuance of the recommendations of the Central Prohibition Committee, the Planning Commission sanctioned 50 Nasha Bandi Lok Karya Kshetras in different States, towards the close of the financial year 1962-63, to carry on intensive social education programme for creating strong public opinion in favour of Prohibition, through voluntary organisations. By the end of 1963-64, 24 Kshetras had been opened including 8 in Delhi. A grant of Rs. 5,000 per annum is given for each Kshetra. The Kshetras have been allotted by the State Governments/Union Territories to different voluntary organisations like the Bharat Sewak Samaj, Gandhi Smarak Nidhi, Sarvodya Mandal, Harijan Sewak Sangh, Bharat Sadhu Samaj, etc. At the Central level this activity is coordinated by the All India Prohibition Council.

9.1. The Kshetras have done good work in educating the people about the evil effects of drinking. The activities of these Kshetras comprise celebration of Prohibition weeks, organising Mohalla meetings, exhibitions, camps of 1-2 days duration, Bhajans, Kirtans and dramas, etc. These Kshetras also assist in creating a public opinion against illicit distillation, sales, smuggling, etc.

9.2. The Study Team on Prohibition set up by the Planning Commission has assisted recently the working of this scheme and has recommended that "it would be desirable to open a net-work of Nasha Bandi Kshetras throughout the country. There should be one such Kshetra in every district and in important industrial projects and urban areas".

10. *National Consumer Service*.—Another important activity which has been recently taken up by Bharat Sevak Samaj in collabo-

ration with other All India Voluntary Organisations like the YMCA, Indian Cooperative Union, Servants of People Society, etc. is the setting up of the National Consumer Service. Broadly speaking, the following are the main objectives of the Service:—

- (i) Collecting prices of essential consumer commodities of the consumer and comparing them with those from the retailer with a view to find out the difference and to analyse the same.
- (ii) Studying consumer problems in adulteration, wrong use of weights and measures and scarcity conditions.
- (iii) Making case study of the Consumer problems, analysing the results and recommending the remedial measures.
- (iv) Organising consumer education through the formation of Consumer Councils.
- (v) Organising Consumer Cooperative Stores and carrying out surveys how they can be made more useful.
- (vi) Keeping the close liaison with the Administration at the District, State and Central Levels.
- (vii) Organising publicity and public relations through all available avenues like the Press, All India Radio, Films, etc.

10.1. The Service will not, however, take up any commercial activity like the consumer Stores, etc.

10.2. This project is still in the pilot stage in Delhi. It has, however, been rendering useful assistance both to the Delhi Administration as also to Consumer's Organisations. It conducted a number of useful surveys and case studies on local consumer problems and placed the consumer's view point before the Delhi Administration. These States related to items like sugar, cycle tyres and tubes, petrol and diesel oil, vegetables, spices, malpractices in weights and measures, adulteration, etc. An exhibition on Food Adulteration was organised by this Service in collaboration with the Sanyukt Sadachar Samiti from 2nd to 5th October, 1964. This proved very popular. Copies* of the Souvenir and the Report on the Exhibition are enclosed for reference. A useful Seminar on 'Prices' was also organised on 16th and 17th August, 1964. The Service also arranged periodically talks on consumer's problems on the All India Radio and the Television.

*Not printed.

10.3. The Service has got about 20 Price Collectors who collect every month prices from the consumer paid by them as in the attached proforma*. The prices collected are processed, consolidated and released both to the Government and the Press. The detailed report* for the year 1963-64 is enclosed for reference.

10.4. The activities of this Service have proved useful in promoting consumer resistance for checking rise in prices. The Service functions under the guidance of a Central Committee with Dr. P. S. Lokanathan as the Chairman and containing representatives of the Planning Commission, Central Ministries concerned, Delhi Administration, the leading Voluntary Organisations, Cooperatives and the Trade.

11. *Construction Service*.—In the Third Five Year Plan, the following important recommendation was made with regard to construction activities, by Voluntary Organisations.

“Construction activity in the bigger projects as well as smaller and local works will remain the largest avenue for voluntary effort towards the utilization of idle manpower. In villages, voluntary agencies will be encouraged and helped to take up construction work directly or through labour cooperatives. This will lead to reduction of costs, observance of satisfactory standards of work, a better deal for the construction workers and the promotion of honest dealings in the working of the construction industry. Excessive dependence on contractors will be avoided and additional resources will become available for the programmes of the voluntary organisations”.

12. Though the Bharat Sevak Samaj entered the construction activity in the year 1955, after a Resolution to this effect was passed at their Nagpur Convention, the constitution of the Construction Service of the Bharat Sewak Samaj was drawn in the year 1959. This Constitution lays down the following objectives of the Construction Service:—

- (i) To mobilise and make full and efficient use of voluntary service of the people in construction projects and local development works in rural and urban areas;
- (ii) To ensure the observance of satisfactory standards of work and workmanship in construction;

*Not printed.

- (iii) To secure and promote honest dealings in the working of the construction industry;
- (iv) To develop the cooperative spirit and organisation among construction workers and to improve their living and working conditions;
- (v) To raise the level of efficiency of the construction industry.
- (vi) To raise resources for activities designed to promote the economic and social well-being of the people in rural and urban areas; and
- (vii) To take all such steps which are necessary for the fulfilment of the aforesaid objectives.

13. The achievements of the Bharat Sewak Samaj Construction Service by way of economies to the public exchequer in respect of the construction works executed by them so far or in hand are given below. An illustrated pamphlet* giving fuller particulars about the activities of the Construction Service is attached herewith.

Economies to the Public Exchequer in the Works Executed so far

The Planning Commission set up a Working Group under the Chairmanship of Shri C. R. Pattabhiraman who was formerly Deputy Minister for Planning, Labour and Employment. This Working Group included representatives of the Central Ministries of Irrigation and Power, Works, Housing and Supply, Railway Board, Community Development and Cooperation, Finance and senior Engineers from the State Governments of U.P., Mysore and Andhra Pradesh. The Working Group assessed that the economy to the exchequer in the works undertaken so far which aggregate to Rs. 18 crores has been of the order of Rs. 3 crores. Besides, in places like Delhi, where there is a concentration of large works, the activities of the Samaj made an impact on the general level of the tender rates.

14.1. For purpose of illustration, the Table below gives the extent of saving to the public exchequer in certain selected cases.

*Not Printed.

Name of work	(Rs. in lakhs)			Remarks
	Quotation by the private Contractor	Quotation by the B.S.S.	Saving to the exchequer	
1. Development of Colony at Sion (C.P.W.D. works) 1961-62	30	23	7	Work completed.
2. Gorakhpur Airfield (Defence work) 1963				
Phase—I	122	110	12	Each phase completed in about six months.
Phase—II	68*	61	7	*Estimated on the basis of the lowest tender of the Contractor for Phase—I.
3. Bider Airfield (Defence work) 1963	33**	22	11	**Estimated on the basis of the recommended tender for award of work prior to B.S.S. entry work since completed.
4. Purnea Airfield (C.P.W.D. work) 1963-64				
Phase—I	123	112	11	This estimate is based on the rates at which the work was earlier awarded to another contractor but abandoned by him. Phase—I of the work has been completed. Phase—II is likely to be completed in time.
Phase—II	57.5	55	2.5	
5. Jamuna Barrage (Irrigation Work) 1964	243	198	45	Work taken up in January, 1964. It is 4 to 6 months ahead of the schedule.

6	Building in DLW (Railway) Varanasi 1963-64	24	20	4	General rates for works in DLW area came down by a sizable margin. The 1st phase of the work has been completed.
7	Kosi Project in Bihar (Irrigation Work) 1955-63	410	290	120	Sizeable savings were effected by bringing down the construction rates to nearly 50% of the prevailing rates. Attention is drawn to page 294 of the Third Plan.
8	Multistoreyed building in Rajendra Prasad Road-1964.	86	84	2	The Samaj effected economy not only in this work but also helped the Department in bringing down the rates of the other building on Maulana Azad Road which has been awarded to a private Contractor.
9	Ahsan Barrage—Dehra Dun—U.P. (Work under negotiation).	215	165	50	The tender of this work has been opened recently. The figure given relate to the tender rates by the B.S.S. and the private contractor. The formal allotment of the work has not been issued so far.

Economies in supply of Construction Material

15. Sizable economies were also affected by organising supply of material, such as, bricks, sand and stone ballast in Delhi, Bhubaneswar, Gorakhpur, Varanasi and Bihar etc. The working of the projects undertaken was analysed by the Planning Commission and their finding was that both the Government and the Public benefited as a result of supplies organised by the B.S.S. There was a specific reduction in rates. In Delhi, the price of the bricks declined from Rs. 45 to Rs. 30 per thousand, that of sand from Rs. 15—18 per truck to Rs. 10 per truck. The revenue to the Government increased three fold both in the case of stone ballast and sand supply by way of royalty. The intervention of the Samaj has helped the Delhi Administration in fixing and enforcing a fair minimum rate of supply of bricks and sand. Three Crushers are being set up to regulate the price of good stone ballast.

15.1. Apart from economy in construction costs, the other notable advantages have been larger scale of employment, improved quality of work and sizable savings for social welfare activities. In this connection attention may be invited to the following extracts from the letter dated 10-7-1961 of the late Prime Minister, Pandit Jawaharlal Nehru to all Chief Ministers about the work of the Bharat Sewak Samaj Construction service:—

“In our various estimates for our Third Plan, a large part of the expenditure goes towards some form of construction. Any saving in this thus means more money being available for other works.

I am thinking of the Bharat Sewak Samaj which actually has done remarkably good work of various kinds, from building dams to constructing buildings and done it well and economically. They have built up an efficient organisation for the purpose, consisting of competent engineers etc. Whenever they have taken up this work they have saved large sums of money and often done the work in lesser time than was at first imagined. The actual figures are really surprisingly good. Their result has been for the State and good for the people who participated.”

“But my main point is that we must get out of this traditional method of getting work done through contractors at heavy cost and find out other methods of doing it.

The second aspect of this work is the element of a feeling of cooperation in the public.

They become partners of the scheme. They work with much better heart and know that the benefits of the scheme will go to them. Apart from their normal wages that they get, they put aside a sum for village development. Altogether this approach has far reaching and desirable consequences".

Assessment in Mid-Plan Appraisal

16. The relevant extract from the Third Plan Mid-term Appraisal assessing the performance of the Service are reproduced below:--

"Apart from direct economies, the activities of the Construction Service have led to certain indirect advantages as well, such as helping to maintain prices of bricks and building materials at reasonable levels, influencing rates in the construction industry, maintaining standards of work and inducing public authorities to simplify administrative and financial procedures. It has been found that in many areas completion of works by the Construction Service of the Bharat Sewak Samaj has left behind a pool of local skill and experience which has, in turn, encouraged voluntary organisations at the local level to take up construction and other allied activities. This has created greater self-reliance in the communities concerned".

Financial Assistance Extended by the Government

17. The Planning Commission have given assistance by way of loan to the Central Unit of the Bharat Sewak Samaj Construction Service for working capital and purchase of equipment. So far, they have given loans aggregating to Rs. 30.80 lakhs. These loans are repayable over a period of 5 years. The Samaj have repaid all the loan instalments in time amounting to more than Rs. 12.60 lakhs and the net loan repayable the Central Construction Service on 30th September, 1964, amounted to about Rs. 17.20 lakhs.

17.1 The following statement gives the upto date position of the above said loan:

Year in which sanctioned	Amount of loan sanctioned	Period of repayment	Rate of interest	Instalments paid upto- 1st April '64	Remarks
1959-60	5,00,000	In five instalments (covering both principal and interest).	4-1/2 %	91,395.82 95,508.63 99,806.52 1,04,297.82 <hr/> 3,91,008.79	One instalment remains to be paid.
1961-62	5,00,000	Do.	4-1/2 %	1,02,799.93 96,021.82 1,00,342.80 <hr/> 2,99,164.55	Two instalments remain to be paid.
Do.	2,50,000	At the end of one year from the date of drawal .	3-1.2 %	2,50,000.00 plus interest due.	Full amount together with interest has been paid back.
Do.	3,30,000	In five instalments (covering both principal and interest).	4-1.2 %	60,321.24 63,035.70 <hr/> 1,23,356.94	Three instalments remain to be paid.
1962-63	5,00,000	In five instalments (covering both principal and interest).	4-1.2 %	91,395.82	Four instalments remain to be paid.
Do.	10,00,000	In five instalments (covering both principal and interest).	4-1.2 %	1,82,791.64	Four instalments remain to be paid.

18. *Organisation and Accounts.*—The Bharat Sewak Samaj Construction Service have overcome the initial teething difficulties. It is now one of the leading Construction Agency in the country consisting of about 40 Engineers (a number of which have been taken on deputation from the Government) 100 Overseers and 100 Accounts staff, apart from a labour force which runs between 15000—20000. The accounts of the Service are audited by the Chartered Accountant regularly and checked every year by a special audit party deputed by the A.G.C.R. Since July 1963, a whole-time Officer of the Finance Ministry has been deputed to the Planning Commission who works as Internal Financial Adviser to ensure proper financial control. The preliminary statement of accounts for the period ending 31st July 1963, shows a modest surplus which has been ploughed back by way of investment in machinery, equipment and working capital.

19. *General Assessment.*—The various activities of the Samaj are clearly distinguishable from one another and only one Ministry Organisation of the Central Government is concerned with one set of activities. There is thus hardly any chance for the Samaj to get aid from more than one source for the same purpose. Further while sanctioning the grant to the Samaj, it is laid down as a condition of the sanction that the grants given to the Samaj will be utilized only for the purpose for which they are given and that there would be no duplication or overlapping with other programmes. The Samaj is also required to submit a statement of accounts duly audited by a Chartered Accountant. The grant is subject to various conditions laid down in paras 148-151 of the General Financial Rules. The audited statement of accounts is duly scrutinised by the Ministry Organisation sanctioning the grant and a utilisation certificate is issued only after the conditions on which the grants are given have been complied with. In so far as the Planning Commission is concerned the Bharat Sewak Samaj have submitted statements of expenditure duly audited by Chartered Accountants with regard to all schemes sanctioned by Planning Commission upto the year ending 1962-63.

19.1 *Accounts and Audit.*—The comptroller and Auditor-General conducts annual special audits of the grants received by the Samaj from the Central Government. So far, such special audits have been conducted for the accounts up to the period ending 31st March 1963. From the year 1961-62, the scope of the audit was widened considerably. A financial review of all the grants received by the Samaj has been conducted. This review has since been published in the Audit Report (Civil) for 1964, which has already been placed on the Table of both Houses of the Parliament.

19.3 *Coordination of the grants given by various Ministries.*—On the recommendation of the Public Accounts Committee a sub-committee has since been constituted with representatives of the Finance Ministry, Planning Commission and the Central Ministries concerned to review and coordinate periodically the grants given to the Samaj. The Committee has been set up recently and has met thrice so far.

19.4 The Public Accounts Committee also recommended that a serving Finance Officer may be deputed and attached with the Secretary, National Advisory Committee on Public Cooperation to assist him in coordinating various grants given to the Bharat Sewak Samaj by the various Central Ministries. This Financial Advisor joined on the 24th July 1963, and is now functioning in accordance with the recommendations of the Public Accounts Committee.

19.5 In compliance with the instructions received from the Planning Commission, the Bharat Sewak Samaj has set up a Committee in respect of each programme for which assistance is being received either from the Planning Commission or any other Central Ministry. These Committees meet frequently and exercise a close watch over the day to day expenditure. Each of these Committees include representative of the Government i.e., either the Planning Commission or the Central Ministry from whom the grant is received.

19.6 The Government ensure from time to time that the programmes of the Samaj are periodically assessed and evaluated.

19.7 The general coordination of the various public cooperation schemes for which assistance is being received by the Bharat Sewak Samaj from the Planning Commission and the Central Ministries concerned is done (i) at the national level by the National Advisory Committee on Public Cooperation which includes the Prime Minister (Chairman), Members of the Planning Commission, Ministers incharge of the various Central Ministries concerned, six Members of the Parliament, representatives of all the State Governments and the leading All-India Voluntary Organisations, and (ii) at the official level by the Coordination Committee on Public Cooperation which includes representatives of the Planning Commission, the Finance Ministry and the various Central Ministries concerned.

19.8 It will thus appear that a proper control is being exercised on the use of the Government grants received by the Bharat Sewak Samaj at all levels.

19.9 Five copies of the Annual Report for the years 1961 and 1962 along with the consolidated Statement of Accounts for the financial year 1962-63 has been placed in the Library of the Lok Sabha Secretariat. The Report for 1963 is expected shortly.

LIST OF ENCLOSURES

(Not printed)

- Annexure I Lok Karya on the March.
- Annexure II Public Co-operation in Slums—Progress Report of Urban Lok Karya Kshetras 1963-64.
- Annexure III Lok Karya Training Centres New Delhi and Trivandrum—Annual Report 1963-64.
- and IV
- Annexure V Souvenir on Hazards of Food Adulteration.
- Annexure VI Report of "Exhibition on Food Adulteration".
- Annexure VII Proforma for collection of Retail Prices of Essential Consumer Commodities.
- Annexure VIII National Consumer Service—Annual Report for 1963-64.
- Annexure IX Central Bharat Sewak Samaj Construction Service.

APPENDIX VIII

PLANNING COMMISSION

(See Paras 2, 6, 12, 18, 63 and 78 of Report)

List of points on which further information was desired by the Public Accounts Committee at their sitting held on the 19th Jan., 1965

Para 86 of Audit Report

1. A statement showing yearwise the amounts of grants given to the Bharat Sevak Samaj from the date when it was given for the first time upto December 1964 may be furnished. Text of the advice rendered by the Financial Adviser in this matter may be furnished.

A statement giving the required information may kindly be seen at Annexure I.

2. A statement showing the details of grants to other private voluntary organisations or bodies yearwise so far, indicating whether audited accounts of such bodies were examined or insisted upon before giving the grants, may be furnished.

The statement giving the required information may kindly be seen at Annexure II.

The financial assistance given by the Planning Commission relates to (a) specific Plan schemes where the voluntary organisations are utilised by the Government as implementing agencies and (b) maintenance grant for meeting 25 per cent organisational expenses of established all-India voluntary organisations.

As regards (a) financial assistance is given on the basis of a financial pattern approved by the Planning Commission and the Finance Ministry. These schemes have been entrusted to established all-India voluntary organisations of standing i.e. Bhaart Sevak Samaj, Association for Moral and Social Hygiene in India, Indian Conference of Social Work, Bhartiya Grameen Mahila Sangh, All India Prohibition Council, etc. These organisations are required to submit audited statement of accounts for the grant given by the Government along with an annual progress report. Regular Committees have been constituted to review the implementation of the Schemes and utilisation of the grant. These organisations are of standing and have specialised in certain specific fields, and the prior submission of audited statement of accounts of the organisation as a whole has not been insisted upon.

The grants for Planning Forums are given to universities and colleges. Except for Delhi, the grant for Planning Forums in other

States is being given through the State Governments concerned. The grant to each individual institution does not exceed Rs. 400/-. Since the amount of grant is small, it has not been considered necessary to insist upon a prior audited statement of accounts of the institution.

As regards (b) since the grant-in-aid relates to a direct assistance to the organisation concerned for its maintenance, examination of the consolidated accounts of the organisation was considered necessary. Such a scrutiny was exercised before sanctioning the grant-in-aid.

3. *A copy of the Resolution/Order of the Planning Commission setting up the Bharat Sevak Samaj and provisions regarding giving of grants to that body may be furnished.*

The following papers leading to the setting up of the Samaj are enclosed:

- (a) Minutes of the meeting of the Social Welfare Panel dated 25th January 1951 in which the proposal to set up the Bharat Sevak Samaj (referred to in the minutes as Bharat Sevak Sangh) was considered. The Central Social Welfare Panel was the appropriate body to consider this proposal as it was constituted by the Planning Commission to formulate proposals and programmes for social welfare and the activities of the voluntary agencies. (Annexure III).
- (b) Minutes of the meeting of the National Advisory Committee on Public Cooperation held on 12th August 1952, in which the constitution of the Samaj was considered and approved (Annexure IV).

2. In pursuance of the above meetings, the Samaj was registered in 1952 as a body under the Society Registration Act, 1860. There was no Resolution/Order of the Planning Commission as such, but complete information about the setting up of the Bharat Sevak Samaj, its aims and objects etc. was incorporated in the First Five Year Plan (Pages 150 & 151). Fuller information was given about the working of the Samaj in the Second and Third Five Year Plans also.

4 *A list of the most successful works of construction done by the Bharat Sevak Samaj giving important details may be furnished.*

The most successful projects executed by the Central Construction Service of the Bharat Sevak Samaj are:

- (i) 1st phase—Kusmi Airfield Gorakhpur

- (ii) Jamuna Barrage, Delhi.
- (iii) Multi-storeyed building on Rajendra Prasad Road, Delhi.
- (iv) Purnea Airfield.
- (v) Kosi Project.

The Kosi Project was executed by the State Unit of Bharat Sevak Samaj Construction Service.

2. The detailed information about the above projects has been given at Annexure V in a proforma which contains details about the tender rates, time of completion, mode of execution, type of labour, number of locality, welfare of labour, community assets, extent of public participation, development of local cooperatives, cost reduction, material production, if any, etc.

5. A note on the maintenance of stock and use of tools, equipment and jeeps by the Block Development Officers and others in connection with the work of the Bharat Sevak Samaj may be furnished.

Attention is invited to the detailed reply given under paras 8 and 9 of the Lok Sabha questionnaire communicated to the Lok Sabha under Planning Commission O.M. No. 9(20)/64-Pub. dated 13/14th January, 1965. The position in regard to the specific queries now made is as follows:

Maintenance of stock by the B.D.Os and others

2. In their letter No. 108(28)/57-PR@, dated 16th May, 1957, the Ministry of Community Development and Cooperation wrote to all the Development Commissioners and State Governments requesting them to issue necessary instructions for the storage of these tools and equipment at the Block Headquarter under the charge of the Block Development Officer. It will appear from the portion underlined that in terms of these instructions, it became the responsibility of the Block Development Officer to keep these tools and equipments in their custody, and follow the departmental rules and procedure in regard to the maintenance of stock register, etc

Use of Tools and Equipments

3. The reports received about the use of the tools by the Samaj indicate that the same have been extensively used by the Bharat Sevak Samaj, other non-political voluntary organisations of the area and also by the Block Development Officers for the following activities:

"Training camp of villagers; Shramdan work in Sanitation Drives; Scouts Camps; Farmers' rallies and Kisan Melas; Gram Sahayaks Training Camps; Students and youth camps; Laying of Kutcha roads, levelling of streets in rural areas, Village Leaders' training camps; Spraying for anti-malaria operation and plant protection measures; Construction of roads and digging of ponds by Panchayats; Construction of bore-hole latrines; ACC camps; Girls' camps; Farm Leaders Camps; Youth welfare camps; Teachers training camps; Gaon Panchayat Panch training camps; and Lok Sahayak Sena Camps."

Use of Jeeps

4. The grant under reference given by the Planning Commission did not make any provision for the purchase of jeeps, nor was one purchased by the Samaj. The Planning Commission did not issue any other instructions regarding the use of jeeps available with the B.D.O.s by the Samaj.

6. *Break-up of the year-wise amounts received by the Bharat Sevak Samaj in cash and kind from the public etc. may be furnished.*

The Bharat Sevak Samaj have been requested to furnish this information. They have sent the following Express Delivery Letter to their State Units:—

"Public Accounts Committee want by 29th January yearwise break-up from 1952-53 onwards of amounts received by Samaj from public in your State in proforma as follows:

Column 1 Year. Column 2 Cash Contribution including contribution by construction service. (Column 3 Contribution in kind. Column 4 Total. Column 5 Remarks indicating broad details of schemes for which contribution was received. Request furnish this information immediately."

The reply from the Samaj is awaited.

7. *Copies of communications addressed by the Planning Commission to the Bharat Sevak Samaj regarding cases of defective construction of works by that body may be furnished.*

Copies of communications may kindly be seen at Annexure VI. They relate to defects/suggestions for improvement of the Service.

8. *A note indicating the working of these Kshetras, machinery existing for inspection of such Kshetras periodically and copies of some of the inspection reports may be furnished.*

The main object of this programme is to secure people's participation in the various development programmes in the rural areas. The programme is run by a group of twelve All India Voluntary Organisations and a number of educational institutions. Financial assistance of Rs. 5,000 per annum is given for each Lok Karya Kshetra. A Kshetra covers an area of about 100 villages and about 10 villages are taken up at a time for intensive work. A minimum of 2 workers known as Sahyogi and Up-Sahyogi are appointed for each Kshetra. These workers are given training at the Lok Karya Training Centres, Delhi and Kerala (Trivandrum). At present about 350 Kshetras are running in different parts of the country. Of these, 200 are in the Central Sector and the remaining in the State Sector.

2. The Kshertas are engaged mainly in promoting people's cooperation and active participation in various development schemes under the Plan, in rural areas in close collaboration with the local institutions. The different types of activities organised through the Kshetras have been listed in the Annexure VII.

Machinery for Inspection

3. At the national level, the programme is steered and supervised by the Central Lok Karya Committee which consists of representatives of about 12 leading All India Voluntary Organisations and some selected educational institutions, Planning Commission, Ministry of Information and Broadcasting, Ministry of Community Development and Cooperation, etc. The members of this Committee periodically visit and inspect Kshetras in different States. As desired a few reports are enclosed at Annexure VIII.

4. At the State-level, State Lok Karya Committees have been set up for supervision and guidance of the Kshetras in the State. These Committees include representatives of the concerned departments of the State Government besides participating voluntary organisations/institutions.

5. The working of the Kshetras in each State is reviewed annually by the Planning Commission and the State Governments at the time of Annual Plan discussions in November-December.

5.1 Besides, the Planning Commission arrange for periodical evaluation of the Kshetras, through the Programme Evaluation Organisation, Planning Commission. The first Evaluation was undertaken in 1960 and the second is in progress.

9. Copies of the reports submitted by the officers of the Planning Commission who visited Slum Clearance Centres of Bharat Sevak Samaj, may be furnished.

The Pilot Projects for socio-economic activities in the slum areas have been given by the Planning Commission on the recommendations of the State Government/Local Administration concerned. The Planning Commission therefore depend upon them to remain in close touch with the progress of these Projects. Such progress is reviewed every year by the Planning Commission with the officers of the State Government on the occasion of the Annual Plan discussions. Regular periodical inspections of these projects are also done by the senior workers of the Central Office of the Bharat Sevak Samaj. The officers of the Planning Commission have also been visiting these Centres and their Reports are enclosed at Annexure IX.

2. Regular Committees have been constituted at the State-level also with representatives of the State Government and the Corporation/Municipality concerned to supervise and guide the working of these Kshetras. [Vide O.M. No. 9(20)/64-Pub. of 6th February, 1965.]

LIST OF ANNEXURES

- Annexure I Statement showing year-wise grants given to the Bharat Sevak Samaj.
- Annexure II Statement showing the details of grants given to other organisations or bodies, year-wise.
- Annexure III Minutes of the meeting of the Social Welfare Panel where it was decided to constitute Bharat Sevak Samaj.
- Annexure IV Minutes of the meeting of the National Advisory Committee on Public Cooperation where the Constitution of the Bharat Sevak Samaj was approved.
- Annexure V Details of the most successful works of construction done by the Bharat Sevak Samaj.
- Annexure VI Copies of communications addressed by the Planning Commission to the Bharat Sevak Samaj regarding cases of defective construction of works by that body.
- Annexure VII Note indicating the activities organised through the Rural Lok Karya Kshetras.
- Annexure VIII Copies of the Inspection Reports on Rural Lok Karya Kshetras.
- Annexure IX Copies of the reports submitted by the officers of the Planning Commission who visited the Slum Clearance Centres (Urban Lok Karya Kshetras) of the Bharat Sevak Samaj.

Annexure I

Statement showing amount of grant-in-aid given by the Planning Commission to Bharat Sevak Samaj from the year 1951-52 to 1964-65 (December 1964)

S. No.	Year	Grant for Local Development works	Grant for schemes of Public Co-operation	Total	Remarks
1	1951-52	..	..	..
2	1952-53	..	..	..
3	1953-54	2.67	..	2.67	
4	1954-55	2.96	..	2.96	
5	1955-56	4.69	..	4.69	
6	1956-57	6.23	4.80	11.03	From out of the amount of Rs. 4.80 lakhs mentioned sanctioned for scheme of Public Cooperation, the B.S.S. actually utilised an amount of Rs. 4.38 lakhs and refunded the balance.
7	1957-58	4.45	0.20	4.65	
8	1958-59	4.23	1.45	5.68	
9	1959-60	5.56	5.82	11.38	
10	1960-61	0.33	5.39	5.72	
11	1961-62	..	10.54	*10.54	Includes 0.75 given to other voluntary organisations.
12	1962-63	..	10.57	*10.57	Includes 1.93 given to other voluntary organisations.
13	1963-64	..	12.09	*12.09	Includes 1.80 given to other voluntary organisations.
14	1964-65 (upto Dec 64).	..	9.14	*9.14	Includes 1.40 given to other voluntary organisations.

(* See Foot Note)

*Foot Note.—The grants-in-aid for all Lok Karya Kshetras (Rural) in the Central Sector is given by the Planning Commission to the Central Bharat Sevak Samaj which provides the Secretariat to the Central Lok Karya Committee, the All India Coordinating Agency for this programme. The Central Karya Committee gives grants for Lok Karya Kshetras to 30 voluntary organisations and educational institutions including Bharat Sevak Samaj. The amounts released to 29 organisations other than the Bharat Sevak Samaj may be seen in the Appendix.

The Finance Officer was appointed in the Planning Commission on 24th July, 1963, and attached to Secretary, National Advisory Committee on Public Cooperation. The advice given by him in his discussions etc is detailed below:—

- (a) Grants-in-aid to the Bharat Sevak Samaj should be given for such continuing schemes as are included in the Plan.
- (b) For the schemes, for which the pattern of financial assistance has been approved by the Ministry of Finance, the grants-in-aid may be released by the Planning Commission under Rule 12 of the Delegation of Financial Powers Rules, 1958.
- (c) For other schemes, for which a pattern had not been laid down, the concurrence of the Associated Division of the Ministry of Finance should be obtained.
- (d) The conditions of matching contribution wherever stipulated must be strictly complied with.
- (e) The objections in the Audit Reports of the Chartered Accountants and the special Audit Parties deputed by the Comptroller and Auditor General of India should be cleared as soon as possible.

APPENDIX TO ANNEXURE I

*Grants-in-aid released to voluntary Organisations other than the B.S.S.
for Lok Karya Kshetras (Rural) through the Central
Lok Karya Committee*

<i>Name of Organisation</i>	<i>1961-62</i>	<i>1962-63</i>	<i>1963-64</i>	<i>1964-65</i>
1. Bhartiya Adamjati Seva Sangh	17312.00	25379.00	19049.00	15000.00
2. Exservicemen Federation.	799.00	19829.00	10146.00	9000.00
3. Bharatiya Grameen Mahila Sangh	..	33013.00	33486.00	16000.00
4. Andhra University	..	..	670.00	3000.00
5. Gandhi Smarak Nidhi	3451.00	17698.00	18121.00	12000.00
6. Harijan Sevak Sangh	12080.00	20032.00	25715.00	21000.00
7. Akhil Bhartiya Serva Seva Sangh	1278.00	4153.00	..	..
8. Gram Swaraj Sangh	..	..	4088.00	3000.00
9. Bihar Agriculture College	885.00	3987.00	3293.00	3000.00
10. Tata Institute of Social Sciences	568.00	3959.00	3684.00	3000.00
11. Bhil Seva Mandal	491.00	1507.00	2189.00	3000.00
12. Gangajali Vidya Peeth	3453.00	2226.00	488.00	..
13. All India Panchayat Parishad	9140.00	11784.00	11993.00	9000.00
14. Bharat Sadhu Samaj	2668.00	4441.00	165.00	..
15. Jamia Milia Institute	..	1053.00	690.00	..
16. Gandhi Asram	1364.00	3760.00	3834.00	3000.00
17. Gandhi Kasturba National Memorial Trust	1974.00	2946.00	2052.00	3000.00
18. Avinashalingham Institute, Coimbatore	2498.00	2861.00	3639.00	3000.00
19. Y.M.C.A.	7942.00	7983.00	7814.00	6000.00
20. Social Worker Brotherhood	1530.00	4102.00	4117.00	3000.00
21. Young Farmers Association Mysore	..	..	565.00	3000.00
22. Kasturba Kanya Vidyalaya	..	..	800.00	3000.00
23. Nehru Seva Sangh	3827.00	4783.00	4203.00	3000.00
24. Vidya Bhavan Udaipur	967.00	3316.00	3310.00	3000.00
25. Rajasthan Vidya Peeth	..	5631.00	3999.00	3000.00
26. Mass Education Society UP (Malaon)	2370.00	4002.00	—	—
27. Sattal Association	..	4102.00	4132.00	3000.00
28. Kashi Vidya Peeth	..	527.00	3888.00	3000.00
29. Ashoka Ashram UP (Dehradun)	..	..	3527.00	3000.00
TOTAL	74597.00	193004.00	179657.00	139000.00

Annexure II

Statement showing amounts of grant-in-aid given by the Planning Commission to voluntary Organisations/Institutions other than Bharat Sevak Samaj from the year 1951-52 to 1964-65 (December, 1964)

Name of Organisation/Institution	Amount of grant-in-aid	Remarks
1	2	3
1951-52	..	..
1952-53	..	..
1953-54 :	..	
Local Development Works	2,07,000·00	
Total for 1953-54	2,07,000·00	
1954-55 :		
Local Development Works	88,000·00	
Total for 1954-55	88,000·00	
1955-56 :		
Local Development Works	98,000·00	
Total for 1955-56	98,000·00	
1956-57	..	
1957-58 :		
Planning Forums	20,000·00	
Total for 1957-58	20,000·00	
1958-59 :		
Planning Forums	43,000·00	
Total for 1958-59	43,000·00	
1959-60 :		
1. Association for Moral & Social Hygiene in India, New Delhi.	39,600·00	The grant was sanctioned for mobilising public co-operation for suppression of immoral traffic.
2. Bhartiya Grameen Mahila Sangh, New Delhi.	45,000·00	The grant is sanctioned for training rural women in undertaking schemes of Public Co-operation.
3. Indian Conference of Social Work, Bombay.	5,000·00	The grant is sanctioned for organising a seminar on Urban Community Development.
4. Planning Forums	55,800·00	Continuing Plan schemes.
5. Central Social Welfare Board	19,000·00	The grant was sanctioned for organising an exhibition by the State Social Welfare Advisory Board, Kerala State.
TOTAL for 1959-60	1,54,400·00	

1	2	3
1960-61 :		
1. Association for Moral & Social Hygiene in India, New Delhi.	55,000·00	Continuing Plan Scheme.
2. Bhartiya Grameen Mahila Sangh, New Delhi.	33,500·00	Continuing Plan Scheme.
3. Indian Conference of Social Work, Bombay.	9,250·00	The grant was sanctioned for organising a National Seminar on Public Co-operation.
4. Planning Forums	79,769·00	
TOTAL for 1960-61	1,77,519·00	
1961-62 :		
1. Association for Moral and Social Hygiene in India, New Delhi.	38,200·00	} Continuing Plan Scheme
2. Bhartiya Grameen Mahila Sangh, New Delhi.	21,700·00	
3. Indian Conference of Social Work, Bombay.	4,750·00	
4. Planning Forums	4,250·00	
5. All India Prohibition Council	10,000·00	National Seminar on Prohibition.
6. Consumer's Association of India, New Delhi.	5,000·00	National Seminar on Consumer Problem.
7. All India Boy Scouts Association, New Delhi.	5,450·00	Seminar
8. Mysore State Women's Convention, Bangalore.	2,250·00	
9. Grants to other Voluntary Organisations for Lok Karya Kshetras.	74,597·00	For details please see Appendix I to Annexure-I.
TOTAL for 1961-62	1,66,197·00	
1962-63 :		
1. Association for Moral & Social Hygiene in India, New Delhi	15,760·00	} Continuing Plan Scheme.
2. Bhartiya Grameen Mahila Sangh, New Delhi.	27,000·00	
3. Association of Voluntary Agencies for Rural Development, New Delhi.	6,500·00	
4. Planning Forums	20,600·00	
5. Construction of short-distance rifle ranges	5,00,000·00	This grant was given to Universities and Colleges through U.G.C.
6. Central Social Welfare Board.	35,000·00	Preparation of 'Encyclopaedia of Social Work in India'.
7. Shri Gurdev Seva Mandal, Amravati.	1,640·00	Prohibition Work.
8. Grants to other voluntary organisations for Lok Karya Kshetras.	193,004·00	For details please see Appendix I to Annexure-I.
TOTAL for 1962-63	7,99,504·00	

1	2	3
1963-64 :		
1. Association for Moral and Social Hygiene in India, New Delhi.	15,870·00	} Continuing Plan Schemes.
2. Bhartiya Grameen Mahila Sangh, New Delhi.	23,190·00	
3. All India Panchayat Parishad, New Delhi.	6,770·00	} 25% Maintenance Grant.
4. Association of Voluntary Agencies for Rural Development, New Delhi.	5,750·00	
5. All India Crime Prevention Society, Lucknow.	6,000·00	Training for Women.
6. Planning Forums	400·00	Continuing Plan Scheme.
7. Central Social Welfare Board, New Delhi.	66,457·00	Preparation of "Encyclopaedia of Social Work in India".
8. All India Prohibition Council New Delhi.	10,000·00	Seminar
9. Consumer's Association of India, New Delhi.	499·00	Publication of Report on Consumers' Problem.
10. Gurdev Seva Mandal, Amravati	3,500·00	Prohibition Work.
11. Delhi School of Social Work, Delhi.	5,000·00	Prohibition Survey.
12. Institute of Economic Growth, New Delhi.	12,000·00	Study on the Economic aspect of prohibition.
13. Rural Health Insurance Project, Dhanaura (UP).	5,000·00	Pilot Project on Rural Health Insurance.
14. Delhi Development Authority, New Delhi.	3,63,000·00	Cost of land for the Central Research & Training Institute on Public Co-operation.
15. Grants to other Voluntary Organisations for Lok Karya Kshetras.	1,79,657·00	For details please see Appendix I to Annexure-I.
TOTAL FOR 1963-64	7,06,111·00	
1964-65 :		
1. Association for Moral and Social Hygiene in India, New Delhi.	7,000·00	} Continuing Plan Scheme.
2. Bhartiya Grameen Mahila Sangh, New Delhi.	17,000·00	
3. Planning Forums	5,300·00	
4. Central Social Welfare Board, New Delhi.	67,525·00	Preparation of "Encyclopaedia Social work in India".
5. All India Prohibition Council, New Delhi.	12,500·00	Prohibition work.
6. Institute of economic Growth, New Delhi.	2,000·00	Study on economic aspect of Prohibition.
7. Rural Health Insurance Scheme, Dhanaura (UP).	5,000·00	Continuing Plan Scheme.
8. Grants to other Voluntary organisations for Lok Karya Kshetras.	1,39,000·00	For details see Appendix I to Annexure-I.
TOTAL for 1964-65 (upto Dec. 64)	2,55,325·00	

Annexure III

PLANNING COMMISSION

Minutes of the meeting of the members of the Panel on Social Welfare (who are in Delhi) held on January 25, 1951. at 2.30 p.m. in the Deputy Chairman's room.

PRESENT:

Deputy Chairman

Member (Natural Resources)

Member (Agriculture)

Shri Shankerrao Deo (Serva Seva Sangh)

Shri Lakshmidas Asher (Gandhi Memorial Fund)

Shri K. S. Shivam (Harijan Sevak Sangh)

Dr. Krishna (General Secretary, Indian Conference of Social Work, Delhi Branch)

Dr. V. K. R. V. Rao (Dean of Faculty of Social Sciences, Delhi University)

Shri M. S. Gore (Officiating Principal, Delhi School of Social Work)

Dr. Gyan Chand, OSD, Cabinet Secretariat

Professor Humayun Kabir and Dr. K. K. Saiyidain, Ministry of Education

Shri Sadashiv Prasad, Ministry of Labour

Shri Nukul Sen, Ministry of Rehabilitation

Dr. A. R. Mehta, Deputy Director General, Health Services

Deputy Secretary, Planning Commission

Chief, Economic Division

Assistant Chief, Labour

Assistant Chief, Social Services

OSD, Education

Research Officer, Social Services.

Deputy Chairman briefly explained the object of calling the meeting and the main points touched in the note on Social Welfare circulated before the meeting. A plan for social welfare has to take note of the various activities carried on by the State and by voluntary agencies, to indicate methods of coordinating these activities, and to define priorities among the social welfare activities in view of limited resources and the claims of areas and sections which have been so far neglected. The Plan for the next five years should clearly lay down a definite policy and programme for Research and Training according to the needs of social welfare work for different regions and by different cadres of workers. Deputy Chairman also referred to the problem of formulating a policy by which the charitable trusts and endowments in this country might contribute to the maximum possible extent to social welfare activities irrespective of caste, creed and community. Social welfare, the Deputy Chairman observed, should ultimately be envisaged in the background of social justice. The Panel on Social Welfare could help the Planning Commission in chalking out a programme for social welfare for the next 5 years.

Shri Shankerrao Deo felt that if social justice was to be the basis of mass action, social welfare could be conceived merely in terms of charity and philanthropy. Social welfare had to be viewed as a step to social justice.

Prof. Kabir, agreeing with Shri Deo's point of view, mentioned that the Advisory Board of Social Welfare attached to the Ministry of Education, was established with a view to defining priorities in the programme of social welfare work and evolving a measure of coordination among social welfare agencies in the country. He referred to the difficulties experienced by the Advisory Board.

2. The aims and objects of the Bharat Seva Sangh, the draft constitution of which was circulated by the Deputy Chairman, were briefly discussed. The Sangh will make a survey of the aims and activities of associations and institutions engaged in social welfare work. While necessarily upholding the autonomy of these bodies, the Sangh will help to coordinate their work, as far as possible, so that overlapping was eliminated and a measure of efficiency attained through the assistance of the Bharat Seva Sangh.

The Bharat Seva Sangh would not, of course, hamper decentralisation of work in social welfare.

The Indian Conference of Social Work would continue to be of great value as an agency for coordinating the ideas of social workers

all over the country and as a clearing house of information about the nature and extent of social welfare activities in different regions and sections.

3. Dr. V. K. R. V. Rao stressed the importance of making adequate provision for the welfare of children in any Plan drawn up for the country. As the State's financial resources were limited there was need for a policy under which the income of trust properties might be available for social welfare work, irrespective of caste or community. He suggested that data regarding various trusts and charitable institutions getting exemption from income tax, should be collected by reference to the Registrars of Trust properties in the States and from the Central Government.

Deputy Chairman requested Shri Shankerrao Deo and Shri Lakshmidas Asher to give detailed information about the working of Serva Seva Sangh and Kasturba Gandhi Memorial Fund.

Dr. Mehta referred to the social approach which was being stressed in the work of the Directorate General of Health Services.

It was decided that the following Sub-Committees should prepare notes for the first meeting of the Panel on Social Welfare. The Panel was expected to meet early in March—

- (i) Research, Training and Personnel: [Dr. V.K.R.V. Rao, Dr. J. M. Kumarappa, Shri M. S. Gore, Shri Shankerrao Deo, Ministry of Education and Ministry of Health, and Shri K. Mitra (Convenor)]
- (ii) Harijans and Tribal People: [Shri K. S. Shivam and Shri L. Shrikant, Commissioner for Tribal People. (Shri Shivam should work as the Convenor with assistance from the office of the Planning Commission)].
- (iii) Prison Reform: [Dr. Krishna and Dr. A. N. Raj Superintendent, Model Prison, Lucknow].
- (iv) Social Education and Physical Fitness & Safety: [Shri G. D. Sondhi (Bamboo Lodge, Subathu, Simla Hills), Ministry of Health, Ministry of Education, Shri K. Mitra (Convenor)].
- (v) Questions of Children and Women: [Dr. V. K. R. V. Rao, Dr. Sushila Nayar, Shri M. S. Gore, Ministry of Health, Ministry of Education, Shri K. Mitra (Convenor)]
- (vi) Special Problems of Rural Areas: [Member, Agriculture, Shri Shankerrao Deo, Shri Lakshmidassbhai, Shri M. S. Gore, Shri K. Mitra (Convenor)].

It was agreed that Assistant Chief, Social Services, with the co-operation of the Ministry of Education, should prepare a note on the welfare activities undertaken by Government.

Annexure IV

Record of First Meeting of the National Advisory Committee on Public Cooperation held on August 12, 1952.

The following members of the National Advisory Committee on Public Cooperation were present:—

1. Shri Jawaharlal Nehru (*Chairman*)
2. Maulana Abul Kalam Azad
3. Rajkumari Amrit Kaur
4. Shri Asoka Mehta
5. Shri G. D. Birla
6. Mrs. G. Durgabai
7. Rev. Father D. Souza
8. Gyani Gurmukh Singh Musafir
9. Shri Gulzarilal Nanda
10. Dr. N. S. Hardikar
11. Shri Harekrushna Mehtab
12. Shri Jagjivan Ram
13. Dr. K. N. Katju
14. Shri V. T. Krishnamachari
15. Acharya J. B. Kriplani
16. Seth Kasturbhai Lalbhai
17. Shrimati A. Mathai
18. Shri P. A. Narielwala
19. Shri R. K. Patil
20. Prof. N. G. Ranga
21. Shri Satish Chandra Das Gupta
22. Shri Shyama Prasad Mookerjee
23. Shri Shri Ram
24. Jathedar Udham Singh Nagoke.

Opening the proceedings, the Chairman, Shri Jawaharlal Nehru, thanked members of the Committee for having agreed to join the

National Advisory Committee. The Committee consisted of leading members of different schools of thought, who were, nevertheless, prepared to cooperate in tackling national problems. It was natural that the public approach of political parties should be conditioned by their ideology. An ideological approach was inevitably associated with a certain amount of rigidity which perhaps gave rise to some conflict of views. On the other hand, when the job to be done was discussed, as distinguished from theories and ideologies, the area of agreement increased and the differences diminished. The Draft Outline of the Five Year Plan published a year ago was likely in the near future to be replaced by a final report. While many had welcomed the draft plan, there were others who could not agree with all its recommendations. Speaking for himself, Shri Nehru said that he did not like too rigid an approach to the solution of the important problems which faced the country. He felt that if circumstances so warranted all of us should be prepared to make the necessary changes in our respective points of view.

2. The National Advisory Committee, the Chairman said, would have to devote special attention to the fundamentals of public co-operation the sphere of implementation of the Five Year Plan as a whole, in the implementation of the Community Development Programme, and helping in the organisation of a body through which such implementation could be effectively done. In the sphere of governmental activity there were certain factors, the Chairman said, which had to be balanced. For example, he said, in the modern world there was a tendency towards centralisation which in a way meant lessening of individual freedom. It was a question of proper balancing of the two with a view to retaining adequate individual freedom, at the same time promoting efficiency.

3. Another problem was to find out ways and means to dovetail governmental activity and public co-operation into one organised effort. While governmental activity was important, it is public activity which, in the final analysis, is more important, as the Government's action without the people behind it cannot bring any substantial achievement. It was possible for the Government to do odd jobs here and there on its own, but the activity which could bring sustained and lasting benefit to the people must be one which strikes a correct balance between the governmental effort and public endeavour. It was seen, Shri Nehru said, that in Russia and China and elsewhere large numbers of people associated themselves with government activity. Whatever be the means through which such association was obtained, it was important to bear in mind that the progress made by those countries had been possible because of large scale public co-operation. In India, we had to function in a

democratic way and therefore, the means must be different. In this connection, he emphasised that public co-operation must not mean too much of direction from above. There should be a spontaneity of response, a joy for the work, a willingness to render service to the people and a spirit of co-operative endeavour emanating from the people themselves. If that were not done, introduction of official machinery meant a certain amount of rigidity which affected spontaneity. Government departments had a tendency to grow bigger and bigger till it was difficult to control them for the size. The machinery seemed to go round and round itself and the tendency was to forget the objectives. The Planning Commission was started with the hope that it would function differently from the Government's routine; it had, of course, been working differently, but it appeared sometimes that the Governmental machinery was overtaking the Planning Commission also. It would appear that too much intelligence and philosophy came in the way of simplicity of outlook and simplicity of action. The Committee had to consider how the co-operative endeavour of the people and of the official machinery could be balanced.

4. Referring to the Bharat Sevak Samaj, the Chairman said that the idea took shape more than a year ago, and during the preceding two months there had been enough indication that the idea was greatly welcomed. He hoped that the Advisory Committee would give a push to this idea.

5. The Deputy Chairman, Shri Gulzarilal Nanda, referring to the Bharat Sevak Samaj, said that since the publication of the Pamphlet on the Samaj a great deal of interest had been evinced by the people about the idea of the Samaj and the Planning Commission had received hundreds of enquiries from the public and offers of joining the Samaj had come from many people. Before the organisation took shape officially, already in some parts of the country work of the organisation had started informally. He had seen reports from several places where people had combined on their own and informed the Planning Commission of their desire to create branches of the Bharat Sevak Samaj.

6. The Chairman then invited other members to express their general views on the subject of organising public cooperation for national development.

7. Dr. Shyama Prasad Mookerjee felt that the idea of the Bharat Sevak Samaj had distinct potentialities and deserved support from the public. The persons present in the Committee represented different standpoints, but there was a good deal of effort in which there

could be a united front. It should be possible for all political parties to unite when there was a programme to deal with major social and economic problems. It was, however, necessary to guard against the possibilities of the Bharat Sevak Samaj organisation being used for party purposes at lower levels. It was for the major political party to take the initiative to stimulate cooperation. To obtain cooperation there would be need not only for a Central Board, but also for similar State, district and local boards, it was very important to know in what manner these bodies were going to be constituted, it must be emphasised that the Bharat Sevak Samaj should not be treated as a platform by any political party at any level. Once this was assured, then much public interest and enthusiasm could be created.

8. Dr. Mookerjee wanted to know if it was open to the Committee to bring to the notice of the Government any thing that was not liked by the people in the Five Year Plan. The Chairman explained that there was another Advisory Board whose main task was to assist in matters affecting planning. The National Advisory Committee was meant to deal with the field of public cooperation as a whole. If there were any aspects of the Plan which needed to be changed, members of the National Advisory Committee could certainly raise them. There was no rigidity about this. The Committee was not meant to go into discussions of the Plan as such.

10. Dr. Shyama Prasad Mukerjee, then referred to the Constitution of the Bharat Sevak Samaj in which there was a reference to disqualification of persons or organisation with communal associations. The Chairman suggested that this could be discussed later on when the Constitution of the Bharat Sevak Samaj would be discussed.

11. Finally Dr. Mukerjee said that he was glad to be able to extend his full support to the Bharat Sevak Samaj.

12. Shrimati A. Mathai said that she would do all that was possible to help the Bharat Sevak Samaj. She felt that public cooperation in the Community Project areas should be the basis on which to build up. The Chairman pointed out that so far there were only 55 project areas in the country, whereas public cooperation had to be stimulated throughout the entire country. Mrs. Mathai emphasised that the maximum help should be given to those who were already doing a good deal of social work in the country. Shrimati Durgabai, Member, Planning Commission, explained that this was visualised in the Draft Constitution of the Bharat Sevak Samaj.

13. Father Jereme D'Souza said that all persons at the meeting agreed that there were certain programmes which were welcomed by all sections of the people. The Advisory Committee could render great service by sponsoring a large number of schemes, acceptable to all shades of opinion. He said that fears expressed by Dr. Shyama Prasad Mukerjee would be removed if the schemes could be carried out without endangering or interfering with the membership of individuals in their respective organisations. In selecting activities for the Bharat Sevak Samaj the aim should be to obtain the greatest common factor to which all parties agree, and to carry out programmes that were above all controversy.

14. Shri Asoka Mehta pointed out that the Plan was divided into three sectors: the public sector, the private sector and the people's sector. Cooperation of the people would be conditioned by what was provided in the public and private sectors. He wished the whole Plan had been drawn up in cooperation with all the parties and treated as a national Plan. As long as the plan of the people's sector is not treated as a plan of any single political party, there would not be any difficulty about cooperation. It should be clear that the credit of whatever is done by the Bharat Sevak Samaj should belong to the people as a whole. It was for the ruling party to state clearly that credit for achievements in the people's organisations in the country whole activities needed to be revived and mobilised. He referred especially to student organisations. He further urged that municipalities, local public and panchayats should be utilised as agencies for public cooperation and the necessary technical and other assistance should be given to them.

15. Shri P. A. Narielwala referred to the need for spreading knowledge about the Plan if public cooperation was to be obtained. He stressed that efficient publicity methods and audio-visual aids should be used to popularise the Plan.

16. Shri Shri Ram stressed the need for mobilisation of public effort and for carrying home the realisation that to achieve national progress every one had to work harder, in particular special efforts were necessary.

17. Shri G. D. Birla wished that more and more private agencies would come forward and work of the community and they would be able to get the assistance of the Government. It should be the duty of all Government officers to encourage private agencies. He suggested that primary education should receive special attention as among the programmes of the Bharat Sevak Samaj. Shri Gulzarilal Nanda pointed out that the construction of school buildings was

a part of the programme of the Bharat Sevak Samaj. Shri Birla concluded saying that success would depend upon the extent to which private agencies were supported by the Government, not so much with money, but with technical advice and assistance.

18. Shri Gulzarilal Nanda explained that membership of the Bharat Sevak Samaj was of two types. Both individuals and organisations could join the Bharat Sevak Samaj. A major object of the Bharat Sevak Samaj was to strengthen and help to improve the activities of the existing agencies and develop their organisation and resources.

19. Shri Kasturbhai Lalbhai referred to this experience in the scarcity affected areas in Saurashtra and Gujarat. The Government of Saurashtra had left the work of relief in the hands of private agencies which had done excellent work. All political ideologies were set aside, and members of all parties and people worked together. Even school children helped to carry out programmes.

20. Shri Kasturbhai Lalbhai emphasised the need for family planning and was surprised to find that this item was not a part of the programme of the Bharat Sevak Samaj. He was doubtful if the Bharat Sevak Samaj could carry on only with funds which its various units could collect. Even for a cause like famine relief in Saurashtra, funds could not be collected. The Government would have to provide financial resources for activities not only at the Centre, but at the District and State levels. He stated that he was in favour of the Central Board appointing persons for various responsibilities rather than that individuals should be elected from different areas. Such a democracy may not work efficiently in practice.

21. Shri Kasturbhai Lalbhai explained that mere enthusiasm of the Bharat Sevak Samaj would not bring results. Even publicity and films could not make people work. It was essential for the people to contribute labour and cash, and some sort of enforcement will be necessary for that.

22. Shri Satish Chandra Das Gupta felt that the setting up of the Bharat Sevak Samaj created a ray of hope which would bring the the people together for achieving constructive results. At present the villages were without work and without life. He stressed the need of a dynamic personality to provide the drive behind the Samaj. He pointed out that when Gandhiji made schemes, he took personal responsibility for them. Shri Jawaharlal Nehru should do likewise. If the spirit of sacrifice and service could be applied to the achievement of a single objective, then there would be the hope that great things could be achieved.

23. Jathedar Udharn Singh Nagoke suggested that work should be started immediately. Difficulties that come in the way can then be dealt with as they arise.

24. Acharya J. B. Kriplani laid emphasis on the importance of a concrete programme.

25. Prof. N. G. Ranga was of the opinion that a good deal of thought and work had already gone into the making of the scheme. He stressed the importance of the time factor, and the need for speeding up activities and full official cooperation without which the organisation might not be able to go much ahead. He suggested that the Bharat Sevak Samaj and the Planning Commission should go all out to secure the cooperation of all sections of the people.

26. Shri Jagjivan Ram felt that it should be the duty of Government officers to secure the cooperation of the people and was of the opinion that this was not always done. He was not very much in favour of the suggestion to enact legislation for compulsory labour contributions. He felt that in practice only the poorer classes were regimented for work. He suggested that a village should contribute a quarter or a half of the total cost of a given scheme, and the Government should provide the rest.

27. Rajkumari Amrit Kaur pointed out that success would depend upon personnel, and the cooperation of the people would only be secured if there was the right leadership. She was of the opinion that adequate finances could no longer be obtained by voluntary agencies from the community. One earnestly wished that all the strength and organisation of existing agencies would be harnessed for constructive activities.

28. Referring to the view expressed by some of the members, Shri Gulzarilal Nanda observed that the best guarantee against the risk of the Samaj being exploited by a political party was to specify that only those persons would be accepted as members who were really interested in constructive work, and who would devote definite time for this purpose. Secondly, although members of the Samaj might belong to different political parties while functioning as members of the Samaj, they must act without any political distinction or label. He realised the imperative need of official co-operation. In fact, it would be necessary to have a clearly laid out organisation and simple procedures at official level so that the people's sector obtained complementary assistance. As regards finance, he said that the administrative machinery of the Samaj would have to be maintained for the community's resources. The Government could give assistance for carrying out specific tasks or schemes undertaken by the Bharat Sevak Samaj.

29. After general discussion, the Committee discussed other items of the agenda. The committee recommended the co-option of:—

1. Shri Chelapathi Rau
2. Dr. Baliga or Dr. Sen

as members of the National Advisory Committee for Public Co-operation.

REGARDING THE NAME: BHARAT SEVAK SAMAJ

30. It was pointed out that the name Bharat Sevak Samaj was at present used as a Hindi translation of its name by the Servants of India Society. The Chairman suggested that a slight change could be made, and the organisation could be called the Bharat Sevak Samaj. Shri Nandaji pointed out that there was a difference in the conotation of the word 'Seva' and 'Sevak'. The emphasis in the organisation was on the creation of a cadre, "Sevaks". He informed the Committee that the Bharat Sevak Samaj was not a registered name of the Servants of India Society nor was that Society generally known in the country by that name. It was generally felt that it was not necessary to change the name at this stage as the present name had already become widely known to the people. The Committee agreed that the organisation should be called Bharat Sevak Samaj.

31. The Committee amended clause 6B(1) of the Constitution "No person or organisation shall be admitted as or continue to remain a member—who engages or professes faith in violent or subversive activities or communal hatred or has connection with any organisation countenancing such activities" as follows:—

"No person shall be admitted as or continue to remain a member who engages or professes faith in violent activity or spreads communal hatred".

32. The Committee decided that the *Draft Constitution* should serve as a guide till the Constitution was formally approved.

33. The Committee approved the following as the "*Immediate National Programme*" for the Samaj:—

I. Economic Development

- (A) Construction—buildings, roads, wells, bunds, houses for community purposes etc.
- (B) Assisting the development of cooperative and Panchayats.
- (C) Assisting the development of cottage and village industries.

(D) Protection of crops and improvements of cattle.

(E) Austerity and savings drive.

II. Social Health:

(A) Anti-corruption campaign—

(i) Pledge—"I will not give or accept a bribe".

(ii) To help those who suffer on account of the pledge.

(B) Anti-adulteration campaign—

(i) Pledge—"I will not adulterate or sell any adulterated food or drug".

(ii) Assistance to the public in preventing adulteration.

III. Social Education:

(A) Training in citizenship

(B) Health Education.

(C) The economic situation and the Five Year Plan.

IV. Community Recreation and National Fitness:

Programmes for youth, women and children.

V. Health:

(A) Anti-malaria work.

(B) Slum.

(C) "Keep the Streets Clean" campaign.

VI. Community Centres:

VII. Studies:

(A) Corruption.

(B) Adulteration of food and drugs.

(C) Waste.

(D) Other social problems

VIII. Relief and Assistance:

IX. Resources:

National Welfare Fund.

(Note—Items may be added to or varied according to local conditions).

34. The Committee unanimously requested Shri Jawaharlal Nehru to be the provisional President of the Bharat Sevak Samaj and to conduct its activities till the Constitution of the Samaj came into operation. * 5]

35. The Committee authorised the President to set up a Provisional Central Board for the Samaj in accordance with its draft Constitution and suggested the names of

1. Shri S. K. Dey
2. Shri Gulzarilal Nanda
3. Dr. N. S. Hardikar
4. Shrimati Kamala Devi Chattopadhyaya
5. Prof. N. R. Malkani
6. Shri Satish Chandra Das Gupta
7. Shrimati Sucheta Kriplani
8. Jathedar Udham Singh Nagoke.

36. The President was requested to add other names.

37. The Committee authorised the President to take the following further steps in regard to the formation of the Samaj:—

- (a) appointment of special conveners for forming branches of the Samaj in the States.
- (b) Enrolment of founder-members of the Samaj. These should be persons of standing in social and constructive work and their names will be suggested by leader in various fields and by institutions engaged in social welfare work.
- (c) Enrolment of ordinary and associate members.
- (d) Arrangements for training of members to be made at the Centre and in the States.

38. A special Sub-Committee consisting of Shri Kasturbhai Lalbhai, Shri Narielwala, Shri G. D. Birla and Shri Ram was formed to recommend means of raising the funds for the Samaj.

39. While subscription of donations would be welcome from all, the principal emphasis in the work of the Samaj would be on the maximum utilisation of the spare time and energy of the people.

40. It was suggested that at the appropriate stage the Chairman should issue an appeal for a National Welfare Fund.

Annexure V

Details of most successful works of Construction done by the Bharat Serak Samaj.

(1) Kusmi Airfield Project, Gorakhpur.—1st Phase.

1. Cost of the work as tendered by the Samaj : Rs. 110 lakhs
2. Lowest rate tendered by other agencies : Rs. 122 lakhs
3. Important quantities of work involved :
 1. Concrete : 20 lakh cft.
 2. Brick paving 13 lakhs cft.

The brick paving and concreting of the runway and the taxi track were completed in five months.

4. Arrangements of labour:

About 5000 labourers were employed. About 400 of them were imported from Rajasthan for the work of concrete. The rest were local. All earthwork and brick paving were done by the local labour as also about 10 per cent of the concrete. It may be of interest to state that equipped with this experiment, the local labour carried out about 70 per cent of the concrete work of the 2nd phase.

5. Formation of local units of the voluntary agencies and co-operatives.

A cooperative of the boatmen was set up at Khadda for supply of boulders. This resulted in almost doubling up their incomes. The local units of the voluntary agencies were created to do the earthwork, concrete work and quarrying of stone, shingle and sand. They also set up three brick kilns.

6. Labour welfare.

Provision was made for a dispensary, adult education centre, bhajan mandli in addition to hutments and water supply.

7. Community assets created.

A sum of about Rs. 40,000 including the cost of land was donated for the creation of an Institute of Agricultural Economics and Co-operation in Gorakhpur.

8. People's participation and residual advantages.

A large number of public men actively participated in the management and efficient execution of the project. The local construction units got energised and developed selfreliance. They are running 6 kilns, shingle and sand quarries and doing the work of roads etc.

(2) Yamuna Barrage Project

	Rs.
1. Cost as per tender of the B.S.S.	198 lakhs
2. Cost as estimate by the Department.	240 lakhs
3. Amount as tendered by M/s Uttam Singh Duggal.	246 lakhs
4. Amount as tendered by the N.P.C.C. Ltd. About	275 lakhs
5. Amount as tendered by Bharat Engineering Co.	Over 300 lakhs
6. Main items of work:	
1. Earthwork	= 315 lakhs cft.
2. Cement concrete	= 23.4 lakhs cft.
3. Stone masonry	= 7.65 lakhs cft.
4. Stone protection and pitching	= 43 lakhs cft.
5. Sheet piling	= 1050 tons.

7. Period of completion.

The work started in February, 1964 to be completed by June, 1966.

8. Progress of work.

The progress is ahead of the schedule given in the agreement and is likely to be completed before the scheduled time.

9. Work management.

This highly technical job is carried out under a Project Manager, who is assisted by 12 Engineers and over 30 Overseers.

10. Labour arrangements

The labour strength ranges between 2000 to 3000. Most of the labour is from Delhi and its surroundings. Labour cooperatives who come forward to do this work are utilised.

11. Labour amenities

Provision as been made for hutted accommodation, drinking water, lighting, sanitation and dispensary and a fair price shop.

12. Material production units.

The Samaj have set up two crushers for the supply of stone metal, and organised a stone breakers cooperative society which is running stone quarries at Timarpur in Delhi. They are also running four brick kilns.

(3) Multi-storeyed building at Dr. Rajendra Prasad Road, New Delhi

1. Cost as per tender of the B. S. S.	Rs. 84.63 lakhs
2. Cost as per tender of M's Teja Singh & Co.	Rs. 90.05 lakhs
3. Cost as per tender of M's Sobha Singh & Co	Rs. 91.23 lakhs
4. Cost as per tender of M's Sunder Das & Sardara Singh	Rs. 104.85 lak

5. Important quantities of work involved.

1. Excavation	= 8 lakhs cft.
2. Cement concrete	= 7 lakhs cft.
3. Brick masonry	= 1 lakhs cft.
4. Steel work	= 3,200 tons.

6. Work management

The work is done under the technical supervision of four Engineers assisted by six overseers.

7. Labour arrangements

The labour for earthwork, concrete work and masonry is employed by the Samaj directly. The work of bending, binding of the bars, and shuttering is being done on piece rate basis.

8. Amenities to labour

Hutted accommodation, drinking water, lighting, sanitation, medical care and fair price shop are provided.

9. Cost economies

The tender of Bharat Sevak Samaj was lower by about Rs. 6 lakhs. It also influenced the tender rate for a similar building on Maulana Azad Road awarded to a private contractor.

(4) *Purnea Airfield Project—Phase I*

1. *Cost as tendered by B. S. S.* Rs. 112 lakhs.

This work was originally awarded to a contractor who abandoned it. The cost of the work works out to about Rs. 123 lakhs on the basis of the rate approved for the contractor.

2. *Quantities of work involved.*

- | | |
|--|---|
| (1) Earthwork | = 48 lakhs cft. estimated, although the actual is about 70 lakhs cft. |
| (2) Paving of brick soling or stone metal. | = 13.5 lakhs cft. |
| (3) Concrete work. | = 15.7 lakhs cft. |

3. *Stage of progress*

The work has since been completed according to the period approved by the Department.

4. *Labour*

The earthwork, brick paving and soling were done by the local labour. The local units of the B.S.S. were engaged to supply coarse sand, metal and to do the excavation and cartage of earth etc.

5. *Labour welfare*

The labour was provided with huts, sanitary arrangements, lighting, water supply and free medical aid.

6. *Cost reduction*

Compared with the original contractor there has been saving to the Government.

Kosi Project

- | | |
|--|---|
| 1. <i>Name of Project</i> | Kosi Project-Flood embankments/
canals/structures. |
| 2. <i>Cost of the flood embankments.</i> | Rs. 11.5 crores. |

3. *Labour arrangements.*

The Bharat Sevak Samaj started the work in the Kosi Project in 1955. They executed about 75 crores cft. of earthwork upto the year 1964. The Samaj enthused the local people by the introduction of the unit leaders who were generally the Mukhyas of the Panchayats or the labour cooperatives. Eighty five to ninety per cent of the payment received from the department was paid to the labour. Five per cent reserved for community development works and the rest utilised for meeting expenses of the unit leaders and organisational expenditure of the B.S.S. The labour working with the Samaj were paid higher wages than paid by the contractors. The total labour force touched a peak of 40,000 a day. With the introduction of a huge local labour force manned by the public workers it was possible for the Administration to make the contractors to accept lower rates which resulted in economies.

4. *People's participation*

It is also stated that the people's participation made it possible for the Administration to take possession of land in anticipation of the legal proceedings and to permit the start of the work which resulted in the earlier completion of the work. It has been stated that the work was completed ahead of the schedule.

5. *Labour welfare*

Labour was provided with amenities like lighting, sanitation, medical treatment, recreation and indoor hospital. Community centres were also set up which were provided with radios, newspapers and indoor games etc.

6. *Community welfare and community assets*

About Rs. 10 lakhs were raised for community assets. It has been stated that a sizeable part of this savings has been utilised in creating community assets in the form of a degree college, panchayat garhs, libraries, schools and community halls etc.

7. In respect of this project, it will be appropriate to quote the opinion of Shri T. P. Singh, Administrator, Kosi Project vide his letter No. 5663 dated 17th July, 1956 to Shri R. R. Bahl, Jr. Secretary, Ministry of I. & P. New Delhi, informing the Ministry of I & P. the result of this experiment (Enclosure). The opinion of the Chairman, C.W. & P.C. is also reproduced below:-

The progress of work on the Western embankment is possibly ahead of schedule and its quality has also been found superior to that of the work done by usual run of public works contractors.

The local people who have been mobilised to work on the project are directly interested in seeing that the work is completed in time and the embankment is strong enough to stand the flood. The unit leaders too are always vigilant to ensure that the quality of work does not deteriorate. This spirit is seldom found under the contract system".

Enclosure

Shri T. P. Singh, ICS, Administrator, Kosi Project, Patna to Shri R. R. Bahl, Joint Secretary to the Government of India, Ministry of Irrigation and Power, New Delhi.

Please refer to your D.O. No. DWI-127(5)/56-K, dated the 21st June, 1956, asking for a note on the financial benefits to the Project from the scheme of work through public cooperation.

I would, however, support the claim that the readiness of the Bharat Sevak Samaj to take up work this year on the basis of last years with whatsoever increase the administration thought reasonable did increase our bargaining power vis-a-vis the contractors. The public tenders elicited rates which were 50 per cent in excess of last year's rate. After prolonged negotiation the contractors came down to accept 16 per cent increase. At this stage, Shri L. N. Mishra came forward to take up 11 miles of new work on the eastern embankment besides completing the substantial incomplete work of last year. His offer gave me the strength to decide that no more than 8 per cent increase would be admitted, such an increase having been considered equitable in the slightly more difficult conditions of work than last year. This means a saving of between Rs. 2 to Rs. 2/8. Since 21 crore cft. of earthwork has been done on the eastern embankment this season, there has been a direct saving of about Rs. 5 lakhs. No change in last year's rate was made in the western embankment but had the contractors pressed for it, as they well might have done considering the ambitious programme of work for the season, we would have to pay Rs. 4-8-0 more per thousand cft. A total of 6 crore cft. of earthwork has been done in new reaches and Rs. 2.7 lakhs have been saved.

5. The above are some of the direct benefits but there are several other aspects of the matter to consider if we are to assess the benefit of work through public cooperation. These are:

(a) Public cooperation agencies have tackled 46 miles (BSS 37 and Nepal Ex-Servicemen Societies) out of 114 miles of embankment constructed in seasons. The total earthwork done last year and this year is 17 crores cft. besides 35 crores cft. done by contractors. The progress of work has been obviously accelerated particularly, as in the bleak conditions in the Kosi area the number of resourceful contractors coming forward for work so far have not been very large.

(b) The scheme of work through public cooperation is becoming increasingly popular with the labourers. This is reflected in the ever increasing flow of labourers to the public cooperation zones of work. The Bharat Sevak Samaj pays 90 per cent of the total earnings to labourers and this is certainly more than what the contractors pay. As the local labourers are getting more familiar with earthwork and the technique of work is understood better by the organisers, the relative disadvantage of lower output per worker in public cooperation zones is disappearing. No wonder the labourers feel that they get a better deal than from contractors.

Other significant fact is the enthusiasm among the Gram Panchayats to take up work. Such a large number of them volunteered that the length of work to each Mukhia had to be reduced to 500 cft. or less. I am sure that had the B.S.S. organisers known about the kind of response which they got, they would have asked for allotment of much longer length of embankment than they took.

(c) Under the approved scheme of work of the Bharat Sevak Samaj, 90 per cent of the earnings is to be paid to labourers, 5 per cent spent on organisation cost and the remaining 5 per cent earmarked for community savings. My rough calculation is that Rs. 3.5 lakhs have been saved (5 per cent on 17 crores at an all inclusive earthwork rate of Rs. 35 per thousand cft.) pooled with the contribution from the local works programme, this amount will prove to be a good nucleus for development of Gram Panchayats in the area.

I would readily acknowledge the help of the public cooperation organisers in obtaining for the Project, possession speed, the legal proceedings could not result in our getting the lands quickly. Thousands of cultivators have had to part with their lands, besides in some places, the alignment was such that those who have given lands found their villages left on the riverside of the embankment and were naturally determined to delay and obstruct the construction of the embankment. It must, therefore, redound to the credit of public organisers that without resorting to force or any line of action, the construction of embankments proceeded by and large according to the programme. There are tangible benefits from the early prevention of Kosi flood spill and the claim that by accelerating the work, the BSS has conferred tangible financial benefits deserves recognition.

(d) By all accounts, the maintenance of the Kosi embankment will call for intensive patrolling and vigilance during the flood season to prevent breaches. The Chief Engineer has issued instruction to bring the Gram Panchayats into the picture but we have to wait and

see as to what would be the extent of the response. The potentialities are there and it is expected that having made the embankment the local public would be keen to maintain them. My own assessment is that their attitude will be largely influenced by Government's policy towards rehabilitation of the people living on the riverside margin of the embankments.

6. I regret that at this stage I am not able to think out more points which will be relevant for assessment of work through public cooperation by the proposed Committee. As the review proceeds and the necessity of further information is felt, I shall apply my mind again to the subject and try to furnish them.

Yours sincerely,
Sd/- T. P. SINGH,

Shri R. R. Bahl, ICS.

Joint Secretary to the Govt. of India,
Ministry of Irrigation & Power,
New Delhi

Annexure VI

PLANNING COMMISSION

Yesterday, the 29th March, Tandon and myself met Shri R. K. Gupta. We discussed amongst other things shortcomings on the technical side of the Construction Service. The following points were particularly stressed by the General Manager:—

(1) Normally, a person who is appointed to execute a project should not be transferred during the execution of the Project. He should, if at any stage during the currency of the project or at the end, is transferred, properly hand over to his successor as is the practice in the Government.

(2) A more detailed record of the articles of T & P and machinery and stores should be kept at the site of work and a consolidated copy of it kept in the office. Such materials should be taken over, handed over or transferred in a proper way.

(3) Measurements should be taken immediately the works proceed from stage to stage, i.e. when a certain part of the work is completed it should be finally recorded. This should be done by the person who is in charge of the work. All extra items should be entered in the register for extra items maintained at the site of the work and copy of it given to the Regional Office/Head Office.

(4) Every quarter a proper assessment of the material and work done should be undertaken to exactly know the position in respect of their profits and loss.

(5) The Construction Service should not undertake any more work till such time that they have consolidated their present position, both in respect of the personnel as well as the evolution of a proper system.

The above remarks of the General Manager are very important and require to be immediately considered in a meeting to be held in the next week, wherein you are invited to take part. The time and date of the meeting will be intimated in the course of few days.

Sd/- A. N. MALHOTRA

30-3-64.

Planning Commission

(Construction Service)

I have been recently having discussion with Senior Resident Engineers of the B.S.S. with a view to improve the working, particularly, in respect of building works. The following important points have emerged:

1. Normally in the case of buildings either a S.R.E. or a Project Manager should be incharge of the work. Of course, they should be suitably assisted by the junior R.Es.
2. Works should be taken in concentrated areas. The cost should not be less than Rs. 25 lakhs in one area.
3. The bills should be submitted by the B.S.S. every month with the detailed measurements. One copy of it could be sent to the department for reference and return.
4. Monthly checks must be made to find out if the labour cost and the consumption of materials were commensurate with the norms accepted by the Samaj.
5. The profit-and-loss must be worked out monthly, even though it will not be precise.
6. Meeting of all S.R.Es., Project Managers as well as R.Es. independently incharge of the works should be held at least once a month. Effort should be made to hold it fortnightly. In this meeting the ideas should be exchanged freely and honestly.
7. A Central Store should be immediately created which should cater for day to day materials like ballies, timbers, wire and nails etc. Central Office and other regional offices should be located at one place. The Samaj should create their own intelligence and also an agency for surprise but sustained checks of the labour employed by the Samaj directly.
8. The Samaj may create their own workshop where a reasonable number of blacksmiths and carpenters are permanently employed and are available for works in the Samaj. In their spare time, they could do some manufacturing business in the workshop. The periodical check and repairs of the machinery could also be carried out in that workshop.

I would like to discuss the above proposals with the G.M. and the Programme Adviser on the 10th instant. Thereafter I propose to send copies of this note duly modified in the discussions to the Project Managers and S.R.Es. for their comments and for any further suggestions.

Sd/- A. N. MALHOTRA.

G.M., CCS.

Programme Adviser.

Planning Commission

(N.R. Division)

During our discussions with the representatives of the Construction wing of B.S.S. a fear was expressed that some of the construction committees which may be approved by the Centre, may not be reliable or of the calibre which they are normally expected to be of. If a construction committee are not of the standards which are required of them, the result is likely to be bad management, losses, leaving the works incomplete and bringing bad name to the organisation. To avoid it, it would be necessary for the Centre to have some details of the persons serving on the committee and other particulars so that decision for its approval is only made after fully assessing the calibre and capacity of the persons on the committees. A check-list may be drawn up, in which the requisite information is furnished to the Centre, for them to make a decision in the light of it. Necessary action may be taken at your end.

Sd - A. N. MALHOTRA
14-4-1961.

Shri M. D. Mithal,
General Manager, B.S.S.,
New Delhi.

**Extracts from D.O. No. 10(6)/61-PUB., dated the 24th April, 1961
from Shri A. N. Malhotra, Director (Construction Service) to the
General Manager, B.S.S., Construction Service.**

It was decided that a sheep foot roller driven by Ferguson tractor shall be engaged on the Power House. I would suggest that this may be implemented. The work on Najafgarh Phase II, should be immediately started. In view of the likely rise in prices of material, action may be taken to reserve or purchase the required material for use on works.

D.O. No. Const./Pub/4-5/63.

A. N. Malhotra,
Director,
Construction Service.

November 4, 1963

My dear Shri Moorthi,

I am thankful to you for your letter dated 22-10-1963 in which you have explained to me the alternatives to obtain Pakur stone and expedite work. The instructions have since been issued by the Railway Board. I also received your telegram at Bidar which indicated the likely improvement in the situation. I am sending to you a copy of D.O. letter No. 63-TT.I/143, dated 18-10-1963, from the Director, Traffic Transportation to the address of Shri H. K. D. Tandon. I hope it will now be possible for you to solve the difficulties.

The Railway Administration have been requesting for the detailed requirements of loading programme from the various stations to plan out the movement of the materials properly. Please take immediate action in this respect and inform the undersigned.

I have just received your letter dated 2-11-1963, wherein you have referred to the work at Bidar. I have since inspected the work. Shri Bhaskar Rao expected to complete the work by the 15th inst, the date of completion given by the MES. The CRE was however, prepared to give a few more days against rectification. I have informed Shri Bhaskar Rao accordingly. I hope the work will be done within the time period set for it.

Yours sincerely,
Sd/- A. N. MALHOTRA

Shri T. S. Moorthi,
Project Manager,
Purnea Airfield,
Purnea.

D.O. No. Const./Pub/17/64.

A. N. Malhotra,
Director,
Construction Service.

PLANNING COMMISSION
NEW DELHI
January 18, 1964

Dear Shri Moorthi,

Please refer to the progress report dated 10-1-1964, and further discussions with you on the telephone. My observation is that in addition to the bringing of 1½" metal from Pakkur belt for expediting the work of concrete you should also pay special attention to the procuring of ballast for the water bound mackadam. It is also noteworthy that the progress on earthwork shoulders both on the runway as well as taxi track is very slow and you should try to step it up by using the trucks available with the Government and the local labour which may also be available by now. The progress of the concrete slab on the apron site has been shown as nil. We are happy to note the improvement in the progress of concreting and expect that it will be possible to lay on an average at least 20 slabs a day.

I would also like to caution you regarding the possibility of rains in the end of January or beginning of February. The movement will get paralysed and therefore it would be wisdom to have enough material available for a fortnight's working without resorting to the cartage.

With kind regards

Yours sincerely,
Sd/- A N MALHOTRA

Shri T. S. Moorthi,
Project Manager,
B.S.S. Purnea Airfield,
Purnea.

D.O. No. Const./Pub/17-4/64

A. N. Malhotra,
Director,
Construction Service

PLANNING COMMISSION
NEW DELHI
March 17, 1964

Dear Shri Moorthi,

Please refer to your D.O. letter No CS-P C-16-2874, dated 19th March, 1964. You may send one of your good overseers or Purchase Assistants to Bilaspur or the area roundabout for making purchases of the timber scantlings at about Rs. 6.25 per cft. The timber is available at this rate near the rail heads as mentioned in my earlier letter. To me it appears that the expenditure of Rs. 1.75 per cft. for the railway and other transport is on the high side. You may please check up on the possible economies in this respect. The wagons may be got registered and priority requested through the CPWD whose recommendation in this case should suffice, as there is not that much of rush from those stations. After the recommendation of the department, the case may be referred to the Planning Commission in case this difficulty is not solved. We shall be too glad to do anything desired of us.

With kind regards,

Yours sincerely,
Sd - A. N. MALHOTRA.

Shri T. S. Moorthi,
Project Manager,
Bharat Sevak Samaj,
Central Construction Service
Purnea Airfield,
Purnea (NE Rly)

D.O. No. Const./Pub/2-2/64.

A. N. Malhotra,
Director,
Construction Service.

July 2, 1964.

My dear Dhesi,

I have dictated a letter to you yesterday the 29th June, 1964, and thereafter I met Shri Agarwal the Executive Engineer incharge of the Purnea Project and discussed details with him. He appears to be satisfied with the progress of earthwork although he was not satisfied regarding the progress of the concreting. He stated that the metal was not forthcoming in enough quantities. You had already mentioned in your previous letter that you had sent for the Resident Engineer, Kathiar to follow up the wagons across Farakka barrage. Please let me know the results of his visit by return preferably by telegram. As the rainfall has not been started in full swing, it would be wisdom to complete both the phases by the end of July. Shri Agarwal mentioned to me that last year they did not have much rain in July which allowed them to give sufficient quantity of concrete. I hope the same type of weather may be experienced this year also as the monsoon appears to be already delayed. You could expect the July to be reasonable trouble-free. If the metal is properly arranged the Samaj could complete the whole work of concrete and earthwork. Please ensure this. I will be getting in touch with you on the 4th morning before 10 a.m. at the latest. I have important points to discuss. I hope you will be available on your residential telephone.

With kind regards,

Yours sincerely,

Sd /- A. N. MALHOTRA.

Shri Dhesi,
Project Manager,
Purnea Airfield,
Purnea.

Planning Commission

The Deputy General Manager may kindly get in touch with the concerned authorities in the Railway Board for ensuring movement of the metal across Farakka Barrage on a priority basis. Shri Bajjal has been previously handling this case. If he needs any assistance from my end, he will kindly let me know. My advice

will, however, be that the Deputy General Manager along with Shri Baijal may go to the Joint Director of the Railway Board with an application and request for priority allotment of wagon across Farakka Barrage as without it top priority defence work is suffering. This is with reference to Shri Saha's letter No. CSR/G. 11/4569, dated the 26-7-1964 to the address of G.M.

Sd./- A. N. MALHOTRA.
1-8-1964.

Dv. General Manager.

D.O. No. Const./Pub.M.S. Bldg./7-3-65.

A. N. Malhotra,
Director,
Construction Service.

PLANNING COMMISSION
New Delhi
January 7, 1965.

My dear Shri Jain,

Now that reasonable time has elapsed, it will be wise to check the quantities of the material consumed, the expenditure on labour etc., as related to the quantities of the work done in the M.S. Building. The reasons for excessive expenditure on any item have to be thoroughly understood and remedial action taken. Monthly analysis of work should be considered a MUST. I would like to discuss it every month with all concerned.

With regards,

Yours sincerely,

Sd/- A. N. MALHOTRA.

Shri J. P. Jain,
Senior Resident Engineer,
Multi-storeyed Building,
New Delhi.

Points for discussion in the meeting of the Regional Manager/Project Managers, to be held at 11 hrs. on 13-1-1965.

1. Handing over of completed works

It has been generally noticed that works nearing completion are either neglected or their handing over delayed. This results in additional expense and locking up of the capital.

2. Final payments.

Final payments are linked with the extensions which are not kept track off. The final bills are not sent in time and the final payments are very much delayed. The reconciliation of the materials issued by the CPWD is one of the reasons for delay.

3. Measurements.

It has been decided several times that measurements should be kept up-to-date and that a bill including the copy of detailed measurements should be sent to the CPWD every month. This is not being done.

4. Extra items and additional items.

Although decided a number of times details of these items are not furnished to the Central Office. The norm should be that the rates for extra items should be worked out and decided within a fortnight of its occurrence and reported to the department. Thereafter they should be followed up.

5. Quick completion of works

The experience shows that the savings mostly lie in the early completion of works. Sometimes even additional expense for earlier completion is well worth it.

Sd/- A. N. MALHOTRA

12-1-1965

Annexure VII

Statement showing activities organised through Lok Karya Kshetras

S. No.	Nature of activities
1.	Construction and repairing/improvement of roads.
2.	Compost Pits, Soak Pits, etc.
3.	Repairs/Cleaning of tanks and wells.
4.	Educational and Promotional work regarding use of improved methods of farming, use of better seeds, green manure, chemical fertilisers, eradication of weeds, etc.
5.	Promotion and strengthening of Cooperatives.
6.	Organisation of cultural programmes e.g. Bhajans and Kirtans, folk songs, etc.
7.	Organisation of Mahila Mandals Samajams, smokeless Chulhas, kitchen gardening
8.	Improvement of schools.
9.	Tailoring and Craft classes, Ambar Charkha, etc
10.	Balwadis and Nursery Schools
11.	Library and Reading Rooms.
12.	Adult Education Classes.
13.	Milk Distribution Centres
14.	Dispensaries
15.	Relief Work, Sanitation Drives
16.	Trench Latrines

Annexure VIII

Inspection Reports regarding Rural Lok Karya Kshetras

Tour Notes about Lok Karya Kshetras in Jammu & Kashmir by Shri J. K. Khanna, Member, Central Lok Karya Committee

L. K. K. at March (Jammu): This L.K.K. was visited by me on the 16th May, 1961 with Shri Lakshman Singh Charak, the Kshetra Convener and Shri Madan Lal Sahyogi. Some welfare work and activities appear to have been undertaken by the Kshetra but not much attention has been paid to sanitation and allied problems. The Kshetra area is covered by Block, but not much impact of the same was noticeable on the life and day to day problems of the village people. The villagers were anxious to have some link roads but their construction has not been taken up by the B.D.O. It was suggested to our Sahyogi and the village people, that in this and other local developmental activities the BSS should fall in line with the programme of the Block Development authorities. Smt. Lilavati, Upsahyogi, who is at present engaged on publicity work among women, was advised to take up other activities such as running of Balwadi and Women's Centre. The services of Shri Krishan Das Bhagat, a Pracharak, have been lent to this Kshetra but it was found that he was not doing any particular job. It was ascertained that reports about his work and capabilities were not available and that he was under notice. He claimed to have sent his reports up to and for March 1961 through the Kshetra Convenor. No diary of work was produced by him when he met me at March. This Kshetra was established in the first phase of our Lok Karya activity but not much impact appears to have been made during all this period.

L.K.K. at Kulgam (North Kashmir): This L.K.K. was visited by me on the 24th May, 1961 with Shri Gopi Krishan, Pradesh Organising Secretary. The Headquarters of the Kshetra is at Shurat, a village 14 miles from Kulgaon having a population of about 200 families. Part of the Kshetra area is covered by Narwan Block which is in operation for the last about 35 years. The only impact made by the Block is in the form of having manure pits dug and by way of construction of a few bathrooms in some villages near about Kulgam. A water channel has also been repaired by the village people. There is a marketing cooperative society at Kulgam but the villagers of Shurat and of some other nearby villages are wanting to have a cooperative society of their own. An alternative suggestion made by the village people is that the headquarter of the cooperative society at Kulgam may be shifted to Shurat. Village Awgam, where our Lok Karya Kshetra has started, some social wel-

fare activities, was also visited by us. The post of one upsahyogi has been bifurcated and in addition one lady worker has been posted in Awgam. A Balwadi for about 26 children is being run. A sewing machine has also been provided for a craft centre for women. The population of Awagam, is 255. In both the villages, namely Kulgam and Awagam, the village people stated that they had not seen the B.D.O. or his village level workers although the Block has been in operation for more than three years. The following staff was on duty.

Sahyogi—————Pandit Badri Nath

Upsahyogis————Shri Chuni Lal and Shri Asadullah

In addition, two lady workers, namely Nazira Begum and Shah Begum have also been engaged for conducting centres one each at Shurat and Awagam. Nursery schools are being run at both the villages. The number of children being 40 in Shurat and 26 in Awgam.

The main problem is of unemployment during winter months. The real purpose of the Lok Karya Kshetra is not being served for want of collaboration and coordination with Block Development authorities.

Sd - J. K. KHANNA,
6-6-1961.

*Extract from the tour note of Shri Chakradham Agrawal, Secretary,
Lok Karya Committee (18-11-59 to 21-11-59)*

I have just completed the visit of 4 Lok Karya Kshetras in U.P. and Punjab, namely Khurja (Bulandshahr-U.P.), Rajpura (Meerut-U.P.), Jhajjar (Rohtak-Punjab) and Narnaul (Punjab). The tour was made in connection with the Lok Karya week celebrations. I have returned considerably impressed and with faith in the success of Lok Karya Movement deepened.

There is positive indication at all the four places in spite of organisational weaknesses, that the Samaj has fairly deeper roots in the soil than we can imagine here at the Centre from the reports we receive.

This visit has also convinced me that no much reliance can be placed on the reports we get. They are extremely sketchy and leave out important details and ignore some of the brightest aspect of the work in the Kshetra.

KHURJA

It is a shadow Block area i.e. preintensive (Community Development) area. It is hoped that N.E.S. programmes will be launched there from the year 1961-62. Our Kshetra was set up in June this year in the 2nd Phase of our programme. There is one Sahyogi and 2 Upsahyogis. The Sahyogi is a graduate and is one of the exceptionally good social workers who are not lured by political prospects. The other two upsahyogis are also good workers. The Sahyogi Shri Bhavan Prakash was trained at the first training course and two upsahogis at the second course, which was completed on August 31, 1959. Only one worker was there available for work in the field from June to August. The Sahyogi is just undergoing 15 days traing Camp of the Ministry of Community Development at Ranchi.

We had an intimate workers meeting. Amongst those 75 workers who participated were 13 out of 15 voluntary Sahyogis trained here at Delhi for one month. These voluntary Sahyogis take pride in their being B.S.S. workers and gave me satisfaction to note that the work of the Kshetra has developed largely due to their efforts. There was a good lively discussion of the programmes. That struck us most was the presence of Panchayat Pradhans, Organisers of Co-operatives and a few prominent progressive cultivators in the meeting. They were not merely present but it appeared to me that they had a feeling of partnership in the Lok Karya movement. They all spoke appreciatively of the efforts made by the Samaj workers so far.

The highlights of our activities in the Kshetra which emerged from the discussion with the workers were as follows:—

1. One activity Camp of a week's duration will be conducted from December 4 in a village. There will be about 25 youngmen in this Camp drawn from that village. They would take their meals at their homes but would live even in the night in the Camp. In this camp a drive would be made for digging compost pits. They would need literature on compost pitting. The camp will be conducted on the lines of temporary Ashram.

2. Sarvodaya patras have been kept in each family in 4 villages. The youngest of the family puts rice, or millets or Jawar every day in this patra. This is collected by the Local B.S.S. unit and sold out. Sale proceeds will be used for running a girls schools. There is great enthusiasm in the people for this programme.

3. In 22 out of 25 villages taken up for intensive work in the Kshetra, village units have been set up. I asked the Panch-Pradhans if they have been associated. One Pradhan said, "what is the quo-

tion of association. I called the meeting of the entire village and all the villagers have unanimously chosen village Convener." This was repeated by four heads of panchayats. We were thrilled to know that this has been the case in 17 out of 22 villages.

4. There were 'tools' in 6 villages which carried out daily sanitation drive in the villages. With blowing of conches at 6 a.m. the members of the 'toli' would collect and work for 1 to 1-1/2 hours. The programme is drawn up at weekly meetings.

5. 17 Service cooperatives have been registered as a culmination of efforts made since last three months by our workers.

6. The workers present informed and panchayat gramhans agreed that the panchayats have been activated as a result of our work. There was less litigation.

7. The attendance in schools has slightly risen because of supply of milk.

8. The B.S.S. participation in Rabi campaign was effective and purposeful.

9. Our workers were generally popular in the area and their approach was right.

The cultivators present there demanded that an exhibition of improved varieties of seeds and tools be arranged in the Kshetra. It is proposed to bring out 2 page bulletin from the Kshetra every month to give stories of a progressive farmer, a successful cooperative, a clean village, the land that yields most etc. etc. all from the Kshetra itself. The workers demanded literature. One of these present there offered a big building and 20 bighas of land for starting a rural technical training centre on the lines of Gurukul.

Later meetings were held in two villages in the Kshetra. Both were largely attended and organised by our voluntary Sahyogis. The villages were clean and there was spontaneity in the organisation. Enthusiasm was writ large on the face of the people.

The participation by Shri Ved Prakash and party, who are a band of office going workers at Delhi and who presented thrilling chorus was very effective.

Sd - CHAKRAHARI AGRAWAL

Secy, Lok Kanya

Report by Shri Dharampal, Member, Central Lok Karya Committee regarding Lok Karya Kshetra Vettikkavala (Kerala)

At the invitation of the Lok Karya Group of the Central Bharat Sewak Samaj, I had an opportunity to visit one of the Lok Karya Kshetra at P. O. Vettikkavala, Dist. Kulakkada in Kerala on July, 11, 1962.

I was accompanied to this Kshetra by the Trivandrum district convener of the Bharat Sewak Samaj and Shri K. Vishwanathan, Shri K. C. Mathew, Sahayogi of this Kshetra showed us around the various centres. I had also an opportunity to meet the district convener of the Bharat Sewak Samaj for Quillon district, the Quillon district publicity officer for the Bharat Sewak Samaj and the Block Development Officer and his staff for this area.

I was much impressed by Mr. Mathew and his colleagues and the work they have put in the area. Besides what I saw, Shri Mathew gave me an account of what they have done in the past year and what they intend to do in the year 1962-63.

I understand that this is the last year of phase I of the community development block at Vettikkavala. This has resulted in undue stress and effort in fulfilling various targets and utilise various allocations which would otherwise lapse at the end of the current year.

The programme of work of the Lok Karya Kshetra for the year 1962-63 has been divided under 12 major heads. These are:

1. Organisational Work	Divided into	34 sub-heads
(2) Animal Husbandry	..	16 ..
(3) Agriculture	..	15 ..
(4) Health & Sanitation	..	13 ..
(5) Cooperation	..	4 ..
(6) Industries	..	5 ..
(7) Women & Social Welfare	..	8 ..
(8) Transport & Communication	..	6 ..
(9) National Savings	..	6 ..
(10) Five Year Plan Publicity	..	6 ..
(11) Sadachar Nirman	..	4 ..
(12) Social activities	..	5 ..

The above major heads add to 112 separate items. If it were possible for the Lok Karya Kshetra workers to achieve all this in an area which is as large as a block it would indeed be a great achievement. But the Lok Karya Programme consists of only 3 whole time workers in each Kshetra. The Kshetra at Vettikkavala

probably has been able to interest many other persons who help in the promotion of the programme of the Kshetra. But even then the total strength of all these workers (whole time and others) cannot in any way compare with the strength and resources of the community development block. It is generally admitted that as things happen today practically no Block in India is able to do justice to the various targeted items they have undertaken. It would, therefore, seem probable that though the workers of the Kshetra may try to do a little bit with regard to each of these 112 items, their achievement regarding each one item cannot ordinarily be significant.

The main object of the Lok Karya Programme, as I understand it, is to demonstrate in a small way, taking up either a very small area of a few villages or a small number of actual activities over a large number of villages, that if people were helped in what they would most wish to do much could be achieved by them. It is not the job of the Lok Karya, and indeed with its meagre resources it would be impossible for it even to visualise, to do all that which is expected of the C.D. block or the panchayat samities which have absorbed the C.D. Programme in several states. If the Lok Karya were to imitate and follow in the foot-steps of these others, it would, to my mind, be frittering away its limited capacity and may incidentally lead to frustration and cynicism amongst the workers engaged in the Lok Karya Programme.

I had a discussion on this with Shri Mathew. Shri Mathew's understanding is, and I assume he shares this with his other colleagues both in the Kshetra and those in the Pradesh office of the BSS in Trivandrum, that their main function is to assist in the fulfilment of planned targets as forming part of the Third Five Year Plan. Another difficulty which Shri Mathew faces is that if he were to do as suggested in the previous para, he and his colleagues may not be able to show much result since what they would be able to achieve in the way suggested above can only be measured over a longer period.

I suggest that these points raised by Shri Mathew need some thought. It is true that the functions of the Lok Karya Programme is to help in development. But one has to realise that there are two aspects to problems of development—one is the fulfilment of certain targets etc. which may be laid down in the programme; the other is to initiate a process of growth amongst people. The first task is planned to be achieved by various agencies of Government and the new institutions of panchayati raj. But as generally felt, this itself does not amount to very much. It is the second aspect of development, i.e., generation of a process of growth which is the function of voluntary bodies.

The Lok Karya Programme, even though assisted by the Planning Commission, is in its concept and set up, voluntary. The main contribution which the Lok Karya could therefore make is in either evolving such organisational techniques which are understood by the people and give better results or in making people interested in the process of development. If either the one or the other were achieved the targets would no longer pose any problems and should be fulfilled many times over.

Avard Office,
July 31, 1962.

Sd/- DHARAMPAL

Tour Note by Shri Rajeswara Rao, Pradesh Organising Secretary, B.S.S. and Member State Lok Karya Committee, Andhra Pradesh, regarding Lok Karya Kshetra, Srikantapuram (29-7-61 to 1-8-1962).

The Lok Karya Kshetra Srikantapuram is located on the Hyderabad-Bangalore main line in Anantapur district of Andhra Pradesh. This is in the stage II block area.

The L.K.K. has two Sahyogis namely Sri M. Subha Rao and Sri K. Vankata Rao and one propagandist by name Sri L. Krishna-moorthy. Both the Sahyogis were trained at the L.K.K. Training Centre. Each Sahyogi is paid Rs. 100 per month, besides the cycle allowance of Rs. 5. The propagandist is paid Rs. 50 per month. There has been a saving of Rs. 30 per month on this head and is being remitted back to the Central Office at the closure of each financial year. The managing Committee of the L.K.K. may well consider the proposal of appointing a lady worker on monthly allowance of Rs. 50 (I am told that there are qualified applicants who are willing to work with that salary) thus utilising the savings of Rs. 30 per month and meeting the balance by local collections. There has been no activity at all on the women front in the L.K.K. and the appointment of a lady worker is felt essential to improve the existing situation.

The managing committee of the Lok Karya Kshetra consist of people drawn from different fields, well experienced in the rural problems and who also belong to the category of active workers. The Majority of the members are sarpanches of the different panchayats of the L.K.K. villages. The managing committee has met 23 times from the day of the inception of LKK i.e. 1st January 1969. Sri Kallur Subha Rao, Pradesh Convener, Rayalaseema Region attended the meetings of the managing committee 10 times and his guidance at every meeting. I am told, has been very helpful.

The Proceedings of the meetings itself are self indicative of the excellent way in which the chairman or Convener has been conducting the affairs of the L.K.K. The managing committee deserve

the praise of the Lok Karya Working group for the above and in addition to the recent decision of the committee to meet henceforth at different villages of the L.K.K. instead of meeting only at the head quarters as has been the practice upto now. Accordingly the latest meeting on 30th July, 1961 was conducted at Malli Reddy palls, a second phase village of the L.K.K.

The following are the 10 villages taken under 1st stage for concentrated work.

1. Sugar Sadla Palli
2. Basavanna Palli
3. Mittameeda Palli
4. P. Sadla Palli
5. Palamathi
6. Kodi Halli
7. Naga Palli
8. Veebuti Palli
9. Kallur
10. Muddi Reddy Palli

In accordance with the recent decision taken at the first national seminar on Lok Karya Kshetra, the L.K.K. work is shifted to the following 17 villages of the 2nd phase. Though the villages are 17 in number, the population in total is only about 6,000

1. Kurlapalli
2. Galibipalli
3. Somi Reddy Palli
4. Bisalamane Palli
5. Venkata Puram
6. Malli Reddy Palli
7. Goravana Haldi
8. Kodigena Halli
9. Appa Kunta
10. Gherlo Palli
11. Pocham Palli
12. Nakkala Palli
13. Jumokala Palli
14. Veeram Palli
15. Uppra Palli
16. Nayana Palli
17. Pooli Kunta.

Though the Second phase is launched, I am of the opinion that the shift should be systematic in the sense that the L.K.K. movement should never be slumped in the 1st phase villages and the link established should continue to be perennial.

The achievements of the L.K.K. in the 1st stage 10 villages are as follows:

The village committees have been formed in all the villages. The committees consist of members, the majority of whom are the sarpaches and members of panchayats of the villages of L.K.K.

At Suger Sadia Palli an abandoned well was closed for constructing a park. A drainage to a length of 200' formed. An approach road to a length of 1 furlong was formed at Basavanapalli. A school building was constructed at Mittameeda palli by collecting a contribution of Rs. 1,300 from the people and the construction entrusted to panchayat. A furlong length of internal road was also formed. At P. Sadha Palli, 20 campers pits got proposed. At P. Bajanamandali was revived. At Pula mathi an approach road leading to the Harijan colony was formed. A well is being constructed. The Bajan mandali got revived. Mobilised people of Kooihalli and Viboothi palli to lay a famine road to a length of 11 miles. At Nagepalli a drinking water well costing about Rs. 1,500 was dug in the school compound. An approach road to a length of 1 furlong formed. Internal roads and an approach road to the near by drinking water well were formed at Kallur. Periodical street cleaning campaigns arranged at Muddireddypalli.

I am inclined to point out here that though the achievements are good, the maintenance of these roads etc. are equally essential as to its formation. The L.K.K. may be pleased to persuade the panchayat or panchayat samiti for arranging permanent maintenance. The village B.S.S. units as well take the responsibilities to maintain through 'Self Help'.

On health and sanitation, the LKK has been trying to introduce 'Bore hole' latrines and has succeeded with great difficulty in 3 villages. Incidentally it is mentioned with appreciation that the district Health Officer has approached the LKK for implementation of this programme which they alone could not implement. Constant persuasion and the necessity are the main factors involved in this and the LKK will endeavour to introduce more latrines taking the advantage of the health department.

No youth movement is found to have been organised in the LKK. Efforts have to be made to form Bharat Yuvak Samaj units in the LKK villages. One successful Rural Youth camp was undertaken by the LKK.

Food distribution programme has been the prominent activity of the Lok Karya Kshetra. So far the LKK received 1,300 bags of rice (each bag weigh 100 Lbs) and 700 cartons of milk. There are 8 cooked rice centres & 12 milk distribution Centres. This is a famine affected area and this programme, to some extent, has relieved the strain of the draught. I am desirous to point out here to the managing committee for considering the feasibility of introducing 'Sramalan' in all the cooked rice distribution centres for sometimes before commencing distribution. It is really appreciable to note that the LKK has obtained a sum of Rs. 800 as grant-in-aid from the Collector Anantapur district to subsidise the food distribution programme. The Collector was kind enough to visit some of the distribution centres personally.

The Lok Karya Kshetra is also desirous to introduce Gram Ekar Scheme. Already, a detailed report indicating the feasibility of starting this scheme was forwarded to the Central Office. Nothing further was heard by the LKK from Centre on this report. A copy of the report is contained by me now and further necessary action has to be taken on this reference

The Lok Karya Kshetra has been regular in sending reports and accounts. The accounts and reports upto June '61 were submitted already. Every work that has been turned out by the Lok Karya Kshetra is properly recorded and while evaluating one finds himself at ease to assess.

In the 2nd phase villages, village committees are being formed. Detailed concentrated programmes are being chalked out

In view of the decentralised democracy and economy, and the location of the LKK in a stage II block area it becomes imminent for me to mention in this note about relationship existing between the community development officials, panchayat samithis members and the LKK. It is reported that the understanding is cordial in the sense that the B.D.O is co-opted in the managing committee of the LKK and other extension officers are being invited periodically to attend the LKK programmes. But one is constrained to indicate here that in order to encourage and strengthen further the LKK activity it is necessary that the Lok Karya Kshetra, movement should be recognised officially by the community development

Sri N. S. Varadachary, Member, Planning Commission, the District Collection, Sri Rama Moorthy, Dr. Baithanath Singh, Smt. Kamaladevi Chattopadhyya, Sri R. Srinivasan Cara Manager, Prof Bhan and Sri Chakradhar Agarwal were the distinguished visitors of this Kshetra.

I cannot but help congratulating the L.K.K. on the whole and more particularly the men at the bottom of affairs.

Sd - P. RAJESWARA RAO

Extracts from Tour Notes of Jammu & Kashmir by Shri J. K. Khanna, Secretary, Construction Service, B.S.S. and Member Central Lok Karya Committee regarding Lok Karya Kshetras (Rural).

Handwara L.K.K. (Kashmir) visited on 12th June, 1962. The Headquarters of the L.K.K. are situated at Handwara, which is a Block area in Baramula district. The L.K.K. is running centres at Nagrana, Bhadrakal, Zachaldara and Rajpur. Except for Rajpur, all the three centres were visited by me on 12th and 13th June, 1962. The main activities in all these centres are running of a Balwadi each, maintenance of a cultural squad and sports activities. I stayed for the night at the forest rest house, Galgozan near Zachaldara. There is complete absence of any coordination with the B.D.O. or his workers and it is extremely doubtful if the real purpose for which L.K.Ks. have been established is being fulfilled. All the activities are those which are being run by our rural welfare projects. The village people complain of lack of medical facilities and employment, and training opportunities. At Zachaldara there was a general demand for raising the Lower High School to Higher Secondary School. It was pointed out to the Sahyogi and to the Pradesh Organising Secretary, who had accompanied me to all these places, that the real purpose and objects of the L.K.Ks. are not being served and that some good results might ensue if at least one Sahyogi is trained to be able to take up small development works and minor repair works, the absence of which causes hardship to the village people. The present needs of the people as ascertained by me in meetings, convened for the purpose are the following

- (a) Medical aid
- (b) Employment opportunities
- (c) A post office and a library

In Zachaldara and Rajpur villages there was the additional complaint of water shortage, both for drinking and for irrigation purposes. In fact, the whole of this area, which is known as Rajwar Illaqa, has been facing water shortage for a very long time past, and it is not known if minor irrigation works and similar other schemes are included in the current 5 Year Plan.

2. **Kulgam L.K.K.** in Anantnagar District, Kashmir, visited on 14th July, 1962. The present Headquarter of the Kshetra is village Tuli Navpura. Last year when I had visited Srinagar the Headquarter was at village Shurat and centre was also being run at Augam. These two villages have already been covered and the Centre have this year been shifted to Tuli Navpura. The population of this village is about 600 and agriculture is the main occupation. Average size of holding for a family is 3 to 4 acres and the yield, which is mostly paddy, is about 25 to 30 maunds per acre. Only one crop in a year is obtained. These villages are situated in Quaimo Block. Another village where the L.K.K. is running a Centre is Village Mah, Tehsil Kulgam. It is a big village having about 300 families or more than 1,000 persons. There is a primary school for boys while the B.S.S. is running a Balwadi and a craft centre for girls. Villages in Quaimo Block are facing a different problem, namely floods. There are no regular roads or paths and one has to cross water-logged paddy fields to reach all these villages from the main road. Another centre visited by us is situated in village Mauttahawa. This is also situated in Quimo Block. As in other centres, a Balwadi for girls which was started on 1st June, 1961 is being run by the Kshetra.

(3) **Maugham L. K. K.** tehsil Baramula, Kashmir. The Headquarters of the L. K. K. is at Maugham but the main centre of activity is village Badran in Patan Block. Our Mukh-Sahyogi's old worker Sardar Sadhu Singh and the Sahyogi is Shri M. Abdul Rahaman, both of whom are trained workers. In addition there are 4 part-time workers. The village, which has a population of about 1,300 is not easily accessible. One has to cross nullas and rivulets by means of improvised bridges made of logs of wood. It was found that some scheme of providing a regular bridge connecting the main road is under consideration of the B.D.O. I was, however, surprised to learn that the estimated cost of the work is Rs. 54,000. Here is an instance where our Sahyogis, if they are trained and able to take up small development works, can assist the B.D.O. and the village people. The village has a primary school each for boys and girls. A very well attended mixed meeting was held from 7-30 p.m. to 10 p.m. at which apart from cultural programme some serious thinking was done and views exchanged with particular reference to the complaints and requirements of the village people. The women folk, who had collected a large number, demanded a craft centre and employment opportunities for women.

4 **Bianah L. K. K.** in Jammu Tehsil, visited on 3-7-1962. Previously the L.K.K. was run at March which was lately shifted to Bianah. It was however noted that the Headquarter of the L.K.K.

which is Bisnah, is a small town area and therefore urban. It was therefore suggested by me to the Pradesh and District Convener, who had accompanied me to the L.K. area, to shift the Headquarter from Bisnah to some village in the Kshetra. The first meeting of the Kshetra Committee and the village people was held at the time when we visited the area. It was pleaded that on account of Assembly and Panchayat elections it was not possible for the Kshetra to work regularly. Not much of activities was noticeable and, as in other places, people who had come from the Kshetra village had their own complaints against the B.D.O. and other officials.

The first quarter of 1962-63 has expired and there has been a general complaint on the part of Sahyogis and other workers that they have not received any grant for the quarter. In some cases final payments in respect of the last quarter of 1961-62 had also remained unpaid. I was told this has been a regular feature in Jammu and Kashmir State.

General remarks. Jammu & Kashmir as in other Pradeshes it was found that the main activities in the L.K.Ks. are the running of Balwadis and Women's centre and observing cultural programmes etc. All these activities are much akin to those which are being conducted in the rural projects which have been sponsored by the Central Social Welfare Board and the State Social Advisory Board. About 3½ years ago when the Planning Commission of the Government of India had communicated to us their acceptance in principle of the Public Cooperation Scheme submitted by us, it was envisaged that the people's programme in the rural areas was to be worked by us in close collaboration with the B.D.Os and their workers. We had undertaken to create a moral climate in the Kshetra area which would be utilised in the village people cooperating and participating in all the schemes and projects which were to be taken up by the development authorities. With that aim in view we had laid down certain procedure for the selection of Kshetra sites, the appointment and training of Sahyogis and for deciding the programmes to be undertaken in the Kshetras. Lately the Planning Commission had given us some indication that at least one Chief worker in the L.K.K. should have some qualifications akin to that of an overseer and that he should be able to take up small development works independently of the Block officials. Of course he has to work in close collaboration with the Block overseers. The main object of Kshetra therefore was to assist the Government agency in the organisation of programmes mainly based on the utilisation of voluntary labour and local resources. It was also expected that the Lok

Karya workers would undertake the execution of suitable tasks forming part of the accepted development programme, namely:—

- (a) Local works to be carried out with the help of Voluntary labour;
- (b) training of non officials in Panchayat and cooperative work;
- (c) to assist and guide the village people in making effective use of newly created assets, such as irrigation, and
- (d) organising rural and urban labour cooperatives for small and large projects and industries.

Viewed with this criteria, our Kshetras have been a dismal failure and it is for the high-powered Committee which has been set up for guiding all the activities of Lok Karya Kshetras to consider how best to achieve the real purpose and to bring about closer collaboration among Development Officers and Panchayats on the one side and BSS Sahyogis and other voluntary workers on the other.

Sd./- J. K. KHANNA

11-7-1962

Report of Shri Krishna Prasada, Secretary National Advisory Committee on Public Cooperation about his visit to Lok Karya Kshetra, Etah.

I spent the 28th and 29th March, 1963, at Etah. The District Convener is Shri Surya Parkash Kamal, B.A. a youngman of 32. He is also an information Officer for which an honorarium of Rs. 120 p.m. is paid to him. The office of the BSS is located in a room in his house but no rent therefore is paid.

Lok Karya Kshetra: The headquarter of L.K.K. is Shitalpur, by which name the Kshetra is known. The Sahyogi is Shri Hari Mohan Singh and the Upsahyogi is Shri Kali Charan Jayant, who is occupying this post temporarily. There used to be two Upsahyogis, but they have left the Kshetra to join Government service. In addition to Shri Jayant, 3 part-time workers 2 in receipt of Rs. 30 p.m. and 1 in receipt of Rs. 25 p.m. have been engaged. This arrangement according to Shri Kamal and others, who I have consulted, is working satisfactorily. Indeed, Shri Kamal's opinion is that a L.K.K. would be best managed if there were one Sahyogi, one upsahyogi and 3 part-time workers.

Accompanied by Shri B. M. Seth, and District Information Officer and B.D.O., Shri S. S. Seth, and District Information Officer, Shri R. K. Pathak, I went round 4 or 5 villages comprised

in the Kshetra. I shall not encumber this Tour Note with a list of activities undertaken in the Kshetra. I have had a brief summary of the activities prepared by Shri Kamal and a copy of it is attached to the office copy of this Tour Note.

Here, I shall merely say that this is by far the best L.K.K. I have visited. It is a great tribute to Shri Kamal that like the District Convenor of Etawah, he has, although he was originally an active Congress worker, succeeded in keeping politics aloof from the BSS. In Etah District, the BSS is not identified or associated with any political party. This gives us much satisfaction.

Another very commendable feature is that there is perfect co-ordination between the BSS and the District Block Development authorities. There has been no attempt on the part of BSS to take credit for the work done by the latter, or *vice versa*. Indeed, the District Planning Officer and the B.D.O. have admitted to me that they would not have had half the success which has been achieved in the villages included within the L.K.K. were it not for the initiative taken by the BSS and the mobilisation of the inhabitants of the villages.

7 out of the 10 villages have their own primary school buildings all constructed as a result of the initiative taken by the BSS

In 7 out of the 10 villages, night classes for adults have been started. There is paucity of trained teachers and educational kits. I have asked Shri Kamal to have this deficiency made good. The Central Office of BSS may write to the Literacy House, Lucknow. I would sign the letter which should be addressed to Dr. Koshy by name.

Small-pox has been rampant in Etah District. School children in the villages included within the Ksherta have been got vaccinated. In one village, the vaccine was not good enough since the vaccinations have not taken. The people should be got vaccinated once again. The adults should also have got themselves vaccinated.

Five villages out of ten, have had their lanes paved, with drains on both the sides. Another undesirable feature I noticed was that cow-dung and garbage had been dumped, instead of being buried in compost or manure pits.

The BSS has had several approach roads made. I saw two culverts which had been constructed over 'nullahs'. The earth has been washed away just below crown of the culverts and, unless the portion leading to the culverts is raised and paved with Kankar, there is danger of the culverts being damaged beyond repair. I have accordingly suggested that this matter be attended to.

Family Planning: Very little has been done in the way of family planning. I have asked Shri Kamal to let us have a report by the end of March, 1963, as to the number of men who have been sterilised as a result of BSS effort.

Information Centre: I visited Information Centre which is located in what used to be the Dak Bungalow. It is covered with too many posters. I have asked the District Information Officer to have the posters arranged in such a way as to make greater impression upon the people who visit.

There is a library but there are no shelves or almirah for keeping books. Shri Kamal is awaiting the receipt of Government grant for this purpose.

Two Discussion Meetings have been held to discuss certain connected with the plan. There should be Seminars or discussion groups organised at least once a month, if not oftener. The help of the District Planning Organisation and the District Information Officer should be enlisted.

I have been deeply impressed by the keenness and energy of Shri Surya Parkash Kamal. I wish there were more workers like him in the BSS. He mentioned to me that he would like to go abroad, if possible, to study how social service is performed in other countries. He should certainly be selected for a trip abroad if the BSS is asked for names. He would be a very worthy representative of BSS and of the country.

In the Kshetra, one service cooperative society has been started, but it has not been a success due to lack of cooperation among the members, each one trying to derive personal benefit without thoughtfulness for others.

Sd,-
(KRISHNA PRASAD)

3/4

ANNEXURE IX

Reports of the Officers of the Planning Commission regarding Slum Clearance Centres (Urban), Lok Karya Kshetras.

Note on the visit to Slum Improvement Centres run by Bharat Sevak Samaj on 19-6-1958.

1. As desired by JS(SS), the Director of Housing, Planning Commission and the A.I.O. (Public Cooperation Division) visited the four centres run by the B.S.S. Delhi Pradesh in connection with their scheme for slum improvement with grants from the Public Cooperation Funds. The inspection of the four centres lasted a little over three hours in the course of which an attempt was made not only to study the activities carried on at each one of the four centres, but also to assess in a general way the overall impact of the activities of these centres on the slum dwellers and their lives. On 20-6-1958, the Director of Housing and the A.I.O. had also a discussion with Shri Brij Krishen Chandiwala, Convener of the Delhi Pradesh Branch of the Bharat Sevak Samaj, so as to obtain certain clarification and elucidation with reference to some of the points noticed in the course of the personnel inspection the previous day. The report below is mainly based on the personal inspection of the four centres and the subsequent discussions with Shri Brij Krishan Chandiwala.

2. The Planning Commission approved on 10-8-1957 the scheme submitted by the Bharat Sevak Samaj, Delhi Pradesh, relating to a pilot project for enlisting and mobilising public cooperation for social and economic welfare work in the slum areas of Delhi. The Scheme was to be on an experimental basis and a grant-in-aid of Rs. 53,000 was to be given. The first instalment of Rs. 18,500 (Rs. 11,500) recurring and Rs. 7,000 non recurring was released and the release of the second instalment of Rs. 11,500 was under orders at the time of our visit.

3. Under the scheme, the B.S.S. was to start four centres one each at (1) Pharganj, (2) Manakpura-Kishanganj, (3) Subzimandi, and (4) Turkman Gate.

4. The functions of the Centres were to specifically include--

- (i) catering for urgent and pressing social and economic needs of the slum dwellers particularly in matters of public health sanitation, education, literacy, recreation and cultural re-generation, vocational and craft training;
- (ii) dissemination of information and educating the people about the Second Five Year Plan and about programmes of Urban development;
- (iii) promotion of local leadership and organisation for active participation in planning processes.

5. The activities in the proposed centres were to be for the benefit of all people residing in the locality, irrespective of whether they were slum dwellers or not and should aim at promoting the interest of the slum dwellers by organising educational and cultural programmes in individual slum *katras* and *bastis*. Although these were to be organised and conducted through voluntary effort, it was agreed that some paid staff and equipment were essential to supplement the efforts of the volunteers.

6. At outset, it may be pointed out that until very recently, the I.S.S. were actually running only two centres, the one at Manekpura and the other at Subzimandi. The two others at Paharganj and Turkman Gate were only a few days old when we paid our visit. Therefore, our views have in the main to be formulated only on a study of the Manekpura and Subzimandi Centres both of which had been functioning from November 1957 onwards. The other two centres are only in initial stages and it will be sometime before their working could be assessed.

Manekpura Centre.

7. The Manekpura Centre is housed in a spacious hall, originally meant to be a godown and from the accounts we received it has activities of one type or the other for nearly 14 hours in a day. Reading room, children education, dispensary, women's vocational and craft classes, and adult education class for men and organisation of recreational and cultural programmes are the main types of activities provided in this centre. Besides these, the centre is also reported to be organising periodical competitions in health and sanitation drive among the slum dwellers and prizes are distributed to the outstanding. There is also a regular system of contacting all the families living around the centre so as to have a first hand information about their economic and social conditions. The target of contacting 1,000 families set before those in charge of this centre has now been reached and among the several invisible yet valuable results of this experimental scheme should be listed the useful contact which has been established between voluntary workers and the slum dwellers. The centre is also running a number of milk centres at which milk donated by 'CARE' is being distributed to the children. One noteworthy feature in the organisation of these milk centres is the fact that the entire responsibility for organising and distribution is undertaken by the slum dwellers themselves with only just a single voluntary worker of the Bharat Sewak Samaj to supervise the arrangement.

8. The centre is managed by (i) five paid workers, and (ii) four unpaid voluntary workers provided by the B.S.S. They have been able to enlist the active help of 25 workers from among slum dwellers themselves.

Subzimandi Centre

9. The Subzimandi centre is also housed in a building which was originally meant to be a godown. Here also the centre is engaged in some activities throughout the day. The activities are more or less similar to those undertaken in the Manekpura Centre. But there are other fields of activity on which this centre has launched. One such is the part played by the workers (voluntary) of this centre in cooperating with the corporation sanitary authorities in picking out perished vegetables and fruits in the Mandi so that the sanitary authorities may take such action as necessary to prevent their being sold to the public. Subzimandi being the main supply centre for these perishable articles, the importance of activities of this type undertaken with the active cooperation of the people of the locality cannot be exaggerated. One or two of the volunteers are also guiding passengers at the bus stops by helping them to form 'Q' and guiding children across a road crossing, thus making the people 'traffic conscious'. This is also a line of activity whose utility cannot be under-rated. The work of contacting slum families is also going a pace in this centre.

10. This centre has given paid workers who are being assisted by six B.S.S. workers and thirty workers drawn from among the slum dwellers.

Paharganj Centre

11. Of the two other, the one at Paharganj may be taken up first. This centre which is housed on an improvised construction on a plot of land belonging to the Improvement Trust, has been functioning for a little over a month now. While it has not developed its range of activities on the full scale, some of the important activities like children's school, reading, recreation centre, adult literacy class, etc. have been started. From the number of children who were attending the classes when we visited the centre, it can be safely stated that response from the people of the locality is encouraging.

12. The functioning of this centre has, however, run into rough weather following the desire expressed by a section of the slum dwellers that the structure which has been put up by their labour

should be available as a "Dharama Sala" for use during marriages and other functions. The B.S.S. authorities are unwilling to agree to this request, because, in their opinion, such an arrangement would seriously interfere with the proper functioning of the centre.

Conclusions.

13. This development in the Paharganj centre spotlights the importance of finding a suitable accommodation for the centre which must be reckoned as a pre-requisite for ensuring the success of the pilot scheme. This is further underlined by the difficulty initially experienced by the B.S.S. in getting suitable accommodation for two out of the four centres which they had to start when the pilot scheme was sanctioned in August last year. It, therefore, appears that, if the question of proper housing of the slum welfare centre is not tackled satisfactorily beforehand, the success of a venture like this may be in serious jeopardy.

14. It may be pointed out in this connection, that in the financial estimates of the scheme, as approved, there is a provision towards the rent to be paid for the building where the centres are to be housed. In spite of this, the B.S.S. was unable to get a suitable accommodation to locate the centre, the difficulties in this regard can easily be imagined.

15. The aim of the B.S.S. in their slum improvement work being mainly to experiment the "public relations approach" to this problem, the experimental nature of this approach will have to be taken into account in any assessment of the work. The scheme envisages the using of the services provided at these centres to create an awareness among the people living in slums. Once their awareness has been aroused, it was expected that their cooperation and participation could be harnessed not only in activities designed to improve their life, sponsored through non-official effort, but also to the scheme of slum improvement initiated under official auspices.

16. The efforts of the B.S.S. to create this awakening among the slum dwellers through the centres can be said to have made a favourable impact, in the sense there is a distinct desire discernible among a sizeable section of the slum dwellers to have improved living conditions. By its very nature, it is difficult to subject this attitude of cooperation aroused among slum dwellers to any kind of quantitative assessment. But the fact that in the Manekpura and Subzimandi centres (which have been functioning for over six months now) over 25 active voluntary workers from among the inhabitants of the surrounding slums have come forward actively

in sharing the responsibility for running the centres, clearly established that the line of approach attempted in these centres is bearing the expected results.

17. Another evidence can be had from the enthusiastic way in which the bulk of the slum dwellers are reported to be participating in the sanitation drive and other community programme, initiated by the Centres. A comparative study of the slums around the Manekpura and Subzimandi centres with those near about the other two centres (which started functioning only very recently) showed that among the slum dwellers of the former areas, there is a greater awareness to keep their surrounding clearer than in the later. Our talks with individual slum dwellers also confirmed this view to some extent. They candidly admit that they can contribute greatly towards keeping their surroundings cleaner. We went into one of the portions occupied by a slum dweller in a *katra* near Subzimandi and there was clear evidence of the desire of the occupant to improve the sanitary conditions of his habitat. The provision of a few latrines and drains made possible as a result of the slum improvement drive sponsored by the B.S.S. has slightly improved the sanitation. The periodical public health and sanitation drives help to impart continuity to this process. Sustained effort on this line is bound to result not only invisible improvement in the living conditions in the slumps, but would also ensure a respective attitude on the part of the slum dwellers towards whatever official schemes that are undertaken for slum improvement.

18. Since the attempt to secure public cooperation of the slum dwellers has been made through the provision of some essential services which the slum population sadly lacked, the success of the scheme so far can be attributed to these services in a large measure. But the provision of these services cannot for long be undertaken solely by a voluntary agency like the B.S.S. There are limits to purely voluntary effort, whatever assistance they may receive by way of grant-in-aid from the Government. They can only show the way, set an example and prepare the ground. They can condition the public mind in such a way that schemes of slum improvement and even slum clearance can be carried through with the consent and the responsive cooperation of the slum dwellers themselves. At no time, can these efforts become a substitute for action by local bodies nor can these efforts render the authority of the local bodies superfluous.

19. Viewed from this standpoint, there is a case for the Delhi Corporation to take full advantage of the favourable work done by these centres among slum dwellers, however small it be. One of

the way this can be accomplished is for the Corporation to take over progressively at least some of the essential fields where the work of a voluntary agency may prove peculiarly suitable and useful. Organisation of children's play grounds and parks, youth activities and more intensified sanitation drives, health propaganda and other cultural and community activities will be the types of work that can thus receive more attention. Even now, this is being done, but if the B.S.S. is relieved of the other activities the attention they will be able to devote to these types of activities will naturally be more sustained and effective.

20. It may also be suggested that attempts will have to be made by the B.S.S. to direct the enthusiasm they had created among the slum dwellers into constructive channels. Organisation of mutual aid cooperative societies suggests itself as the most suitable shape in which this can be attempted. We were informed that in the Subzimandi centre arrangements are almost complete for organising a cooperative society for women who are learning crafts at the Centre. Similar action is proposed in the Manekpura centre also. Once bodies like this take shape and begin functioning, fruitful and concrete results are bound to flow from the promotional and educational activity undertaken at these Centres.

21. We have not made any comments about the working of the Fourth centre at Turkman Gate because when we visited it, it had hardly commenced functioning. But the fact the B.S.S. has succeeded in securing by far the best location for the centre, augers well for satisfactory functioning of this Centre.

Inspection Report of Slum Welfare Centres, Madras by Shri Krishna Prasada, Secretary, National Advisory Committee on Public Corporation.

Slum Service

Dr. Rishi took me to Namasivayapuram Slum Improvement Scheme, which caters for 316 families. They are altogether 4 areas in Madras State for which slum service schemes have been approved by the Planning Commission. A grant of Rs. 6,500/- per year is sanctioned for each scheme. Two of these are in Madras City, and I have visited both. The remaining two are in Trichnapalli and Coimbatore. A Central Organiser is shortly going to be appointed. There were disastrous floods in Madras City in November, and the damage done to roads, the poorer habitations and sanitation has been colossal. Our slum service scheme receive a setback, because all the energy was concentrated on rendering relief work.

It gives me much pleasure to record that the B.S.S. rendered yeoman's service during and after the floods. That service has been appreciated by the Town Improvement Trust, Government and the Press. Dr. Rishi and his team of workers deserve the gratitude of the BSS.

Mrs. Ahmed, M.A., M.Ed., who holds a diploma in social service and basic education, and has written a number of books, is the Community Organiser in the Namasivayapuram area. The Field workers are Miss Girja and Shri Vishwanadhan. These appointments were made on 1st October, 1960, and an unfortunate situation was created on account of these three organisers having been engaged on the salary provided for in the proposals drafted by Shri M. Bapineedu. He had proposed Rs. 200 for the Community Organiser and Rs. 100 for the field workers. I have told Dr. Rishi that the Planning Commission will not accept accounts which show appointment on a higher remuneration to the workers than provided for in the approved scheme. The situation will require to be dealt with by the Pradesh Board, the District BSS Committee or the Slum Service Committee.

The Community Hall, which has been placed at the disposal of the slums in Namasivayapuram, is too tiny for the purpose. The improvement Trust should be approached for an extension to the shed to accommodate a *Balwari* for children.

I was much impressed by the team of workers who have been collected round them by our Organiser and Field Workers.

In the other slum in Meenambal Shivaraj Nagar, only a start has been made. Apart from the relief rendered during the floods, no social work worth mentioning has been done. Like the Urban Pilot Welfare Project, I am not satisfied with what has been done in Meenambal Suraj Nagar. Indeed, I am not sure if the choice of the latter locality and of the worker, was a wise one.

The B.S.S. Centre at Saidapet

This Centre is situated at the outskirts of the city and in a slum area. Remarkably good work has been done by two or three people, including an ex-MLA. I saw a crowd of about 600 people gathered on the terrace of a building which has been rented by the BSS Branch. Nursery and primary classes for about 400 children are being conducted, and a library has been opened. The enthusiasm and joy that I noticed on the face of men, women, and children is indescribable. Two songs in Tamil on the theme of the 15 point appeal made by the Prime Minister and on the Five Year Plans of the country have been composed by the local people. This song-

dance performance is going to be repeated in the programme which is being organised during the Plan Publicity Week. I am sure it will thrill the audience.

Everything has been achieved by the local people without any help from the Government of India, the Government of Madras or the B.S.S. The expenditure is met out of petty donations collected from poor labourers. The spirit shown by them is most commendable. I should like that the Central Office and the Pradesh Branch of the BSS should give whatever help is possible to the Saidapet Unit. We should send some books in Tamil and English. The Pradesh and District Conveners of the BSS may be able to get books from local sources for this Centre. The Jan Jagran Section may please attend to this and let me know.

Night Shelter

The District Branch has not been able to start a Night Shelter, the difficulty being that no suitable site has been located so far. I am disappointed. It is undoubtedly difficult to secure a suitable site, but it should not be impossible. The Corporation authorities must be fully cognisant of the pavement dwellers. Shri Bapineedu with all his influence and knowledge of Madras, should be able to succeed; I would suggest that he and the Commissioner of the Madras Corporation put their heads together.

The type of building that will suit Madras should have plenty of ventilation, and I suggest that it should not have walls, but only an asbestos roof supported on pillars. The floor must be pucca and provided with matting.

For the 4 Slum Projects for which grants have been sanctioned by the Planning Commission, a Central Committee has been formed with Dr. U. Krishna Rao as Chairman and Dr. Rishi as Secretary. A Chief Organiser is going to be appointed. The Committee will coordinate the work in all the 4 Slum Projects.

Madras Pradesh will have two organisers: one for camps, namely Shri Gurjale, and the other for Slums. According to the decision of the Bhilwara Convention, the Organisers must look after all the activities of the Samaj, and not only those activities which are financed out of the funds granted by the Government from which they draw their allowances. Shri Gurjale has been good enough to devote attention to activities other than camps, but this he has done only unofficially. Responsibility for all welfare activities should now be placed upon Shri Gurjale and the Chief Organiser of Slum Service, who is going to be engaged, in official manner. I trust that Secretary, Youth and Work Camp Group will have no objection in regard to Shri Gurjale.

*Inspection Report on Urban Lok Karya Kshetras, Gujarat State, by
Shri Krishna Prasada*

I spent the 22nd and 23rd October, 1963, at Ahmedabad.

I met Shri Babubhai Patel, Chairman, Shri Panalal Jhaveri, Secretary, and Shri Jumna Das Desai, Pradesh Organiser of the Gujarat Pradesh Branch of the BSS, and had discussions with them. The last named accompanied me to all the centres of activity.

I am going to be brief and shall deal only with the salient points, so that whatever action is to be taken, it should be expedited.

The Gujarat Pradesh office is one of the best State branch offices of the BSS. The building is quite suitable and, being in a central locality, is easily accessible to the workers. I was glad to see that the files and papers were all properly arranged, and I wish to congratulate the Pradesh office on this. There were nearly 15 people at work.

There are 2 Urban Lok Karya Kshetras and one urban welfare extension project in Ahmedabad. There are 11 craft centres giving training to 250 girls in tailoring, stitching, embroidery, weaving with plastic ribbons, etc.

I visited the 2 urban Lok Karya Kshetras, the Urban Welfare Extension project and 3 craft centres, and was delighted to see that good work had been and continues to be done. Ahmedabad has a long tradition of social service, and there is a considerable body of dedicated workers. I hope that the achievement of the BSS in future will be even more impressive. The question of broad-basing the organisation, so as to take more people within its fold and to secure the collaboration of other voluntary organisations to a greater extent, may be explored. Unless the organisation spreads its net wide enough, there is always the danger of stagnation.

Our whole-time workers have achieved a measure of success in the slums in which they have been operating. The slums are wearing a different look, and life is easier for the dwellers. Still much remains to be done. The Gujarat Pradesh BSS, happily, has very good relations with the Corporation. If the collaboration of the 2 bodies is close enough, better results can be achieved.

Apart from the Balwadis and general cleanliness, I am thinking in particular about family planning. Only 3 persons have had undergone sterilisation operation. This number is too small indeed. When the BSS has a number of whole-time workers—and they have gained the confidence of the slum dwellers—it should not be difficult to create a substantial opinion in favour of family planning, with the cooperation of the Corporation and health authorities family

planning clinics might be opened in the areas where our people operate. The clinics would obtain better results there than elsewhere, where whole-time workers are not available. This is a point which the Chairman of the BSS Pradesh Branch may please take up with the Corporation and health authorities. I should be glad to know the results of his efforts. I hope he can give us some good news by the end of the year. I shall expect to hear from him.

The Lion's Club have donated Rs. 10,000 for a sports centre building, which is in course of construction. I wish that the grounds where children play, were more even and not so rough—stones etc. which litter the place should be removed.

Gujarati women use hammocks for resting their children. The slings could not be good for the spine. The question of introducing a hammock with a wooden flat bottom with protected sides, might be explored.

I was much impressed by the working centres. I visited two of them which are attached to the mills.

The Vahan Yahak Cooperative Society for motor vehicle drivers is making good progress. During the last 2 years, it has secured a membership of 350 men and raised a share capital of Rs. 2.25 lakhs. It should renew its efforts to secure a quota of motor vehicles from the Government. There have been no bad debts so far.

Ahmedabad continues to be without a Night Shelter for pavement dwellers. The Chairman of the Samaj had asked Shri Kantawala, when he was Commissioner of the Corporation, to have a Shelter constructed immediately, and the latter had plans and estimates prepared within a few days. The work could not start, since the people of the locality objected and the Corporation directed that the proposal be given up. The BSS has suggested 5 alternative sites. The one in Shahpur Khanpur, opposite Preyas High School, area 713 sq. yards, is the best, and Shri Kantawala, who has now taken over as Chief Engineer, Gujarat Government, agrees that it is very suitable. I saw him, and he assured me that he would ask the Collector to have it released for the purpose. I have also met Shri M. D. Rajpal, Municipal Commissioner, who has promised to help. The matter should be finalised very soon. I hope that the State BSS will have some good news to give by the end of November, 1963.

Sd/- KRISHNA PRASADA

7-11-63.

Inspection Report on Urban Lok Karya Kshetras, Kerala, by Shri Krishna Prasada, Secretary, NAC PC

I spent the 25th and 26th at Travandrum, and was glad to have an opportunity of discussing the affairs of the BSS with the State Chair-

man, Shri K. R. Elankath, the Organising Secretary, Shri M. M. Jacob, and about 20 other members.

I visited 3 urban Lok Karya Kshetras and a welfare extension project in Manacat, which is in a ward of Tribandrum city.

The welfare extension project in Trivandrum is one of the best run projects of its kind in India; indeed it is a sort of show-piece. H.H. the Maharaja was generous enough to donate a building and a plot of land. The BSS has certainly made a very good job of that gift.

The last meeting of the National Advisory Committee on Public Cooperation held 2 years ago, was of opinion that a cine-film of the projects taken up or executed by public cooperation, should be made in order that the people should realise how much can be accomplished as a result of cooperation by them. The decision was communicated to the Ministry of I. & B., and I noted a few months back that we should again press that Ministry to do something in that line. The proposal may be revived. Our welfare extension project in Trivandrum must be among those selected for filming.

The State Branch has done quite well in improving the living conditions in the slums. I wish that something more substantial were done in the slum centre at Vallakadavu. It is a Muslim locality of fishermen and other poor people. A Mahila Samaj has been organised, and women meet and discuss their problems. This is not good enough. The whole programme will collapse unless the members of the Mahila Samaj have something practical to do. I should like industries like poultry, rope-making, basket-making, and making of fishing nets, to be started. The Inspector of Industries may be consulted.

The Changanalchula slum Centre is right behind the Secretariat and the Teachers' Training College. The slum has grown on the playground of the University of Kerala. There are no lights, water connections or sanitary conveniences. The Corporation refuses to provide them, since the dwellers are squatters.

The Changanalchula slum has been in existence for a number of years, and the question should be boldly tackled and the solution found. The Improvement Trust or Corporation is willing to have tenements constructed. A portion of the land may be set apart for the construction of tenements, and those people who agree to have their huts demolished, may be promised accommodation in the new tenements. Some such solution should be found. It needs concentrated effort.

Sd/- KRISHNA PRASADA

8-11-63

Inspection Report of Urban Lok Karya Kshetras, Maharashtra by Shri Krishna Prasada, Secretary, National Advisory Committee on Public Cooperation

In my 3-day visit to Bombay on the 6th, 7th, and 8th January, 1965, I had long discussions with Shri T. S. Bharde, Chairman of the State Lok Karya Committee and of the Maharashtra State Branch of the Bharat Sevak Samaj. Shri Mandelekar, Deputy Secretary, Rural Development, his two Under Secretaries, Major Ramchandra, General Secretary of the BSS, and some of the local workers of the Samaj were present at the discussions relating to the Plan projects.

Major Ramchandra and I were taken to 3 urban Lok Karya Kshetras. I am dealing with them briefly below:—

1. *Pantnagar Maharashtra Housing Boat Colony at Ghatkoper.*— This is for people whose income is Rs. 300 or above.

The population of the colony is 25,000 and the affairs of the colony are administered by a local committee which placed a building, consisting of 3 office rooms, 1 store room, at the disposal of the BSS 2 years ago, the rent being Rs. 90 p.m.

The building houses a kindergarten class, which works in 2 shifts. The total number of children attending the classes is 60, and the fee paid is Rs. 5 p.m. Milk and biscuits are supplied to children free of charge.

There is a dispensary attended by between 80 to 100 patients every day. Patients pay 25 paise for medicine. The gross income is Rs. 1,400 per mensem, and the expenditure about Rs. 100. So the BSS authorities are able to save some money.

There is a proposal afoot to open a family planning clinic, and I should very much like that to be done. A trained mid-wife who can attend to maternity cases, may be engaged. A storey will need to be constructed on the building.

I wonder if Government have taken a decision recommending that Housing Boats should provide such facilities everywhere. If not, the Planning Commission may do so now.

For treatment of patients, the BSS used to run a mobile van. It has since been discontinued, because it is said the institution whose property it was, has withdrawn it. I have asked Dr. Gandhi to find out as to why the service was discontinued, and what could be done to provide a mobile dispensary, how many slums and patients it can serve etc. The financial implications will also be worked out.

2. *Ambaiwadi*.—The slum population is 10,000. The half of the colony which is covered, looked much cleaner and tidier than the other half. There is a Balwadi with 56 children studying in 2 shifts, but the room is very small. Something should be done to secure enlarged accommodation. Boys are trained in 'laizum' drill.

A Mahila Mandir has also been started. A number of women are trained in stitching, tailoring, embroidery, etc.

3. *Kala Chowki*.—There is one Balwadi and a craft training centre, working in double shift. The participation of the people has been enlisted, but more can be done in this direction. My experience is that an activity grows to the extent to which the public take initiative and participate in it.

My second general observation is that family planning should be taken up in right earnest by our workers. In Ambaiwadi, for instance, only 25 people have taken advantage of contraceptives. No vasectomy has been performed. This matter deserves serious attention.

Sd - KRISHNA PRASADA

19-1-65

*Inspection Report of Urban Lok Karya Kshetra, Paharganj, Delhi by
Shri P. N. Blucher, Research Officer*

The Bharat Sevak Samaj is running 4 Kshetras (Urban) in Delhi. I visited the Paharganj Lok Karya Kshetra on 13th January, 1965. The Kshetra covers 11 Busties comprising about 34 Katras with building where the various activities are being organised. I made a round of the Centre and when I visited, the Balwadi classes were going on and the Dispensary was also open. I also visited 2 Katras. While I checked the register maintained at the Kshetra office, I met some of the Voluntary workers who pay frequent visits to the Kshetra and also some Members of the Mahila Mandals and Slum Panchayats during my round of the Katras.

2 The various activities like Balwadis, craft classes for women, Adult Education classes, dispensaries, etc. are being well organised in this Kshetra and the people of the area are very enthusiastic about the same. The Delhi School of Social Work is fully collaborating with the Samaj and their 2 students visit the Kshetra almost daily for 2 hours for their practical field work. The students of the School

of Social Work are mainly concentrating on group work among the children from 7 to 14. The number of voluntary and honorary workers helping the Samaj is also encouraging.

3. The important points in respect of the various activities in the Kshetra which impressed me have been summarised below:

- (i) *Balwadi Classes.*—The Kshetra workers have succeeded in building community consciousness among the slum dwellers who are now very enthusiastic in sending their children to school. The main achievement this year is the opening of First Standard in the Kshetra and the Delhi Corporation has agreed to recognise the same. The Samaj has a proposal to run classes upto 5th Standard in due course which is encouraging.

The fee charged for 1st Standard is Rs. 5 which appears to me on the high side. Though this has been fixed on the recommendation of the Lok Karya Samiti of the Kshetra on which the Slum Panchayats are also represented, I would suggest that the Samaj should watch the attendance in this class for some time and if the number of students does not increase they may consider the question of lowering the fees. The number of students at present is only 13.

- (ii) *Craft Classes for Women.*—The craft classes for women are very popular. There are at present 10 sewing machines. Craft classes are taken in 2 shifts and the average attendance in each shift is between 20 and 40.

The important point which I will like to emphasise is that at present the very small number, say about 5, appear for certificate examination held by the Samaj. I agree with the views of the Kshetra workers that the number of women taking up the certificate examination can increase considerably if it is recognised by the Delhi Corporation. The same view was expressed by the Delhi Gate Kshetra workers which I visited about 2 months back. I would suggest that this matter should be pursued by the Samaj with the Corporation at a higher level as this will not only increase the enthusiasm among the women but also step up employment potential and thus help in raising the economic standard of the slum dwellers.

(iii) *Consumer Cooperative.*—It is encouraging to note that the BSS has opened a consumer cooperative in the building of the Kshetra, in sponsoring which the Kshetra workers played a prominent role. There are at present 500 members of this cooperative with a share capital of Rs. 5,870. In addition to the members the consumer cooperative is catering for an additional 1100 families for sugar etc.

(iv) *Proposal for Industrial Cooperative.*—The Lok Karya Samiti of the Kshetra in its last meeting has recommended the setting up of industrial cooperative in the area so that the middle-man could be avoided. This is a very good proposal as the area offers considerable scope for organising industrial cooperatives. Even where it is not possible to set up industrial cooperatives on formal lines efforts may be undertaken by the Kshetra workers to organise common purchases and sale. I would suggest that the proposal for setting up industrial cooperatives should be pursued vigorously.

(v) *Sadachar Samiti Work.*—The Kshetra also handles Sadachar Samiti work from 8 to 9 in the morning. The workers receive complaints from the people in the area and pass on the same to the Sadachar Samiti, Delhi Pradesh. They also make enquiries into the complaints of the area referred to them by the Delhi Sadachar Samiti.

4. While the Samaj is doing useful work as noted above there is scope for further improvement. The following are some of the suggestions in this regard which if approved may also be forwarded to the Samaj.

(a) *Programme for the Youth.*—At present there is no activity for the youth in the Kshetra. In my round of the Kshetras I found a number of young persons playing cards in groups on roadside. It is desirable to organise Youth Clubs for age group 15 to 35 and organise activities to canalise their energies because it is this section of the Society which is responsible for most of the mischiefs and troubles. This matter may be considered by the Samaj and whatever possible may be done in this regard.

(b) *Lok Karya Samiti.*—At present only the members of the Slum Panchayats are represented on this Samiti. It will

be desirable if some representatives of the Mahila Mandals are also represented on this Samiti. The Samaj should ensure that the Lok Karya Samiti is really representative of all the sections of the people in the area. The Samiti should meet more frequently at least once a month.

- (c) *Cooperation with the Municipal Corporation.*—The sanitary conditions in the area are very poor and these cannot be improved without cooperation and collaboration of the Corporation. A social worker of the Delhi Corporation is represented on the Lok Karya Samiti but he in my view is not the proper representative of the Corporation as he has no say with them. It is suggested that the Corporation may be approached and requested to nominate suitable officers on the Lok Karya Samitis in the various Kshetras, as well as the Delhi Slum Committee because the cooperation and participation of the Municipal Corporation in the Urban Community Development programme is a must for the successful implementation of the programme.
- (d) *Shifting of the Kshetra.*—The Kshetra has been looking after the same Katras since its very inception and the number of families covered almost remained the same. It may be considered whether it will be desirable as in the case of the rural Kshetras to shift the Urban Kshetras also to another set of Katras after a period of 3 or 4 years.

APPENDIX IX

(See para 3 of Report)

The Constitution of Bharat Sevak Samaj

(Amended upto 15th July, 1962)

1. **Name.** The organisation shall be called "BHARAT SEVAK SAMAJ".

2. **Headquarters.**—The Central Office of the Samaj shall be in Delhi or such other place as the Bharat Sevak Samiti (Central Board) may decide from time to time.

3. **Objects.**—The objects of the Samaj are —

- (i) To find and develop avenues of voluntary service for the citizens of India (a) to promote national sufficiency and build up the economic strength of the country, (b) to promote the social well-being of the community and to mitigate the privations and hardships of its less favoured sections.
- (ii) To draw out the available unused time, energy and other resources of the people and direct them into various fields of social and economic activity.
- (iii) To take all steps which are necessary for the fulfilment of the aforesaid objects.

4. The principles and functions of the Samaj are stated in the Schedules I and II attached.

5. **Membership.**—There shall be following classes of membership:—

- (i) **General Members.**—Any person who has attained the age of 18 years, signs the membership pledge and offers to devote at least two hours a week to voluntary work in furtherance of the activities of the Samaj and pays and annual membership fee of Re. 1.

- (ii) *Active Members*.—Any person, who having been enrolled as a General Member, devotes at least five hours a week to any specific item or items of the programme of the Samaj for a minimum period of six months is confirmed thereafter as an active member by the appropriate authority as prescribed under the rules.
- (iii) *Life Members*.—Any active member who after two years of active work in the Samaj offers to dedicate his life to the work of the Samaj and agrees to work whole time, may be admitted as a life member by the President of the Samaj on the recommendation of the Bharat Sevak Samiti (Central Board).
- (iv) *Associate Members*.—Any person who has attained the age of 18 years, signs the membership pledge and agrees to pay at least twelve rupees per annum as his contribution to the funds of the Samaj.
- (v) *Institutional Members*.—Institutions engaged in social welfare or constructive work which agree to associate themselves in the work of the Samaj.

6. Enrolment:—

- (a) Persons seeking membership shall sign the admission form and undertake to abide by the Constitution and rules of the Samaj.
- (b) Institutions seeking enrolment as members of the Samaj shall agree to collaborate with the Samaj on the basis of its Constitution.

7. *Helpers*.—Any person who pays a minimum subscription of Re. 1 per annum to the Samaj or who agrees to volunteer his services occasionally or for a special purpose may be enrolled as a Helper.

8. Disqualifications:—

- (i) No person or organisation shall be admitted as, or continue to remain, a member who engages or professes faith in violent or subversive activities or communal hatred or has connection with any organisation countenancing such activities.
- (ii) Any member who uses or attempts to use the platform or organisation of the Samaj for political advantage or personal gain shall be removed from the list of members.

- (iii) Any life Member whose work is prejudicial to the objects of the Samaj shall be liable to expulsion from the Samaj, as prescribed under the rules.

8A. **Bharat Sevaks** (Main body).—Bharat Sevaks will be such active members as are elected by the General Members as prescribed under the rules.

9. **Organisational set up at the Centre.**—The organisational set up of the Samaj at the Centre will consist of:—

- (i) Bharat Sevak Sangh;
- (ii) Bharat Sevak Sabha (General Council);
- (iii) Bharat Sevak Samiti (Central Board);
- (iv) Bharat Sevak Salahkar Samiti (Advisory Committee);
- (v) Kendriya Pradhan Mandal (Administrative Committee).

9-A. **Bharat Sevak Sangh.**—The Bharat Sevak Sangh will consist of such Bharat Sevaks as are elected by the main body of the Bharat Sevaks. The number and the period for which, to be elected and the method of election will be as prescribed under the rules. This body shall meet once a year to review the work of the Samaj.

10. (1) **Bharat Sevak Sabha** (General Council).—This body will lay down the policy of the Samaj. Its strength will be as prescribed under the rules. It will consist of:

- (i) Members not exceeding one-third of the total number of the members of the Sabha to be elected by the Bharat Sevak Sangh;
- (ii) Members not exceeding one-third of the total number of the members of the Sabha to be chosen by the Bharat Sevak Samiti from amongst members of the Bharat Sevak Sangh.
- (iii) Members not exceeding one-third of the total number of the members of the Sabha to be selected by the Chairman from outside the Bharat Sevak Sangh.
- (iv) The President, the Chairman, the Vice-Chairmen, the General Secretary and the Joint Secretaries of the Bharat Sevak Samaj and such other persons in charge of the activities in the Central Organisation as are approved by the Kendriya Pradhan Mandal (Administrative Committee) who will be *ex-officio* members.

(2) The members of the Sabha shall hold office for two years. The Sabha will meet at least once a year.

(3) The procedure of election and nomination, of members will be as prescribed under the rules.

11. **Bharat Sevak Samiti (Central Board).**—The Bharat Sevak Samiti will consist of the President, the Chairman, the Vice-Chairmen, the General Secretary and the Joint Secretaries and Chairman of each of the State branches and such other members as may be nominated by the President. The number of nominated members of the Samiti and the method of nomination, will be as prescribed under the rules. This body will be the executive body of the Samaj and will guide the organisation of the Samaj. It shall be deemed to be the governing body of the Samaj in terms of Section 16 of the Societies Registration Act of 1860. The members of the Samiti shall hold office for 2 years. The Samiti will meet at least twice a year.

11-A. **Quorum for the meetings of Bharat Sevak Samiti (Central Board), Bharat Sevak Sabha (General Council) and Bharat Sevak Sangh.**—One-fifth of the members of the Bharat Sevak Samiti (Central Board), Bharat Sevak Sabha (General Council) and Bharat Sevak Sangh, including *ex-officio* members, shall form a quorum at the meetings. Whenever there is no quorum the meeting shall be adjourned and no quorum shall be necessary for such adjourned meeting, except in the case of a special meeting of the Bharat Sevak Sabha (General Council) called for effecting any change in, or revising, the Constitution.

12. **Salahkar Samiti (Advisory Committee).**—The President may set up the Salahkar Samiti (Advisory Committee) in such manner as he may determine.

13-A. **Trustees:—**

(i) The immovable properties of the Samaj and proceeds therefrom shall vest in the Trustees and shall be held by them under the declaration of the Trust to be made by the Trustees appointed in the first instance, subject to the Trust's powers or provisions therein declared or contained of and concerning the same.

(ii) The Chairman and Vice-Chairmen of the Bharat Sevak Samaj shall be *ex-officio* Trustees of the said Trust.

- (iii) The Bharat Sevak Samiti (Central Board) of the Samaj shall be entitled to nominate the other Trustees. Of them two shall be those who may be replaced from time to time by the Samiti.
- (iv) The Trustees, for the time being, of the Samaj shall, in all legal proceedings relating to the immovable properties of the Samaj and proceeds therefrom, represent the Samaj and its members.

13. Kendriya Pradhan Mandal (Administrative Committee).— The Kendriya Pradhan Mandal will be set up by the President to deal with day-to-day work. It will consist of not more than 9 members, including the President, the Chairman, the Vice-Chairmen, the General Secretary and the Joint Secretaries, who will be *ex-officio* members. In addition 2 nominees of the Trustees (other than the Chairman and Vice-Chairmen of the Samaj) shall be the members of the Kendriya Pradhan Mandal. The term of office of the members of the Mandal will be one year. This body will have over-all administrative control of the Samaj.

13.-A. Power and duties of the Kendriya Pradhan Mandal (Administrative Committee):—

- (1) The Kendriya Pradhan Mandal (Administrative Committee) shall be responsible for execution of policies and programme of the Samaj and shall have all necessary powers for this purpose.
- (2) The Kendriya Pradhan Mandal (Administrative Committee) will administer the funds of the Samaj as well as any other funds placed at the disposal of the Samaj for specific objects. For this purpose, it shall appoint a Treasurer and an Adviser for Accounts.
- (3) Subject to the other provisions of this Constitution, the Kendriya Pradhan Mandal (Administrative Committee) in the case of moveable property including cash and the Trustees in the case of immovable property and proceeds therefrom, may—
 - (i) accept on behalf of the Samaj bequests, donations and transfers of property;
 - (ii) enter into, vary, carry out, confirm or cancel contracts on behalf of the Samaj;
 - (iii) invest any money in their charge belonging to the Samaj;

- (iv) borrow, raise loans or secure payment of any money for the purpose of the Samaj;
- (v) transfer by sale, mortgage or otherwise the property of the Samaj in their charge subject, in the case of the Kendriya Pradhan Mandal (Administrative Committee), to the approval of the Bharat Sevak Samiti (Central Board);
- (vi) authorise any office bearer to execute deeds and instruments on behalf of the Samaj;
- (vii) exercise such other powers and perform such other duties as may be necessary, consequential or incidental to the carrying out of the objects of the Samaj.

13-B. Powers and duties of the Trustees.—The Trustees shall have such powers and perform such duties as may be contained in the declaration of the Trust.

Chairman.—The Chairman of the Samaj will be chosen by the Bharat Sevak Samiti (Central Board) and will hold office for a period of 3 years. He will be the head of the organisation.

15. Office bearers.

Chairman.—The Chairman of the Samaj will be chosen by the Bharat Sevak Samiti (Central Board) and will be the Chairman of all the aforesaid bodies at the central level. He will hold office for 3 years. He will appoint other office bearers including the Vice-Chairmen, the General Secretary and the Joint Secretaries.

15-A. Property of the Samaj and contracts, etc. in relation thereto:

- (1) All property of the Samaj shall belong to the Samaj.
- (2) The moveable property of the Samaj including stocks, funds, shares and other securities and all other moveable property, otherwise vested in or transferred to the Samaj as trustee or in any other capacity, shall be held in the name of the Samaj and shall remain under the control, supervision and management of the Chairman for the time being.
- (3) All arrangements, deeds, conveyances, contracts, transfer, or other instruments relating to the sale, transfer or other transactions or dealings entered into by the Samaj or to which the Samaj is a party, relating to the moveable property, belonging to the Samaj or held by the Samaj as trustee or in any other capacity, shall be made,

signed, sealed, delivered or executed by such office bearers as the Kendriya Pradhan Mandal (Administrative Committee) may from time to time appoint. For the purpose of this Article any authority given by the Chairman under his signature authorising any office bearer to enter into, make, sign, deliver or execute any deed or instrument, contract or transfer and recording the fact that such authority is given with the approval of the Kendriya Pradhan Mandal (Administrative Committee) shall be deemed sufficient and valid authority of such office bearer to exercise the several rights, powers and authorities thereby given to him. For all payments received by or made to the Samaj, the receipt of the Secretary or such office bearer as the Kendriya Pradhan Mandal (Administrative Committee) may from time to time appoint, shall be a valid and complete discharge to the party making such payments.

- (4) The Samaj shall be at liberty to invest the surplus funds in the securities authorised by the Indian Trusts Act or in the purchase of such landed properties as the Kendriya Pradhan Mandal (Administrative Committee) may from time to time determine.
- (5) Subject to the conditions in respect of properties (if any) entrusted to the Samaj and earmarked for specific objects, if and whenever found expedient or necessary, the Kendriya Pradhan Mandal (Administrative Committee) shall be at liberty to deal with the moveable properties belonging to the Samaj by sale, lease or pledge thereof or otherwise. All deeds, documents, contracts or transfers in respect of the properties so sold, leased, pledged or otherwise dealt with, shall be executed as provided in clause (3) hereof.

15-B. Suits by or against the Samaj.—The General Secretary of the Bharat Sevak Samaj will be the authority to sue or be sued in the name of the Samaj under Section 6 of the Societies Registration Act, 1860.

16. Organisational set up of the branches:—

- (i) State and District set up will consist of the following:—
Chairman, Vice-Chairman, Secretary and Joint Secretaries.
- (ii) The Chairman of the State Branch will be appointed by the Chairman of the Samaj and will be the executive head of the organisation in the State. Other Office bearers will be appointed by the Chairman of the State branch.

- (iii) The Chairman of the District branch will be appointed by the Chairman of the State branch and will be the executive head of the organisation in the District. Other office bearers will be appointed by the Chairman of the District branch.
- (iv) The Chairman of the State and District branches will be assisted by committees corresponding to the models of the Committees at the Centre as prescribed under the rules.
- (v) The organisational set up of the branches other than the State and District branches will be, as prescribed under the rules.
- (vi) The term of the office bearers referred to in this Article will be one year and that of the Committees as prescribed under the rules but the office bearers and the committees will continue until new appointments are made. For this purpose the year will commence on the 1st April each year.

17. Funds.—Fifty per cent of the collections made direct by the Central Office, after defraying the expenses at the Centre, will be retained by it and the balance would be remitted to the branches of the States from which collections have been made prorata according to the amounts collected from each. State Branches which make direct collections or receive contributions from the lower branches will retain 95 per cent of the collections, the balance of 5 per cent being remitted to the Central Organisation. In the case of annual contribution made by the Associate Members, 1/6th thereof will be the share of the Central Organisation. The general membership fee will be shared by the Centre and the State, District and Block branches as prescribed under the rules.

18. Audit.—The Central Office and the Branches of the Samaj shall issue audited statements of accounts and a consolidated report of their work at the end of each year.

19. Rules.—The Kendriya Pradhan Mandal (Administrative Committee) may frame rules for effectively carrying out the objects of the Samaj, and in particular for life members.

20. Changes in the Constitution.—A change in the Constitution shall not be valid unless it is adopted by two-thirds majority of the members present and voting at the meeting of the Bharat Sevak Sabha (General Council) specially called for the purpose

SCHEDULE I

Principles.—The organisation and the activities of the Samaj shall conform to the following principles:

- (i) A common platform for the service of the nation will be provided, irrespective of caste, creed or political belief or affiliation.
- (ii) Any use of the organisation or its activities for political or communal purposes will be strictly forbidden.
- (iii) The principle of decentralisation will be applied to the utmost extent, the basic unit for the purpose of administration being a village or a compact locality in a town. Care will be taken to secure full play for the initiative and enthusiasm of the people in each local area. Control and direction of the work of the branches will be exercised only for the purpose of co-ordination efficiency and economy.
- (iv) Every endeavour will be made to secure the fullest co-ordination and collaboration between the Samaj and the official or non-official agencies working in the same field.
- (v) Funds required for the activities in any particular area will be collected in that area, as far as possible.
- (vi) The principle of self-help and co-operation will be applied and developed as fully as possible in the activities organised by the Samaj Community Centres will be established wherever possible and organisations of producers as well as consumers will be encouraged to give expression to this principle in every aspect of group life.

SCHEDULE II

Functions:—

1. The Samaj will render assistance:—

- (a) In restoring and improving the social health of the community by:
 - (i) building up standards of honesty in public conduct, public administration and business relations;
 - (ii) creating a social atmosphere conducive to the observance of such standard;

- (iii) **organising public opinion and social action to combat anti-social behaviour.**
- (b) **In creating social awareness among the people with regard to prevailing conditions and problems, and their own obligations, and to the need for unity, tolerance and mutual help.**
- (c) **In conducting campaigns and in the adoption of practical measures:**
 - (i) **for the conservation and best utilisation of the public and private resources;**
 - (ii) **for promoting the practice of economy in the various spheres of the country's life;**
 - (iii) **for detecting and rooting out waste and in-efficiency in the nation's activities;**
 - (iv) **for the general adoption of the practice of austerity;**
 - (v) **for creating maximum savings to promote productive activity;**
 - (vi) **for improving the existing facilities or providing additional facilities with regard to health and fitness, education, recreation, rural development, community organisation, co-operative production and distribution and cottage industries.**
 - (vii) **for the collection of useful information regarding the economic and social life of the people through social surveys and investigations;**
 - (viii) **for the work of relief and rehabilitation.**
- (d) **In construction work, including irrigation projects, and housing and rehousing of slum dwellers, specially those which have a social value, such as slum improvement, development and clearance, drainage and irrigation works in rural areas and flood protection works, and in repair work.**
- (e) **In training programmes and in organising and conducting students and youths, labour and social service work camps and follow-up activities as well as in organising seminars and training camps.**
- (f) **In engaging in agricultural operations and generally helping in the "grow more food" activity.**

- (g) In bringing out publications and putting forth publicity material, and in the setting up of a press in connection with printing and sale of books etc.

II. The Bharat Sevak Samiti (Central Board) may with the approval of the Bharat Sevak Sabha (General Council) alter, omit or add the functions enumerated in clause I.

III. (a) The Samaj may itself undertake activities in furtherance of any of the aforesaid objects, and for carrying on its functions may:—

- (i) purchase or take on lease, or otherwise acquire any land or building, wherever situated in India, which may be necessary or convenient for the Samaj;
- (ii) accept bequests, donations, gifts or other transfers of any property;
- (iii) Sell, lease, exchange or otherwise transfer all or any portion of the properties of the Samaj;
- (iv) borrow or raise money with or without security or on the security of a mortgage or charge on all or any of the immovable or moveable properties belonging to the Samaj or in any other manner whatever;
- (v) draw, accept, make, endorse, discount and negotiate promissory notes, bills of exchange, cheques or other negotiable instruments for the purposes of the Samaj; and
- (vi) invest the funds of, or money entrusted to, the Samaj upon such securities or in such manner as may from time to time be determined by the Kendriya Pradhan Mandal (Administrative Committee) and from time to time, sell or transpose such investment.

All these powers may be exercised by the Kendriya Pradhan Mandal (Administrative Committee) or by some person or persons as may be appointed in any particular case by the Kendriya Pradhan Mandal (Administrative Committee) to exercise any of these powers.

- (b) The Samaj will make arrangements to train and equip those who offer themselves for work in the organisation, in order to enable them to render efficient and useful service. The facilities for training may be extended to other categories of social workers.

The B.S.S. is registered under the Societies Registration Act XXI of 1860.

A copy of the Certificate is reproduced below.

**CERTIFICATE OF REGISTRATION OF SOCIETIES ACT XXI
OF 1860.**

No. S-593 of 1952-53

I hereby certify that **BHARAT SEVAK SAMAJ** has this day been registered under the Societies **REGISTRATION ACT, XXI** of 1860.

Given under my hand at **DELHI** this seventeenth day of December, One thousand nine hundred and fifty two.

Regt. fee: Rs. 50 paid.

Sd/- (N. D. BHATIA)

17|12

Asstt. Registrar of Joint Stock Companies.

APPENDIX X

(See Para 5 of Report)

Constitution of the construction service of Bharat Sevak Samaj

1. Origin

The Service had been sponsored by the Bharat Sevak Samaj for the furtherance of its objectives. It will function in accordance with the following Regulations adopted by the Samaj

2. Name

The name of this body shall be the Bharat Sevak Samaj Construction Service. It may briefly be described as the B.S.S. Construction Service.

3. Headquarters

The Central Office of the Bharat Sevak Samaj Construction Service shall be in Delhi or such other place as the Administrative Committee of the Samaj decides from time to time

4. Objectives

The Service has been formed for the fulfilment of the following objects:—

- (i) To mobilise and make full and efficient use of voluntary service of the people in construction projects and local development works in rural and urban areas;
- (ii) To ensure the observance of satisfactory standards of work and workmanship in construction;
- (iii) To secure and promote honest dealings in the working of the construction industry;
- (iv) To develop the co-operative spirit and organisation among construction workers and to improve their living and working conditions;
- (v) To raise the level of efficiency of the construction industry;
- (vi) To raise resources for activities designed to promote the economic and social well-being of the people in rural and urban areas; and
- (vii) To take all such steps which are necessary for the fulfilment of the aforesaid objectives.

5. Functions

To the extent resources and conditions permit, the Service may perform one or more of the following functions:—

- (i) To carry out construction works, specially those which have a social value, such as slum improvement, the construction of dwelling houses, drainage and irrigation works in rural areas, and flood protection works;
- (ii) To set up a service for repair work;
- (iii) To manufacture materials, components and tools for use in construction and to represent manufacturers of building materials and components;
- (iv) To provide facilities and assistance for the formation of labour construction co-operatives and to make arrangement for supervision and guidance of their activities;
- (v) To arrange for training of construction workers, and the supervisory staff;
- (vi) To make arrangements for spreading enlightenment about the projects in connection with which the service takes up any construction responsibility;
- (vii) To secure the co-operation and participation of the people and their contribution in the shape of sharmdan or other forms of voluntary service in construction activities;
- (viii) To undertake and assist activities for economic and social welfare;
- (ix) To secure and develop land for any of the objectives and functions of the services;
- (x) To undertake such other activities as may be incidental to and necessary for the fulfilment of the objectives and the aforesaid functions of the Service.

6. Structure

(A) The Bharat Sevak Samaj Construction Service (hereinafter referred to as the Service) shall be composed of a Central Service and such Regional Branches as may be formed, from time to time.

(B) The Central Service shall consist of:—

- (a) 1. The Central Advisory Committee;
2. The Central Managing Committee;
- (b) 1. The Bharat Sevak Samaj Co-operative Committee;
2. Departments for various activities;

3. Ground Organization for construction **Projects and Units; and**

4. The personnel of the Service.

(c) The Branches shall be organised and administered in accordance with rules to be framed by the Central Managing Committee.

7. Central Advisory Committee

The Committee shall consist of a Chairman to be appointed by the President of the Bharat Sevak Samaj, and such other persons as may be appointed by the Administrative Committee of the Bharat Sevak Samaj from time to time.

(ii) The Committee shall have the power to co-opt members not exceeding one-third of the members appointed.

(iii) The tenure of the Chairman and the Members shall be two years. They shall be eligible for re-appointment.

8. The Central Managing Committee

The Committee shall consist of the Chairman to be appointed by the President of the Bharat Sevak Samaj and such other persons, not less than 4 and not more than 6 as may be appointed by the Administrative Committee of the Bharat Sevak Samaj.

(ii) The tenure of the chairman and members shall be two years.

They shall be eligible for re-appointment.

(iii) The Adviser and the General Manager appointed by the Administrative Committee shall in addition be its *ex-officio* members.

9. The Bharat Sevak Samaj Construction Co-operative Committee

The Committee shall be formed in accordance with the rules to be prescribed by the Administrative Committee of the Bharat Sevak Samaj for this purpose.

10. Departments

The work of the Service shall be organised in the following Departments:—

1. Administration, with the following sections:

(i) Correspondence and record.

(ii) Accounts.

(iii) Purchase and stores

2. Planning, with the following sections:

(i) Quantity Surveying, Scheduling and evaluation.

(ii) Planning, design and drawing office.

3. Operations:—

(i) Workers.

(ii) Site Control.

(iii) Repairs.

4. Public participation.

5. Co-operation.

6. Welfare.

7. Training.

11. Construction Projects and Units

Organisation of the Construction Projects and units shall be in accordance with rules framed by the Central Managing Committee for this purpose.

12. Personnel

The Administrative Committee of the Bharat Sevak Samaj shall appoint an Adviser and a General Manager.

(2) The Adviser shall give advice to the Managing Committee on such matters as may be referred to him.

(3) The General Manager will be the Chief Executive Officer of the Service and will be directly responsible to the Managing Committee. He will be in general charge of all the Departments.

4. Each Department may be placed in charge of a Director.

5. The Departments and the Sections may have such technical or other staff as is laid down in a schedule to be prescribed by the Managing Committee

13. Funds

(A) The Funds for the Service shall be dealt with under the following heads:—

(a) Special Reserve Fund;

(b) Equipment and Depreciation Reserve Fund;

(c) General Fund;

(d) Borrowed Funds,

(e) Other Funds;

(B) Separate accounts shall be maintained for these funds.

14. The Special Reserve Fund

(a) The Special Reserve shall be made up of:—

- (i) A sum of rupees two lakhs to be invested initially by the Bharat Sevak Samaj;
- (ii) Any additional amount which may be contributed by the Various projects and branches of the service;
- (iii) Interest on the investment under (i) and (ii) above.
- (iv) Any other amount which may be set aside for this purpose by the Service or by the Bharat Sevak Samaj.

(b) The Special Reserve shall be used only as security for loans, for emergency payments in accordance with the decision of the Administrative Committee of the Bharat Sevak Samaj. The payment thus made shall be recovered as early as possible.

15. Equipment and Depreciation Reserve Fund

On a scale to be prescribed by the Central Managing Committee provision shall be made for depreciation of equipment and fixed assets. This shall be made up of:—

- (i) Provision to be made from the income of each year towards the depreciation of the equipment and to other fixed assets of the service in accordance with the scale to be laid down by the Central Managing Committee.
- (ii) Such sums as may be set apart by the Managing Committee for the purchase of equipment.
- (iii) Sale proceeds of any item of equipment or other fixed assets.

16. General Funds

All surpluses derived from the operations during a year after making provision for various reserves shall be placed in the General Fund. Allocations shall be made from this fund for various purposes by the Administrative Committee of the Bharat Sevak Samaj.

17. Borrowed Funds

Loans from whatever source shall be handled separately. Amounts set apart for repayment of loan and the interest thereon shall be paid into this account.

18. Other Funds

This head shall cover miscellaneous receipts which may be classified.

19. Powers

1. The power to be exercised and duties to be performed by the various Committees shall be laid down in rules to be framed by the Administrative Committee of the Bharat Sevak Samaj.

2. The powers of the General Manager and other personnel and their duties shall be prescribed by the Central Managing Committee.

3. Matters regarding which the Administrative Committee of the Bharat Sevak Samaj may issue directions to this service shall be laid down by the Central Board of the Samaj.

20. Procedure

The procedure for meetings, for maintaining records and accounts and for making disbursements, and for other purposes shall be laid down by the Central Managing Committee.

21. Change in Regulations

The Administrative Committee may make any change in the regulations, which shall take effect from the date fixed by the Committee. Any such change will be placed for confirmation before the Central Board as soon as possible.

APPENDIX XI

(See Para 5 of Report)

Decision of the National Advisory Committee on Public Cooperation in the Planning Commission as to How the Bharat Sevak Samaj

Construction Service is to be organised (meeting held on 22-11-61)

Reorganisation of the Bharat Sevak Samaj Construction Service

STRUCTURE

The Bharat Sevak Samaj Construction Service shall be composed of a Central Service and such branches as may be formed from time to time for regions, pradeshes and districts.

Central Managing Committee

It will have two wings. One will be the Advisory Wing and the second Executive Wing.

(i) *Advisory*.—The Advisory Wing shall be under the charge of a Chairman who would be a person of competence appointed by the President of the Bharat Sevak Samaj. The strength of the Advisory Wing will be 6 to 9 members, including the Chairman, the representatives of the CPWD and Finance Deptt. They will meet periodically, say, once in three months to lay down policies and programmes and to review their progress. They will tender general advice in respect of the nature of works to be undertaken and the rates for them. The purchase of equipment costing more than Rs. 10,000 each item would need their approval. The appointment of workers with pay of Rs. 1,000 and above would also be approved by them. For lower categories of employment and purchases, the executive Wing shall take action. The Managing Advisor, the General Manager, the Regional Manager Delhi and the Accounts Officer shall be ex-officio members of Advisory Committee. The Regional Manager, Delhi will be the Member-Secretary.

(ii) *Executive Wing*.—The Executive Wing shall be under the charge of General Manager who will be the Chief Executive of the 'Service' and will be appointed by the Chairman of the Samaj. He will be in charge of all the departments.

The General Manager will be responsible to undertake contracts, arrange for their efficient execution, including making arrangements for machinery, plants and materials etc. The General Manager will organise Central Service and equip them with personnel of requisite qualifications. In this, he will be assisted by the Chairman of Advisory Wing Adviser.

The General Manager would also help organise Construction Units in the States. In the regions and States at Project level and Distt. level etc. he would get the policy directions issued from Executive Authorities of States and projects for award of work to such units and fixing rates for them. He would also arrange to provide technical assistance and advice where called for. The financial assistance will be given in accordance with the Plan Policy. He will also exercise check over their activities for efficient and timely execution of works. In this, he will be assisted by Managing Adviser, Bharat Sevak Samaj.

Works in Delhi and around will be directly under the Central Service. The Regional Manager Delhi will be responsible for such works to the General Manager.

(iii) **Managing Adviser.** A Managing Adviser to the Construction Service will be appointed by the Chairman. He will be a retired Engineer with special interest for voluntary work and selfless service. The Managing Adviser will head the panel of Advisers referred to in para 6. He will tender advice to the Executive Unit, help the General Manager organise Construction Units of the States and to plan out programmes. Managing Director or Director may be appointed as the Chief Executive of the service to take up functions of the General Manager referred to in this note.

2. Regional Units

The 'Service' will have 5 Regional Units, one located at Bombay, the second at Hyderabad, the third at Delhi, the fourth in the Eastern Region and the fifth in the North Western Region. These Regional Units will help the General Manager and the Managing Adviser in organising the service, prospecting for works and developing the 'Service' on efficient lines. They will also be responsible to tender advice to Construction Committees in their regions. The Engineer in charge of Regional Units will be persons of experience, standing and repute. The expenditure on the units will be chargeable to the various works in the region according to the work load.

3. Pradesh Managing Committees

The Pradesh Managing Committees will also have Advisory and Executive Wings. The Project Construction Committees shall have

two wings in case the outturn of works to be undertaken by them is expected to exceed Rs. 15 lakhs per year. If the outturn is less than Rs. 15 lakhs per year, one committee may serve both the purposes.

4. Mobile Units at Centre

One or more mobile units at the Centre consisting of Senior Engineers shall be formed who can be deputed to States on demand to tender advice on matters concerning rates, technical details, taking up of contracts etc. These units will be required in the initial stages and may not be found necessary after the Third Plan period.

5. Finance and Accounts

- (i) To ensure that the Financial and the Accounts procedure is carefully adhered to by all the Construction Units, experienced Finance and Accounts Officers would be attached to the Advisory Wing of the Managing Committees where formed.
- (ii) At the Centre, one or more teams each under senior Members of BSS assisted by an experienced Engineer and two Accountants shall be formed, who would regularly go round to check the accounts and works, to bring out salient features and to suggest improvements in the executive and accounts procedures followed by the units formed in the country.

6. Panel of Advisers

The panel of Advisers not exceeding 7 shall be maintained to give advice to the Managing Committee on such matters as may be referred to the Members of the panel. At the Centre the Managing Adviser will head the panel and preside over their meetings. The panel would include amongst others the following:

(i) Panel at Centre

- (a) Member Works, Railway Board;
- (b) Chief Engineer, C.P.W.D.;
- (c) Representative of the Ministry of Irrigation and Power;
- (d) Representative of Ministry of Finance; and
- (e) Addl. Chief Engineer, Delhi State, P.W.D.

(ii) Panels in States

- (a) Chief Engineer, P.W.D., Irrigation.
- (b) Chief Engineer, Buildings and Roads;

- (c) Representative of C.P.W.D.;
- (d) Representative of Railways; and
- (e) Representative of Finance.

7. Labour Arrangements

.. ..

A cell for labour management will be formed at the Centre under a Labour Manager. The Manager will contact the local leaders in the area where the work is planned and the employment exchanges and arrange to import labour where needed. It will be a supplier of labour to ensure timely completion of the works undertaken.

APPENDIX XII
MINISTRY OF EDUCATION

(See para 6 of Report)

[Vide Ministry of Education O.M. No. F.7-6/63-PE1]

**Statement showing grants paid in cash to the Bharat Sevak Samaj,
New Delhi for Labour and Social Service Camps**

1954-55	Rs 4.85 lakhs
1955-56	Rs 22.39 lakhs
1956-57	Rs 13.16 lakhs
1957-58	Rs 11.58 lakhs
1958-59	Rs 18.05 lakhs
1959-60	Rs 15.00 lakhs
1960-61	Rs 14.19 lakhs
1961-62	Rs 5.32 lakhs
1962-63	Rs 5.37 lakhs
1963-64	Rs 3.05 lakhs
1964-65	Rs 0.72 lakhs
	<hr/>
	Rs 113.68 lakhs

N.B. These figures do not include refunds and other adjustments carried out.

APPENDIX XIII

MINISTRY OF INFORMATION AND BROADCASTING

(See Paras 6, 32, 34, 35, 36 and 37 of Report)

Central Government Audit Report (Civil) 1964

Para 86(A)

1. A statement showing the total grants given by the Ministry to Bharat Sevak Samaj yearwise from 1953-54 to 1960-61 schemewise and the basis on which these were given may be furnished.

Statements showing the grant-in-aid, given to the Bharat Sevak Samaj by this Ministry during the period 1953-54 to 1960-61 for Plan publicity, schemes-wise, are enclosed (Annexure I).

During the years 1953-54 to 1958-59, grants were given to the Samaj for specified amounts on the basis of estimated requirements to cover deficit of income over expenditure. During the first two years, grant-in-aid was given for the following two schemes:—

- (i) Bharat Sevak (Journal).
- (ii) Jan Sahyog Kendras.

From the year 1955-56 onwards, the grant-in-aid was given to cover the following schemes:—

- (i) Bharat Sevak (Journal).
- (ii) Brochures.
- (iii) Bulletins.
- (iv) Jan Sahyog Kendras
- (v) Mass Contact.

During the years 1959-60 and 1960-61, the grant was given on the following basis:—

- (a) The total expenditure on the five schemes mentioned above for the purpose of grant-in-aid was not to exceed Rs. 4.84 lakhs for 1959-60 and Rs. 5.50 lakhs for 1960-61 and the grant was further to be limited to not more than 82½ per cent of the total gross expenditure incurred by the Bharat Sevak Samaj during these years.
- (b) In respect of the schemes of Mass Contact, Jan Sahyog Kendras and Bulletins which related to the field acti-

vities, the Headquarters expenditure was not to exceed 10 per cent of the total gross expenditure, the remaining 90 per cent being actually incurred in the field.

- (c) Government's liability in the form of grant in respect of 'Bharat Sevak' Journal was limited to Rs. 30,000/- per annum.

2. Note indicating reasons which led to the issue of letter from the Secretary, Information and Broadcasting to Audit in November, 1963 stating that no useful purpose would be served by maintaining a consolidated Account by the Bharat Sevak Samaj, may be furnished.

This Ministry gives grant-in-aid for the following specified activities of the Jan Jagran Vibhag of the Bharat Sevak Samaj:—

- (i) Mass Contact.
- (ii) Brochures.
- (iii) Bulletins
- (iv) Bharat Sevak (Journal).

Prior to 1st April, 1962, grant-in-aid was also given to the Samaj for the scheme of 'Jan Sahyog Kendras'.

The Samaj renders Accounts of receipts and expenditure pertaining to the above-mentioned schemes, duly audited by their Chartered Accountants, to this Ministry and the quantum of grant-in-aid admissible is determined on the basis of the said Receipt and Payment Accounts. Since the Samaj did not receive grant-in-aid for these schemes from any other Ministry, it was felt that no useful purpose would be served in asking the Samaj to submit its consolidated Accounts in addition to the Accounts in respect of the particular schemes for which it received grant-in-aid from this Ministry. However, to safeguard against any possible duplication, a specific condition to the following effect is being incorporated in the sanctions issued since November, 1963 for the grant-in-aid given to the Samaj by this Ministry:—

"The Bharat Sevak Samaj will submit a statement, duly attested by the Auditors, alongwith the Audited Accounts specifying clearly that they were not sanctioned grant-in-aid for the same purpose by another department of the Central Government during the period to which the grant relates."

The various activities of the Bharat Sevak Samaj are clearly distinguishable from one another and only one Ministry of the Central Government is concerned with one set of activities. There would

therefore, be hardly any chance for the Samaj to get aid from more than one source for the same purpose. To eliminate any possibility of doubt, the Samaj was asked to furnish a certificate to the above effect.

3. *On what basis grants for Jan Jagran Scheme was given?*

The basis for the grant-in-aid for the five Schemes operated by the Jan Jagran Vibhag of the Bharat Sevak Samaj is given in reply to Question No. 1.

The Bharat Sevak Samaj is an all India non-official body registered under the Societies Registration Act, 1860 and was chosen by the Planning Commission for Plan publicity with a view to securing public co-operation. In October, 1954, this Ministry took over from the Planning Commission the work connected with the grant-in-aid to the non-official voluntary organisations for Plan publicity. Since then, the Jan Jagran Vibhag of the Samaj is being given grant-in-aid annually for its activities connected with (i) Mass Contact, (ii) Brochures, (iii) Bulletins, (iv) Bharat Sevak (Journal) and (v) Jag Sahyog Kendras. This Ministry ceased to give grant-in-aid for the last named activity from 1st April, 1962 onwards.

Para 86(A)

4. *A note giving the break up item-wise of the amount of Rs. 3,50,000 shown as local contribution etc., of the Bharat Sevak Samaj, by the Planning Commission in respect of the Ministry of Information and Broadcasting, may be furnished. Does it include sale proceeds of brochures, Journals etc?*

The amount of Rs. 3,50,000-00 shown by the Planning Commission as representing the local contribution etc., of the Bharat Sevak Samaj seems to have been worked out on an approximate basis and this amount included not only local collections but also income from the sale of and subscriptions realised from its publications viz. Brochures, Bulletins and Bharat Sevak (Journal). On the basis of the Audited Accounts, a statement of receipts realised by the Jan Jagran Vibhag of the Samaj during the five years 1959-60 to 1963-64 from all its sources, has been prepared and may be seen at Annexure II. As would be observed therefrom, the total income of the Samaj during these five years amounted to Rs. 4,03,786-64. The statement gives detailed breakup of these receipts scheme-wise.

It may, however, be added that the Accountant General, Central Revenues had raised an objection to the discount given by the Samaj on sale of brochures having been treated as 'expenditure' instead of deducting it from the sale proceeds. On that basis, the

above-mentioned amount of Rs. 4,03,786.64 would be reduced by an amount of Rs. 11,967.36 paid by the Samaj as discount during the years 1959-60 and 1960-61 and thus the net receipts for the five years would amount to Rs. 3,91,819.28. The figure of Rs. 3,50,000 given by the Planning Commission seems to have been worked out on rough and ready basis.

Para 86(A) (ii)

5. *Whether any of the Pracharaks have been appointed as District Information Organisers?*

This Ministry does not exercise control on the day to day administration of the Bharat Sevak Samaj and has no hand in the various staff appointments made by them. On an enquiry, the Samaj has intimated that 25 Pracharaks and Mukhya Pracharaks out of a total of 88 were appointed as District Information Organisers on individual merit basis.

Para 86(A) (iii)

6. *A note on the location of the various Jan Sahyog Kendras indicating the names of Officers who were in charge of each Kendra may be furnished.*

A statement showing the location of the various Jan Sahyog Kendras functioning during the year 1961-62, alongwith the names of Officers in charge of these Kendras as furnished by the Bharat Sevak Samaj may be seen at Annexure III.

Para 86(A) (iv) Brochures

7. *A statement showing the amounts of grants given for the publication of brochures by the Bharat Sevak Samaj may be furnished.*

The requisite information has been furnished in reply to Question No. 1.

8. *A list of titles of brochures and the number of copies printed by the Bharat Sevak Samaj after February, 1961, may be furnished.*

The requisite information is furnished in the statement at Annexure IV.

9. *A copy of the minutes of the meeting in which Bharat Sevak Samaj agreed to re-orient the contents of their Brochures for Plan Publicity may be furnished. Was any written communication sent to them in this matter?*

The position briefly is that the copies of the brochures received from the Bharat Sevak Samaj were duly scrutinized before admit-

ting expenditure on their account. While scrutinizing the brochures brought out by them during the year 1959-60, it was noticed that some of them were not in conformity with the objective for which subsidy was paid to the Jan Jagran Vibhaj from this Ministry, i.e. to supplement Plan Publicity Programme. It was accordingly decided not to admit expenditure on the cost of production of the following three brochures:—

- (i) General Statement of the Policy and the Programme of Bharat Sevak Samaj adopted at the Sixth Annual Convention of Bharat Sevak Samaj (English).
- (ii) Sectional statements adopted at the Sixth Annual Convention of Bharat Sevak Samaj held at Bhilwara from March 6 to 9, 1959 (English).
- (iii) Sectional statements adopted at the Sixth Annual Convention of Bharat Sevak Samaj held at Bhilwara from March 6 to 9, 1959 (Hindi).

Since it was noticed that these brochures tended to publicise the activities of the Samaj itself rather than for Plan Publicity, the matter was specifically brought to the notice of the Bharat Sevak Samaj in our letter No. 1(35)/59-PP, dated the 28th February, 1961. Please see Annexure VII. The idea underlying the issue of this letter was to discourage this trend. As will be seen from the Bharat Sevak Samaj's letter. Please see Annexure VIII. No. JJ/2(1)-Rep(H.Y.)/60(Brochures), dated the 9th March, 1961, our letter had the desired effect and the Secretary, Jan Jagran Group, Bharat Sevak Samaj, wrote us as under:—

“I may, however, assure you that the fact that the literature brought out by us is directed primarily towards publicity of the Plan and the programmes under it is invariably borne in mind.”

In our letter dated 28th February, 1961, some criticism was made about some of the brochures and certain suggestions were made for improvement. The Bharat Sevak Samaj, while noting these suggestions desired the matter to be discussed at the forthcoming meeting. This meeting was already fixed for the 14th March, 1961 to consider the accounts submitted for the year 1959-60 and the grant for the year 1960-61. No regular minutes were drawn up for this meeting but it would appear from the note recorded on the file that Bharat Sevak Samaj did not discuss the Brochures at the meeting.

10. *A note indicating whether the brochures brought out by Bharat Sevak Samaj are examined in the Ministry and the result of such examination of the brochures so far published may be furnished.*

The Brochures brought out during the year 1955-56 were not examined while those published during the year 1956-57 were scrutinised by the Publications Division of this Ministry with a view to determining whether there was any duplication or overlapping between those Brochures and the publications brought out by the Division itself. The Division confirmed that there was no duplication.

There is no indication in the records that the contents of the Brochures brought out by the Samaj during 1957-58 were scrutinized.

The Brochures brought out during the year 1958-59 were scrutinized in the Ministry itself and it was decided not to admit the expenditure incurred on six out of the thirteen brochures brought out during that year.

Likewise as a result of the scrutiny of the Brochures brought out by the Samaj during 1959-60, expenditure on three brochures was disallowed by this Ministry.

The Brochures brought out during the year 1960-61, 1961-62 and 1962-63 were duly scrutinised and found to be quite useful. Of the three Brochures brought out by the Samaj during 1963-64, it has been decided not to admit expenditure on one as its subject matter does not concern Plan publicity.

Para 86(A) (v)

11. *A note on the publication of journals by the Bharat Sevak Samaj for which the Ministry of Information and Broadcasting gave grants, may be furnished.*

A provision of Rs. 150 lakhs was earmarked by the Planning Commission for publicity of the Five Year Plan for the last 2½ years of the First Plan. Out of this allocation of Rs. 150 lakhs, a provision of Rs. 2 lakhs was made for Plan publicity through non-official organisations. Initially, this provision of Rs. 2 lakhs was kept by the Planning Commission at its own disposal. During the year 1953-54, the Planning Commission sanctioned grant-in-aid amounting to Rs. 26,500/- to the Bharat Sevak Samaj for Plan publicity. Of this, an amount of Rs. 25,000/- was intended for the publication of its Journal 'Bharat Sevak'. In October, 1954, the administrative control of the scheme for giving grant-in-aid to non-official organisations for Plan publicity, was transferred by the

Planning Commission to the Ministry of Information & Broadcasting.

2. 'Bharat Sevak' is a monthly journal published in English and Hindi. During the period from 26th January, 1960 to 19th November, 1963, the Hindi Edition of the Journal was also published on a weekly basis, but it has been discontinued thereafter.

The objective of the Journal is to bring out the 'people's role' in the Plan. The contents of the Journal broadly over the following aspects:—

- (a) Telling the people in concrete and precise terms, what they can do either individually and in organised groups, in furtherance of all round national development programmes.
- (b) Placing before the public for their guidance, the successful experiences gained from the different areas.
- (c) Making an analysis of the achievements of the Plan from the point of view of its impact on the people.
- (d) Providing material for field workers in their respective spheres, and
- (e) Invoking people's enthusiasm and channelling it into constructive lines, for specific productive activity.

The grant-in-aid for the 'Bharat Sevak' (Journal) was originally allowed to cover the deficit of income over expenditure i.e. gross expenditure less the receipts from the sale proceeds and advertisement revenue. This arrangement continued till 1958-59, thereafter a ceiling of Rs. 30,000 was fixed for the years 1959-60 to 1961-62. For the year 1962-63 a ceiling of Rs. 60,000 was fixed on ad hoc basis to cover 75 per cent of their expenditure. In the year 1963-64 however, a ceiling of Rs. 50,000 was fixed to cover 66% of the expenditure.

The following amounts of grant-in-aid have been given to the Samaj for the publication of the Journal:—

Year	Amount Rs.
1953-54	19,318.75
1954-55	25,681.25
1955-56	15,000.00
1956-57	40,641.00
1957-58	32,703.04
1958-59	27,412.04
1959-60	30,000.00
1960-61	30,000.00
1961-62	28,420.22
1962-63	58,392.46
1963-64	33,615.38 (provisional)

A statement showing the number of copies of the Journal printed and the number of those sold or distributed free, is given at Appendix V.

A statement showing the receipts and expenditure in respect of the Bharat Sevak' (Journal) is given at Annexure VI.

[Vide O.M. No. 1(23)/63-PP., 8—2-2-65]

ANNEXURE I

Statement showing the grant-in-aid given to the Bharat Sevak Samaj (Jan Jagran Vibhag) for Plan Publicity during the year 1953-54 to 1960-61.

S.No.	Name of the Scheme	Grant-in-aid Paid in Advance			Grant-in-aid Admitted Finally	Excess	Remarks
		Brought forward from the previous year	Fresh	Total			
1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	
1.	Bharat Sevak (Journal)		*25,000.00	1953-54 25,000.00	19,318.75	5,681.25	*The grant-in-aid was given by the Planning Commission. The balance of the grant-in-aid of Rs. 5,681.25 was carried forward to the year 1954-55

1	2	3	4	5	6	7	8
		Rs.	Rs.	Rs.	Rs.	Rs.	
2. Jan Sahyog Kendras		..	1,500.00	1,500.00	..	1,500.00	The balance of the grant-in-aid of Rs 1,500 was carried forward to the year 1954-55.
TOTAL		..	26,500.00	26,500.00	19,318.75	7,181.25	
1954-55							
1. Bharat Sevak (Journal)		5,681.25	20,000.00	25,681.25	25,681.25	..	
2. Jan Sahyog Kendras		1,500.00	9,350.00	10,850.00	4,724.21	6,125.79	The balance of the grant-in-aid of Rs. 6,125.79 was carried forward to the year 1955-56.
TOTAL		7,181.25	29,350.00	36,531.25	30,405.46	6,125.79	
1955-56							
1. Bharat Sevak (Journal)		..	15,000.00	15,000.00	15,000.00	..	
2. Brochures		..	30,000.00	30,000.00	28,201.38	1,798.62	
3. Bulletin		..	2,000.00	2,000.00	1,000.00	1,000.00	The balance of the grant-in-aid of Rs. 12,660.42 P. was carried forward to the year 1956-57.

4. Jan Sahyog Kendras	6,125.79	17,400.00	23,525.79	16,135.71	7,390.08
5. Mass Contact	..	5,000.00	5,000.00	2,528.28	2,471.72
TOTAL	6,125.79	69,400.00	75,525.79	62,865.37	12,660.42

1956-57

1. Bharat Sevak (Journal)				40,641.06	} 33,948.80
2. Brochures				26,141.11	
3. Bulletins	12,660.42	2,62,390.00	2,75,050.42	7,703.44	
4. Jan Sahyog Kendras				37,512.16	
5. Mass Contact				1,29,103.85	

The balance of the grant-in-aid of Rs. 33,948.80 was carried forward to the year 1957-58.

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6. Printing of Prime Minister's

15 Points Appeal	..	21,700.00	21,700.00	21,700.00	..
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TOTAL	12,660.42	2,84,090.00	2,96,750.42	2,62,801.62	33,948.80
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2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.	
		1957-58				
1. Bharat Sevak (Journal)				32,703.04	} 37.17	The balance of the grant-in-aid of Rs. 37.17 was refunded to the Govt. by depositing into the Treasury.
2. Brochures				38,813.75		
3. Bulletins	33,948.80	3,70,000.00	4,03,948.80	13,717.21		
4. Jan Sahyog Kendras				83,410.54		
5. Mass Contact				2,35,267.09		
TOTAL	33,948.80	3,70,000.00	4,03,948.80	4,03,911.63	37.17	
		1958-59				
1. Bharat Sevak (Journal)				27,412.24	} 13,381.29	The balance of the Grant-in-aid of Rs. 13,381.29 was refunded to the Govt. by depositing into the Treasury.
2. Brochures				26,740.35		
3. Bulletins	4,00,000.00	4,00,000.00	12,637.95			
4. Mass Contact				2,40,818.52		
5. Jan Sahyog Kendras				79,009.65		
TOTAL	4,00,000.00	4,00,000.00	3,86,618.71	13,381.29		

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Sl. No.	Name of the Scheme	Grant-in-aid in advance			Gross Expenditure	Grant-in-aid admitted finally	Excess	Remarks
		Brought forward from Previous year	Fresh	Total				
1	2	3	4	5	6	7	8	9
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1959-60								
1.	Bharat Sevak (Journal)				55,242.35	30,000.00		
2.	Brochures				28,701.66			
3.	Bulletins		3,75,000.00	3,75,000.00	31,441.36	2,98,671.10	46,328.90	
4.	Jan Sahyog Kendras				96,382.69			
5.	Mass Contact				2,05,499.86			
TOTAL			3,75,000.00	3,75,000.00	4,17,267.92	3,28,671.10	46,328.90	

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***NOTE.**—At the time of the local audit of the Jan Jagran Vibhag of the Bharat Sevak Samaj, the A.G.C.R. had found that in the accounts rendered by the Samaj to the Government, the Samaj had treated the discount allowed to the trade on the marked sale price as expenditure, 82½% of which was re-imbursable by the Government. This resulted in the excess payment of grant-in-aid amounting to Rs. 9,873 for the years 1959-60 and 1960-61. The A.G.C.R. intimated to this Ministry an excess payment of Rs. 8,973 in place of Rs. 9,873 the amount of Rs. 8,973 has since been recovered from the Samaj from the Grant-in-aid payable for the year 1963-64. The balance of Rs. 900.00 will be recovered from the grant-in-aid payable for the year 1964-65. Of the total excess recovery of Rs. 9,873 the excess recovery of Rs. 9,812.80 pertained to the year 1959-60 and the balance of Rs. 60.20 pertained to the year 1960-61. Thus the total grant admissible for the year 1959-60 would be reduced from Rs. 3,28,671.10 to Rs. 3,18,858.30.

1	2	3	4	5	6	7	8	9
1. Bharat Sevak (Journal)			1960-61		82,113·93	30,000·00		
2. Brochures					53,755·98			
3. Bulletins					12,778·62			
4. Jan Sahyog Kendras		46,328·90	3,82,971·10	4,29,300·00	80,075·59	3,18,387·03	80,912·97	
5. Mass Contact					2,10,566·66			
6. Headquarter Expenses					28,746·82			
TOTAL		46,328·90	3,82,971·10	4,29,300·00	4,68,037·60	*3,48,387·03	80,912·97	

*NOTE.—As explained in the foot note below the statement of grants-in-aid for the year 1959-60, the excess payment of grant-in-aid amounting to Rs. 60·20 is recoverable from the Samaj from the grant-in-aid for the year 1960-61 on account of excess grant-in-aid paid for brochures.

a The Audit also pointed out that an excess payment of Rs. 16,000 had been made to the Samaj during the years 1960-61 and 1961-62 towards the grant-in-aid for brochures as a result of the wrong debiting of expenditure on rent, rates and taxes to the brochures instead of debiting it to the headquarter expenses. This amount has since been recovered from the Samaj. However, on a review of the position on receipt of representation from the Samaj, it has been found that the excess recovery should have been made for an amount of Rs. 8,050·01 only—Rs. 1,944·14 for 1960-61 and Rs. 6,105·81 for 1961-62. The matter has been referred to the A.G.C.R. for confirmation.

On the above basis a total amount of Rs. 2,004·34 (Rs. 1,944·14 + Rs. 60·20) would be recoverable from the Samaj for the year 1960-61 reducing the total admissible grant from Rs. 3,48,387·03 to Rs. 3,46,382·69.

ANNEXURE II

Bharat Sevak Samaj (Jan Jagran Vibhag)

Statement of receipts

Year	Mass Contact	Bharat Sevak (Journal)	Brochures	Bulletins	Jan Sahyog Kendras	Miscellaneous receipts	Total
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1959-60	930.00	15,990.11	25,111.18	11,893.39	1,174.22	..	55,099.30
1960-61	11,170.29	24,022.45	405.53	8,718.62	1,469.92	..	45,786.81
1961-62	36,564.44	29,421.23	22,853.19	11,342.21	1,876.16	..	1,02,057.23
1962-63	49,453.52	31,802.14	21,976.85	20,369.40	..	*4,000.00	1,27,601.91
1963-64	40,712.26	12,701.62	12,111.07	15,570.46	..	**2,145.98	73,241.39
TOTAL	1,38,830.51	1,13,937.95	82,457.82	57,894.08	4,520.30	6,145.98	†4,03,786.64

*Money received from the sale of a Jeep.

**Money realised from the sale of a Camera, tape recorder and waste paper.

†The amount of Rs. 4,03,786.64 is to be reduced by Rs. 11,967.36 paid on account of discount during the years 1959-60 and 1960-61. Thus the net receipts will come to Rs. 3,91,819.28.

ANNEXURE III

*Location of the Jan Sahyog Kendras functioning during the year
1961-62*

SL No.	<i>Location of the Jan Sahyog Kendras</i>	<i>Name of the Officer-in-charge of the Kendra</i>
1	2	3
1	Achhbal, District Anantnag, (Jammu & Kashmir)	Shri Gopi Krishan, Secretary Bharat Sevak Samaj, Srinagar.
2	Amolpaty, District Nowgong, (Assam)	Shri J. R. Laskar, Chief Or- ganiser, Bharat Sevak Samaj, Nowgong.
3	Ambalison, District Mehsana, (Gujarat)	The Pradesh Convener, Bharat Sevak Samaj, Ahmedabad.
4	Araikeshapur, Post Office Shivttar, District Gaya, (Bihar)	Shri Jamuna P. Singh, Convener, Bharat Sevak Samaj, Gaya.
5	Baramula (Jammu & Kashmir)	Shri Gopi Krishan, Secretary, Bharat Sevak Samaj, Srinagar.
6	Baid Jamener. District Halar, (Gujarat)	The Pradesh Convener, Bharat Sevak Samaj, Rajkot.
7	Dihia, Harbansbagh, District Rewa, (Madhya Pradesh)	The Block Convener, Bharat Sevak Samaj, Dihia.
8	Dhokota, Anandpur Block, Koenjhar, (Orissa)	The Pradesh Convener, Bharat Sevak Samaj, Puri.
9	Forbesganj, District Purnia, (Bihar)	Shri Bokai Mandal, Secretary Bharat Sevak Samaj, For- besganj.
10	Jethana, District Doongarpur (Rajasthan)	The Pradesh Convener, Bharat Sevak Samaj, Jaipur.
11	Kasarpuram, District Anantpur (Andhra Pradesh)	Shri T. M. Nagappa, Chairman Jan Sahyog Kendra, Gun- takal.

1	2	3
12	Garubatham, Post Office Phagu, District Darjeeling (West Ben- gal)	Shri N. B. Gurung. District Convener, Bharat Sevak Samaj, Kalimpong.
13	Kaithal, District Karnal (Punjab)	The Regional Convener, Bharat Sevak Samaj, Narnaul.
14	Mangrulpur, District Akola (Maharashtra)	Shri G. R. Kulkarni, Pradesh Convener.
15	Mangalia, District Indore (Madhya Pradesh)	Shri D. R. Bhagat, Block Con- vener, Bharat Sevak Samaj.
16	Tagdur. (Mysore)	The Pradesh Convener, Bharat Sevak Samaj.
17	Thorenoor, Mercara (Mysore)	The Pradesh Convener, Bharat Sevak Samaj.
18	Trimbak, District Nasik (Maharashtra)	The District Convener, Bharat Sevak Samaj, Nasik.
19	Ulloor, District Trivandrum (Kerala)	Shri K. C. Pillai, Pradesh Con- vener, Bharat Sevak Samaj.
20	Yeeminaganur. (Andhra Pradesh)	Shri M. C. Shivanna, Chairman, Jan Sahyog Kendra, Bharat Sevak Samaj.
21	Badagara, District Kozhikode (Kerala)	Shri K. C. Pillai, Pradesh Con- vener, Bharat Sevak Samaj.
22	Banshendra, District Auranga- bad (Maharashtra)	The District Convener, Bharat Sevak Samaj.

ANNEXURE IV.

Sl. No.	Title of the Brochure.	Language	Whether priced or unpriced	No. of copies printed
1	2	3	4	5
1961-62				
1	Nashabandi	Hindi	Unpriced	3,000
2	Lok Manya Tilak	Hindi	Unpriced	3,000
1962-63				
1	Sahi Vichar Sahi Amal	Hindi	Priced	2,000
2	Purna Ke Sarot	Hindi	Priced	5,000
3	Shardha Ke Phool	Hindi	Priced	5,500
4	Ravindra Shardhanjali	Hindi	Priced	5,500
5	Hartal	Hindi	Priced	5,500
6	Yojna Ki Safalta Ke Liye Hamara Kartavya	Hindi	Priced	3,300
7	The Urge	English	Priced	3,500
8	Public Cooperation	English	Unpriced	3,100
9	Bharat Sadhu Samaj	English	Unpriced	3,100
1963-64				
1	Pandrah Sal Men Hamari Pargati	Hindi	Priced	3,000
2	Pariksha Ki Ghati	Hindi	Priced	3,000

ANNEXURE V
'Bharat Sevak' Journal

Year	Bharat Sevak (English)			Bharat Sevak (Hindi)(Monthly)			Bharat Sevak (Hindi)(Weekly)		
	No. of copies printed	No. of copies sold	No. of copies distributed free	No. of copies printed	No. of copies sold	No. of copies distributed free	No. of copies printed	No. of copies sold	No. of copies distributed free
1	2	3	4	5	6	7	8	9	10
1953-54	6,000	1,693	4,307	4,000	491	3,509	..	..	..
1954-55	12,000	4,364	7,636	12,000	3,104	8,896	..	..	..
1955-56	12,000	4,061	7,939	12,000	4,650	7,350	..	..	..
1956-57	17,000	7,831	7,805	26,000	19,661	5,463	..	..	..
1957-58	16,700	8,311	6,930	35,850	26,200	8,655	..	..	..
1958-59	16,700	7,449	8,799	38,800	28,012	10,258	..	..	..
1959-60	22,900	14,750	5,195	41,000	31,966	8,510	13,000	2,917	8,227
1960-61	18,200	9,829	6,716	34,400	25,094	7,110	1,10,560	78,000	21,946
1961-62	17,200	9,575	5,562	27,400	21,973	4,596	93,103	72,850	18,141
1962-63	17,450	25,738	9,573	31,350	24,690	5,667	84,550	66,098	15,741
1963-64	26,800	18,884	3,598	14,880	10,767	3,425	28,900	20,710	7,481

ANNEXURE VI
BHARAT SEVAK SAMAJ
'Bharat Sevak' (Journal)

Statement showing the expenditure and receipts in respect of Bharat Sevak (Journal) during the years 1953-54 to 1963-64

Year	Expenditure				Total	Net Expenditure	Grant given by the Ministry of I. & B.	Remarks
	Subscription and sale	Advertisement	Other receipts					
1	2	3	4	5	6	7	8	9
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1953-54	21,861·50	2,527·75		15·00	2,542·75	19,318·75	19,318·75	
1954-55	30,635·62	2,522·31		59·69	2,582·00	28,053·62	25,681·25	
1955-56	33,956·89	2,368·25		409·06	2,877·56	31,009·33	15,000·00	
1956-57	49,231·25	6,493·94		2,096·25	8,590·19	40,641·06	40,641·06	
1957-58	50,667·19	10,247·27		7,716·88	17,964·15	32,703·04	32,703·04	
1958-59	41,639·52	9,815·53		4,411·75	14,227·28	27,412·24	27,412·24	
1959-60	55,242·3	11,701·59		4,288·92	15,990·51	39,251·84	30,000·00	
1960-61	82,113·93	17,282·32		6,734·13	24,022·45	58,091·48	30,000·00	
1961-62	57,841·45	22,849·29		6,571·94	29,421·23	28,420·22	28,420·22	
1962-63	90,194·60	22,486·57		9,315·57	31,802·14	58,392·46	58,392·46	
1963-64	50,932·40	10,077·87		2,623·75	12,701·62	38,230·78	*33,615·38	*66% of the gross expenditure (accepted provisionally)

ANNEXURE VII

No. 1(35)/59-PP

GOVERNMENT OF INDIA

MINISTRY OF INFORMATION & BROADCASTING

New Delhi-2, the 27th February, 1961

From

Shri J. J. Karam.
Under Secretary to the Govt. of India.

To

The Secretary,
Bharat Sevak Samaj (Jan Jagran Group),
19, Theatre Communications Building,
Connaught Circus,
New Delhi.

SUBJECT: *Half-yearly progress report on Brochures.*

Sir,

I am directed to refer to your letter Nos. JJ/2(1)-Rep. (HY)/60(Brochures)-1. and JJ/2(1)-Rep. (HY)/60-(Brochures)-2. both dated the 24th October, 1960 and to state that the brochures issued during the period under review have been examined and it is found that while most of them deal with the objectives and activities of the Bharat Sevak Samaj, they are not in conformity with the objective for which Central subsidy is paid to the Jan Jagran Group, namely to supplement Plan publicity programme. While a certain amount of publicity for the Samaj and the work that it is aiming at and is engaged in, is understandable, exclusive and all-pervasive emphasis on that aspect, and to meet the cost thereof from the Central subsidy received by the Jan Jagran Group for purely Plan publicity programme, defeats the very object of that subsidy.

2. I am, therefore, to request that this fundamental principle should be borne in mind in future while editing and issuing the publicity literature with the aid of grant-in-aid paid by this Ministry. For the present, it has been decided to admit, as a special case, the expenditure incurred on the production of all the brochures brought out during the year 1959-60, for the purposes of this Ministry's grant-in-aid, except the following three brochures:—

- (1) General Statement of the policy and the programme of the Bharat Sevak Samaj adopted at the Sixth Annual Convention of Bharat Sevak Samaj (English).

- (2) Sectional statements adopted at the Sixth Annual Convention of Bharat Sevak Samaj held at Bhilwara from March 6 to 9, 1959 (English).
- (3) Sectional statements adopted at the Sixth Annual Convention of Bharat Sevak Samaj held at Bhilwara from March 6 to 9, 1959 (Hindi).

3. I am now to request that the total expenditure incurred in respect of the aforesaid three excepted brochures, on editing, printing, despatch, etc., may please communicated so that it may be deducted from the expenditure incurred by the Jan Jagran Group, during 1959-60, and the balance admitted for grant-in-aid. In this connection, reference is also invited to para 6(6) of this Ministry's letter No. 1(52)/58-FYPP. II, dated the 12th December, 1960.

4. You will also recall that the cost of the two brochures entitled 'Sixth Annual Convention of Bharat Sevak Samaj—Review by Shri Gulzari Lal Nanda in English and Hindi' and 'Proceedings of the 5th Convention of the Bharat Sevak Samaj', held at Kanpur, had not been admitted for being met out of the grant-in-aid paid by this Ministry for the year 1958-59, vide this Ministry's letter No. 1(57)/58-FYPP. II, dated the 3rd July, 1959.

5. I am to add that in view of the contents and method of presentation of the brochure entitled "Food from Waste", its utility appears to be rather very limited. Being meant primarily for the agriculturists, it should have presented the technical know-how in a simple, brief and easily understandable form with suitable illustrations. A lot of theory and scientific data borrowed from the I.C.A.R. publications has been reproduced in this publication, which is not likely to be digested by the persons for whom it is intended. The publication, therefore, is useful neither for the cultivators nor for research workers in the field.

6. It is, therefore, suggested that the Jan Jagran Group should bring out only such publications as will stimulate action on the part of various groups of people, suggesting how they could improve their own trades and avocations, thereby help increase production in whatever field it might be.

Yours faithfully,
Sd/- J. J. KARAM,
Under Secy. to the Govt. of India.

ANNEXURE VIII

NO. JJ/2(1)-Pep (H.Y./ (Brochures)

BHARAT SEWAK SAMAJ
JAN JAGRAN GROUP
CENTRAL OFFICE

19, Theatre Communication Bldg.,
Connaught Circus,
NEW DELHI-1
9th March, 1961

The Under Secretary,
Ministry of Information & Broadcasting,
Government of India,
New Delhi-2.

SUBJECT:—*Half Yearly Progress Report on Brochures.*

DEAR SIR,

I am to refer to your letter No. 1(35)/59-PP, dated the 27th February, 1961, on the subject mentioned above and to say that that we find it difficult to accept that the literature produced by us contains 'exclusive and all pervasive emphasis' on publicity for the Samaj and its aims and programmes. Moreover, I trust it will be readily conceded that the objectives to be attained under the Plan programmes and those aimed at by the Samaj are almost identical. I may, however, assure you that the fact that the literature brought out by us is directed primarily towards publicity of the Plan and the programmes under it is invariably borne in mind.

2. The cost of publication of the three brochures referred to in para 2 of your letter under reply is as follows:—

Name of publication	No. of copies published	Cost in Rs
1. General Statement of policy and the programme of the B.S.S. adopted at the 6th Annual Convention	5,000	841.07
2. Sectional Statements adopted at the 6th Annual Convention of the B.S.S. (English) (Hindi)	500 } 1,000 }	169.90

In connection with the objection of the Ministry to the cost of publication of the Sectional Statements being met out of the grant sanctioned by the I & B Ministry, I would draw your attention to the underlined portion therein which will show that the publications deal also with the publicity of the Plan. However, we are agreeable to their cost being not met out of the grant sanctioned by the I & B Ministry.

With regard to the General Statement of policy we are unable to accept the view of the Ministry. The side-lined portions of the publication will convince you that it is primarily intended to persuade the common man to give his cooperation to the programmes underlying the Plan itself. It would also be borne in mind that indirect publicity of the Plan and the programmes under it is invariably preferable to direct publicity for which our experience tells us that there exists obvious apathy.

The criticism and suggestions made in paras 5 & 6 of the letter under reply have been noted. We shall, however, be glad to discuss them at the forthcoming meeting.

Yours faithfully,

Sd - C. B. SHARMA,
Secretary, Jan Jagran Group.

APPENDIX XIII

(See Para, 6, 32 and 36 of Report)

MINISTRY OF INFORMATION & BROADCASTING

Grant-in-aid given to the Bharat Sevak Samaj (Jan Jagran Vibhag) for the publication of Brochures

The grant-in-aid is paid to the Bharat Sevak Samaj by this Ministry for the following of its activities:

- (1) Mass Contact
- (2) Brochures
- (3) Bulletins
- (4) Bharat Sevak (Journal)
- (5) Jan Sahyog Kendras (since stopped after 1961-62)

The grant-in-aid is initially given in the form of an *Advance*, subject to specified conditions as given in the following paragraphs and the quantum of final grant for a particular year is determined on the basis of the Audited Statement of Account of that year, which is received during the course of the next financial year.

2. During the years 1961-62 onwards, the grant-in-aid was given to the Samaj for the publication of Brochures on the following basis:

1961-62

During 1961-62, the grant-in-aid was sanctioned on a combined basis for the various activities of the Samaj on the following terms:—

- (a) The grant was to be limited to not more than 82½% of the total admissible expenditure.
- (b) In respect of the three schemes of 'Mass Contact', 'Jan Sahyog Kandrass' and 'Bulletins' which essentially related to field activities, the Headquarters expenditure (on staff, contingencies, etc.) was not to exceed 10% of the total gross expenditure on these schemes, the remaining 90% being actually incurred in the field.
- (c) Government's liability in the form of grant in respect of 'Bharat Sevak' (Journal) was to be limited to Rs. 30,000.

1962-63, 1963-64 & 1964-65

During these years, the grant for the various activities of the Samaj was given on a separate basis for each scheme and so far as 'Brochures' are concerned, the basis of grant-in-aid has been 75% of the gross expenditure actually incurred, subject to a ceiling of Rs. 21,000 during 1962-63 and a ceiling of Rs. 30,000 during each of the years 1963-64 and 1964-65.

3. The quantum of final grant as admitted during the years 1961-62 onwards is given in the Annexures hereto attached.

Vide O. M. No. 1—(23/63-P.P., dated 10-3-65),

ANNEXURE I

Statement showing grant-in-aid to the Bharat Sevak Samaj as finally admitted for the year 1961-62

S. No.	Scheme	Grant given in advance	Gross admitted expenditure	Income	Net admitted expenditure	Grant as finally admitted	Remarks.
1	2	3	4	5	6	7	8
			<i>1961-62</i>				
1.	Bharat Sevak (Journal)		57,841.45	29,421.23	28,420.22	28,420.22	At the time of the local audit of the Jan Jagran Vibhag of the Bharat Sevak Samaj, the A.G.C.R had found that in the accounts rendered by the Samaj to the Govt. the Samaj had claimed an excess payment of Rs. 16,000 during the years 1960-61 and 1961-62 towards the grant-in-aid for brochures as a result of the wrong debiting of expenditure on telephone, rent, rates and taxes to the brochures instead of debiting it to the
2.	Brochures		30,049.17	22,853.19	7,195.98		
3.	Bulletins	4,30,000.00	14,342.21	11,342.21	3,000.00	3,37,494.26	
4.	Jan Sahyog Kendras		65,434.88	1,876.16	63,558.72		
5.	Mass Contact		2,62,215.50	36,564.44	2,25,651.06		
6.	Headquarters expenses		38,892.48		*38,088.50		
	TOTAL	4,30,000.00	4,68,775.69	1,02,057.23	3,65,910.48	3,65,914.48	

* The figure of Rs. 38,088.50P represents 10% of the gross expenditure on Mass Contact, Jan Sahyog Kendras and Bulletins and the Headquarters expenses.

1

2

3

4

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headquarters expenses. This amount has been recovered from the Samaj. However, on a review of the position on receipt of a representation from the Samaj, it has been found that the excess recovery should have been for an amount of Rs. 8,050.01 only—
Rs. 1,944.14P for 1960-61 and Rs. 6,105.87P for 1961-62. The matter was referred to the A.G.C.R. for confirmation, who has intimated that this would be checked at the time of the local audit of the Samaj. On the above basis the total admissible grant for 1961-62 would be reduced to Rs. 3,59,801.68.P

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ANNEXURE II

Statement showing the gross expenditure, income and grant-in-aid finally admitted in respect of 'Brochures' during the years 1962-63 to 1964-65

S. No.	Year	Gross Expenditure	Income	Net Expenditure	Grant-in-aid admitted finally	Remarks
		Rs.	Rs.	Rs.	Rs.	
1	1962-63	26,571.60	21,976.85	4,594.75	4,594.75	
2	1963-64	7,254.57	12,111.07	Nil	Nil	The Audited Accounts for 1963-64 are under examination and the quantum of grant has not yet been finally decided. However, considering the fact that the income was in excess of the expenditure so far as 'Brochures' were concerned, the grant admissible would be 'Nil'.
3	1964-65	A total grant-in-aid of Rs. 3 lakhs has been paid to the Bharat Sevak Samaj for continuing their various Plan publicity activities including that of 'Brochures' during the year 1964-65; the final instalment of grant-in-aid is still to be released. Actual admissible grant will be determined on the basis of the Audited Statement of Account which will be received during the course of the next financial year viz. 1965-66.				

APPENDIX XIII B

(See Para 6 and 32 of Report)

MINISTRY OF INFORMATION AND BROADCASTING

Statement showing the grant-in-aid given to the Jan Jagran Vibhag of the Bharat Sevak Samaj

Year	Grant given in advance	Grant as finally ad- mitted on the basis of the Audited Accounts	Remarks
	Rs.	Rs.	
1962-63	4,67,000	3,25,744 35	
1963-64	4,42,000	*3,33,736 27	*Provisionally admitted subject to the concurrence of the Ministry of Finance.
1964-65†	†3,00,000	‡	†Final instalment of Rs. 1,68,000 raising the total grant during the year to Rs. 4,68,000 is proposed to be issued shortly, subject to concurrence by the Finance Ministry. ‡Will be determined on receipt of Audited Accounts during 1965-66.

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[O.M. No. 1(23)/63-PP, dated 22-3-65.]

Appendix XIV

MINISTRY OF RAILWAYS (RAILWAY BOARD)

(See para 8 of Report)

Note regarding the issue of free Railway passes to the Bharat Sevak Samaj

The Bharat Sevak Samaj approached the Railway Board in June 1953, requesting the issue of 65 free Railway passes to enable their workers to move about the country in connection with the work of the Samaj. The Railway Board issued only two First class complimentary card passes in favour of the office bearers of the Samaj available for a period of one year. These two card passes were renewed for another year upto July 1955.

2. In May 1955, the Bharat Sevak Samaj requested the Railway Board for the issue of additional First class card passes at the rate of one pass for each of the Indian Zonal Railways in addition to the renewal of the two First class card passes already held by them. The Railway Board, however, only renewed the two First class all-India complimentary card passes and issued two additional First class card passes, one each available over the Northern and Western Railways respectively

3. In August, 1956, the Bharat Sevak Samaj again requested the Railway Board to issue more passes for the reason that the activities of the Samaj had been increasing rapidly. The Railway Board issued the following card passes:—

- (i) one First class all-India card pass in addition to two First class all-India card passes already held; and
- (ii) five First-class card passes, each available over the Central, Eastern, North-Eastern, Southern and South Eastern Railways respectively, in addition to the two First class card passes available over the Northern and Western Railways, already held.

Thus in all, the Bharat Sevak Samaj were provided with 10 First class card passes (three all-India and seven Zonal). These card passes were renewed in 1957 for another year.

4. In July 1958, the Bharat Sevak Samaj requested the renewal of all the ten card passes. In order to examine the matter, the Samaj was asked to furnish the details of the various journeys undertaken on these card passes.

After a careful review, the Railway Board issued only the following card passes, which have been renewed from year to year since then and are at present available upto 30-6-1965:

- (i) Two First class all-India card passes each in favour of one office bearer of the Bharat Sevak Samaj; and
- (ii) One Third class all-India card pass in favour of one worker of the Bharat Sevak Samaj.

5. It may be stated that the Ministry of Railways have been issuing complimentary card passes to the Social/cultural organisations having all-India character and doing work of national importance. As the activities of the Bharat Sevak Samaj were considered deserving of governmental assistance, the Ministry of Railways issued card passes to the Samaj. The issue of these card passes is reviewed every year.

[Vide Ministry of Railways (Railway Board), O.M. No 65-B(C) PAC/Genl(i).dated 18-1-65.]

APPENDIX XV

(See Para 10 of Report)

List of Office Bearers of the Bharat Sevak Samaj since its inception to date

1952 and 1953

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Secretary	Shri N. L. Verma
Treasurer	Shri B. L. Nehru

1954

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Secretary	Shri Krishna Prasada
Treasurer	Shri B. L. Nehru

1955 and 1956

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Secretary	Shri Krishna Prasada
Information Secretary	Shri Ram Narayan Choudhury
Secretary Organisation	Shri Jugal Kishore Khanna
Treasurer	Shri B. L. Nehru

1957

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Secretary	Shri Krishna Prasada
Secretary Organisation	Shri Jugal Kishore Khanna
Joint Secretary	Shri Siri Ram Puri
Treasurer	Shri B. L. Nehru

1958

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Secretary(Coordination)	Shri Krishna Prasada
Secretary Organisation	Shri Jugal Kishore Khanna

Joint Secretary Shri Siri Ram Puri
 Treasurer Shri B. L. Nehru

Office Bearers of Groups :

Jan Jagaran Group

Chairman Shri Ram Narayan Choudhry
 Secretary Shri C. B. Sharma

*Public Cooperation
 (Later designated as
 Lok Karya Group)*

Chairman Prof. N. R. Malkani
 Secretary Shri Chakradhari Agarwal

Youth and Works Camp Group

Chairman Shri Sankar Saran
 Secretary Maj. T. Ramachandra

Construction Group

Chairman Shri L. N. Mishra
 Secretary Shri M. D. Mithal

1959 :

President Pt. Jawaharlal Nehru
 Chairman Shri Gulzari Lal Nanda
 Secretary
 (Coordination) Shri Krishna Prasad
 Secretary
 (Organisation) Shri Jugal Kishore Khanna
 Joint Secretary Shri Siri Ram Puri
 Treasurer Shri B. L. Nehru
 Adviser Accounts Shri S. Retnam

Office bearers of Groups :

Jan Jagaran Group
 Chairman Shri J. L. Hathi
 Secretary Shri C. B. Sharma

Public Cooperation
(Lok Karya Group)

Chairman Prof. N. R. Malkani
Secretary Shri Chakradhari Agarwal

Youth and Work Camp Group

Chairman Shri Sankar Saran
Secretary Maj. T. Ramachandra

Construction Group :

Chairman Shri B. D. Nanda
Secretary M.D. Mithal

1960 :

President Pt. Jawaharlal Nehru
Chairman Shri Gulzari Lal Nanda
Vice-Chairman Shri J. L. Hathi
Secretary
(Coordination) Shri Krishna Prasada
Secretary
(Organisation) Shri Jugal Kishore Khanna
Joint Secretary Shri Siri Ram Puri
Treasurer Shri B.L. Nehru
Adviser, Accounts Shri S. Ratnam

Office Bearers of Groups :

Jan Jagaran Group

Chairman Shri J.L. Hathi
Secretary Shri C.B. Sharma

Lok Karya Group

Chairman Prof. N.R. Malkani
Secretary Shri Chakradhari Agarwal

Youth and Work Camp Group

Chairman Shri Sankar Saran
Secretary Maj. T. Ramachandra

Construction Group

Chairman Shri B.D. Nanda
Shri H.R. Vadhera (Acting)
Secretary Shri M.D. Mithal

Training Section :

Chairman Prof. N.R. Malkani
Secretary Shri B.V. Radha Krishnan

1961

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Vice-Chairman	Shri J.L. Hathi
Secretary (Coordination)	Shri Krishna Prasada
Secretary (Organisation)	Shri Jugal Kishore Khanna
Joint Secretary	Shri Siri Ram Puri
Treasurer	Shri B.L. Nehru
Adviser, Accounts	Shri S. Ratnam

*Office bearers of the Groups :**Jan Jagaran Group*

Chairman	Shri J. L. Hathi
Secretary	Shri C. B. Sharma

LokKarya Group

Chairman	Shri N.R. Malkani
Secretary	Shri Chakradhari Agarwal

Youth and Work Camp Group

Chairman	Shri Sankar Saran
Secretary	Maj. T. Ramachandra

Construction Group

Chairman	Shri B. D. Nanda Shri H. R. Vadhera (Acting)
Secretary	Shri M. D. Mithal

Training Centre

Chairman	Prof. N. R. Malkani
Secretary	Smt. P. V. Thapar

1962 :

President	Pt. Jawaharlal Nehru
Chairman	Shri Gulzari Lal Nanda
Vice-Chairman	Shri J. L. Hathi Shri N. R. Malkani
General Secretary	Shri L. N. Mishra
Joint Secretary	Shri C. B. Sharma
Treasurer	Shri B. L. Nehru
Adviser, Accounts	Shri S. Ratnam

*Office bearers of the Groups :**Jan Jagran and LokKarya Group*

Chairman	Shri Ahmed Mohiuddin
Secretary	Shri Chakradhari Agarwal

Training Centre

Chairman Prof. N. R. Malkani
 Secretary Smt. P. V. Thapar

Publication Section

Chairman Shri C. B. Sharma
 Secretary Shri Shoba Lal Gupta
 Shri P. C. Sondhi

1964

President Pt. Jawaharlal Nehru
 (upto 27-5-1964)
 (Shri Gulzari Lal Nanda)
 Vice-Chairman Shri J.L. Hathi
 Shri N.R. Malkani
 General Secretary Shri B.D. Nanda (on leave)
 Maj. T. Ramachandra
 Treasurer Shri B.L. Nehru
 Adviser Accounts Shri S. Ratnam

*Office bearers of Groups :**Jan Jagran Group :*

Chairman Shri Ahmed Mohiuddin
 Shri Amar Nath Vidyalkar
 Secretary Shri Chakradhari Agarwal
 Dr. D. R. Mehta (upto 31-8-64)

Lok Karya Group :

Chairman Shri Ahmed Mohiuddin
 Secretary Shri Chakradhari Agarwal
 (upto 31-8-1964)
 Maj. T. Ramachandra

*Youth and Work Camp and Family Planning
& Health Group :*

Chairman Shri Radha Raman
 Secretary Shri D.D. Chopra

Social Welfare Section

Chairman Smt. Raksha Saran
 Secretary Smt. C. Tandon

Construction Service

Chairman Shri Hans Raj Vadhera
 Secretary Shri Jugal Kishore Khanna

Training Centre :

Chairman Prof. N. B. Malkani
 Secretary Smt. P. V. Thapar

Publication Section :

Chairman Shri B.N. Nanda
 Shri Amar Nath Vidyalankar
 Secretary Shri Gian Singh
 Shrimati P.V. Thapar

1965 :

President Shri Gulzari Lal Nanda
 Vice-Chairman Shri J. L. Hathi
 Shri N. R. Malkani
 General Secretary Shri B. D. Nanda
 Maj. T. Ramachandra (Acting)
 Treasurer Shri B. L. Nehru
 Adviser Accounts Shri S. Ratnam

*Office bearers of Groups :**Tan Jagran Group*

Chairman Shri Amar Nath Vidyalankar
 Secretary Dr. D. R. Mehta

LokKarya Group

Chairman Shri Ahmed Mohiuddin
 Secretary Maj. T. Ramachandra

*Youth and Work Camp & Family
 Planning & Health Group*

Chairman Shri Radha Raman
 Secretary Shri D. D. Chopra

Social Welfare Section

Chairman Smt. Raksha Saran
 Secretary Smt. C. Tandon

Construction Service

Chairman Shri Hans Raj Vadhera
 Secretary Shri Jugal Kishore Khanna

Training Centre

Chairman Prof. N. R. Malkani
 Secretary Smt. P. V. Thapar

Publication Section

Chairman Shri Amar Nath Vidyalankar
 Secretary Smt. P. V. Thapar

(Vide Planning Commission O.M. No. 9 (RO) /64-NB of 9-3-1965).

APPENDIX XVI

(See para 10 of Report)

List of Members of the Administrative Committee of the Bharat Sewak Samaj

(For the year 1960-61)

1. Shri J. L. Hathi
2. Shri K. D. Malaviya
3. Prof. N. R. Malkani
4. Prof. N. G. Rnaga
5. Shri B. K. Chandiwala
6. Smt. Raksha Saran
7. Shri Ram Narayan Chaudhary
8. Shri J. N. Sahni
9. Shri Ahmed Mohiuddin

Ex-officio Members :

10. Shri Jawaharlal Nehru
11. Shri Gulzarilal Nanda
12. Shri Krishna Prasada
13. Shri J. K. Khanna

List of Members of the Administrative Committee of the Bharat Sevak Samaj

(For the year 1961-62)

1. Shri J. L. Hathi
2. Prof. N. R. Malkani
3. Shri Brij Krishan Chaudiwala
4. Smt. Raksha Saran
5. Shri J. N. Sahni
6. Shri Ahmed Mohiuddin
7. Shri M. L. Dwivedi

Ex-officio Members :

8. Shri Jawaharlal Nehru
9. Shri Gulzari lal Nanda
10. Shri Krishna Prasada
11. Shri J. K. Khanna

List of Members of the Kendriya Pradhan Mandal (Administrative Committee) of the Bharat Sevak Samaj

(For the year 1962-63)

Ex-officio Members :

- | | |
|----------------------|-----------------------|
| 1. President | Shri Jawaharlal Nehru |
| 2. Chairman | Shri G. L. Nanda |
| 3. Vice-Chairman | Shri J. L. Hathi |
| 4. Vice-Chairman | Prof. N. R. Malkani |
| 5. General Secretary | Shri L. N. Mishra |
| 6. Joint Secretary | Shri C. B. Sharma |

Members

7. Shri Ahmed Mohiuddin
8. Shri Radha Raman
9. Smt. Raksha Saran

[File Planning Commission O. M. No. 9 (25.6.64 PUB dated 16.3.65.)]

List of Members of the Kendriya Pradhan Mandal (Administrative Committee) of the Bharat Sevak Samaj.

(for the year 1963-64)

Ex-officio Members :

- | | |
|----------------------|-----------------------|
| 1. President | Shri Jawaharlal Nehru |
| 2. Chairman | Shri G. L. Nanda |
| 3. Vice-Chairman | Shri J. L. Hathi |
| 4. Vice-Chairman | Prof. N. R. Malkani |
| 5. General Secretary | Shri L. N. Mishra |
| 6. Joint Secretary | Shri C. B. Sharma |

Members :

7. Shri Ahmed Mohiuddin
8. Shri Radha Raman
9. Smt. Raksha Saran

List of Members of the Kendriya Pradan Mandhal (Administrative Committee) of the Bharat Sevak Samaj

(for the year 1964-65)

Ex-officio Members:

1. President { Shri Jawaharlal Mehru
(upto 27th May, 1964)
2. Chairman { Shri G. L. Nanda
Shri G. L. Nanda
3. Vice-Chairman Shri J. L. Hathi
4. Vice-Chairman Shri N. R. Malkani
5. General Secretary :—
(a) Shri B. D. Nanda (on leave)
(b) Shri Maj. T. Ramachandra (Acting)
6. Joint Secretary

Members :

7. Shri Ahmed Mohiuddin
8. Shri Radha Raman
9. Smt. Raksha Saran

Nominees of the Trustees

10. Shri Brij Krishan Chandiwala
11. Shri Krishna Prasada

(Vide Planning Commission D. O. No. 9 (20) 64 dated 26-3-1965.)

APPENDIX XVII

(See Para 26 of Report)

LOK KARYA GROUP OF THE BHARAT SEVAK SAMAJ, CENTRAL OFFICE, NEW DELHI.

Receipt & Payment Account for the period ended 31st May, 1961.

RECEIPT.	Rs.	np.	PAYMENT.	
<i>I. Last year's balance :</i>			<i>I. Expenses incurred for Kshetras as per Statements received from them and summaries prepared at the headquarters :</i>	
(a) with Central Office	14,484.71		Salaries and Maintenance allowance :	1,90,003.07
(b) Recoverable from Lok Karya Kshetras	36,314.53		Stationery and Postage :	21,735.77
(c) Imprest with Secretary	2,807.05	53,606.29	Conveyance :	12,555.86
			Rent :	7,735.15
			Library books and periodicals :	18,480.16
			Furniture and Sports Equipment :	13,846.49
			Miscellaneous :	6,886.71
				2,71,243.21
<i>II. Grant received from Planning Commission :</i>			<i>II. Amount paid to L.K. Organization out of Grant :</i>	15,980.45
(a) By Ministry's communication No. PC Pub 8 (82)/60 dt. 9-5-60.	47,250.00			
(b) By Ministry's communication No. PC Pub 8(82)/60 dt. 29-6-60	20,800.00			
(c) By Ministry's communication No. PC Pub 8(82)/60 dt. 4-1-61	1,75,000.00			
(d) By Ministry's communication No. PC/Pub 8 (82) 60 dt. 14-3-61	17,250.00	2,60,300.00	<i>III. Amount paid to Central Development Fund :</i>	700.00

III. <i>Local Collections by Kshetras :</i>		IV. <i>Surplus Local Collections with Kshetras :</i>	
Amount collected :	4,448.07		1,205.22
Less : Amount spent	<u>3,242.85</u>	V. <i>Recoverable Amounts :</i>	
IV. <i>Amount due to Central Office :</i>	As per contra	(a) From Lok Karya Kshetras, out of Grant	25,860.07
		(b) Balance with Secretary Lok Karya Group	<u>1,550.00</u>
		TOTAL	27,410.07
		Less : Amount due to Central Office computed vide sub-para IV of the Audit Report:	1,529.53
			25,880.54
		VI. <i>Cash in Hand at Headquarter</i>	102.09
TOTAL	<u>3,15,111.51</u>	TOTAL	<u>3,15,111.51</u>

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Certified as per our Audit Report of even date, annexed :

NEW DELHI :
10th October, 1961.

Sd -
(P. N. KHANNA & Co.)
Chartered Accountants.

Sd -
Jt. Secretary,
Lok Karya Group.

Sd -
Accounts Incharge.

P. N. Khanna & Co.
Chartered Accountants,
The Secretary,
Bharat Sevak Samaj,
Central Office,
New Delhi.

Phone: Residence: 43317
Office: 43680
14/15 F. Connaught Place
New Delhi.
10th October, 1961.

Dear Sir,

Audit of accounts pertaining to Lok Karya Group of the Bharat Sevak Samaj, Central Office, New Delhi for the period ended 31st May, 1961.

We are enclosing herewith Receipt and Payment Account of the Lok Karya Group of the Bharat Sevak Samaj, Central Office, New Delhi, for the period ended 31st May, 1961. In this connection, we have to observe as under:—

1. *Grants received from the Planning Commission:*

(1) A total amount of Rs. 2,60,300 was received as Grant from the Planning Commission, Public Cooperation Division, Government of India, New Delhi as allocation for the year 1960/61. The said Grant was received in four instalments as mentioned below:—

(a) By Ministry's communication No. PC/Pub/8 (82)/60 dt. 9-5-1960	Rs. 47,250
(b) By Ministry's communication No. PC/Pub/8(82)/60 dt. 29-6-1960	Rs. 20,800
(c) By Ministry's communication No. PC/Pub/8(82)/60 dt. 4-1-1961	Rs. 1,75,000
(d) By Ministry's communication No. PC/Pub/8(82)/60 dt. 14-3-1961	Rs. 17,250
TOTAL	Rs. <u>2,60,300</u>

It has been explained that since the last instalment of Grant was received in the month of April, 1961, the accounts were kept open till 31st May, 1961 in order to cover disbursements made out of that instalment. This has resulted in a deviation from the normal procedure of making up the annual statements upto 31st March. We have, therefore, to suggest that the Samaj should take care in this matter and see that allocated Grant is received well within the period it is intended to be utilised.

(2) No part of Grant remaining unspent out of Budget allocation for 1959/60 was refunded to the Government during the period under report and as such the said balance of Rs. 14,484.71 nP. has been included in the Opening balance under Receipts Column of the Receipt & Payment Account made upto 31st May, 1961, and 1 (Aii) LS—30.

appropriated during the period covered by our Report for expenditure vide Ministry sanction under their letter No. PC/Pub/8(82)/60 dated 22-2-61.

(3) As mentioned in our Report for the year 1959/60 we still find that no separate record was maintained pertaining to each instalment of Grant.

(4) Terms of Grant specifically state that unutilized portion of the Grant would be refunded to the Government but during the period covered by this Report no balance remained at Headquarters which could be deemed as refundable. In fact, due to certain non-adjustments, the Lok Karya Group has overdrawn from the Central Office a sum of Rs. 1529.53 nP. during the period covered by the Report. Circumstances leading to this overdrawing have been dealt with in sub-para IV below.

II. Local Collections by different Kshetras:—

(1) Additional resources were raised by some of the Kshetras in accordance with directions issued for the purpose. Total collections so effected have been shown separately in the annexed Statement of Receipt and Payment, which amounted to Rs. 4,448.07 nP. as against Rs. 3,939.96 nP. in the previous year. As observed by us in our Report for the year 1959/60 Kshetras continued to exercise full control over the collections effected by them.

(2) Activities like milk distribution etc. were continued at certain Kshetas which although not specifically covered by the Grant were met mostly out of local collections. We have already suggested in our last year's report that various activities at the different Kshetras be regulated as part of an integrated plan and should follow a pre-determined pattern. We again stress that emphasis should be given to achieving coordination in the activities through executive instructions and it should not be left to individual Kshetras to take up activities which are not in accordance with the executive instructions howsoever much-suited they may be to local conditions.

III. Expenditure incurred at various Kshetras:

(1) We have checked the accounts submitted by the various Kshetras with the relevant vouchers produced to us for the purpose and have separately given our remarks on the same together with our requirements and our suggestions for further improving the accounts submitted by the various Kshetras. We have been assured due attention in this matter.

(2) A total of Rs. 2, 71,243.21 nP. was spent in the account of various Kshetras during the period covered by our report and this

includes expenditure incurred by the Samaj at its headquarters as approved by the Planning Commission *vide* their letter No. PC/Pub/8(82)/60 dated 13-6-1960.

IV. Lok Karya Group A/c with Bharat Sevak Samaj (Central Office):

(1) We have shown in the annexed Statement of Receipt and Payment a sum of Rs. 1529-53 nP. as overdrawn from the Central Office. This is computed as below:—

	Rs. nP.
(a) Balance due to Lok Karya Group as per books of Central Office as on 31-5-1961	494·85
<i>Less:</i>	
(b) Expenditure incurred in Lok Karya Group account for 1959-60 but charged by Central Office to Training Centre Account and subsequently adjusted to Lok Karya Group in October, 1961	2,024·38
	1,529·53
Balance due to Central Office	1,529·53

(2) A sum of Rs. 700 has been shown due from Central Development Fund. In fact this amount was paid to them in instalments towards adjustment of loan of Rs. 2,000 which was actually taken for the purposes of the Lok Karya Group but wrongly charged to Organization Section by the Central Office. It has been explained to us that this entry was adjusted by the Central Office in October, 1961.

V. Books of Account:

The Group has maintained the same system of accounts as earlier pointed out by our Report pertaining to the year 1959/60. Although accounts were maintained in a better condition than last year, there is scope for further improvement in the records and we emphasize that our suggestions contained in the last year's report may be implemented.

Subject to our remarks contained in sub-paras I to V above, we certify that the expenditure incurred by the various Lok Karya Kshetras as per the annexed Receipt and Payments Statement was so expended in terms of Grant sanctioned for the purpose by the Planning Commission, Government of India, New Delhi.

Yours faithfully,

Sd/-

(P. N. Khanna & Company)

Chartered Accountants.

Encl: Receipt & Payment Account.

Audit of Accounts pertaining to Lok Karya Group of the Bharat Sevak Samaj, Central office, New Delhi, for the period ended 31st May, 1961.

We are enclosing herewith Receipts & Payment Accounts of the Lok Karya Group of the Bharat Sevak Samaj, Central Office, New Delhi for the period ended 31st May, 1961. In this connection we have to observe as under :—

I. Grants received from the Planning Commission.

A Total amount of Rs. 2,60,300 received as Grant from the Planning Commission, Public Co-operation Division, Government of India, New Delhi as allocation for the year 1960-61. The said grant was received in four instalments as mentioned below :—

By Ministry's Communication No. PC/Pub/8 (82)/60 dated 9-5-1960	47250'00
By Ministry's Communication No. PC Pub-8 (82)/60 dated 29-6-60	20800'00
By Ministry Communication No. PC Pub-8 (82)/60 dated 4-1-1961.	175000'00
By Ministry Communication No. PC Pub-8 (82)/60 dated 14-3-61	17250'00
TOTAL	260300'00

It has been explained that since the last instalment of Grant was received in the month of April, 1961, the accounts were kept open till 31st May, 1961 in order to cover disbursements made out of that instalment. This has resulted in a deviation from the normal procedure of making up the annual statements upto 31st March. We have, therefore, to suggest that the Samaj should take care in this matter

The last instalment of Rs. 17250/- was sanctioned on 14th March, 1962. The amount of this sanction could be realised and credited to the Bharat Sevak Samaj's account only on the 28th March, 1962. This amount having been credited on the 29th March, 1962, the disbursements out of this could not reach the Kshetras by the 31st March, 1962. The amounts could actually be

and see that allocated Grant is received well within the period it is intended to be utilized.

2. No part of Grant remaining unspent out of Budget allocation for 1959-60 was refunded to the Government during the period under report and as such the said balance of Rs. 14484.71 has been included in the opening balance under Receipts column of the Receipts and Payment Account made upto 31st May, 1961. This amount was appropriated during the period covered by our Report for Expenditure *vide* Ministry's sanction under their letter No. Pc/Pub/8(82) 60 dated 22-2-1961. ■ ■

3. As mentioned in our Report for the year 1959-60 we still find that no separate record was maintained pertaining to each instalment of Grant.

Terms of the Grant specifically state that unutilized portion of the Grant would be refunded to the Government but during the period covered by this Report no balance remained at Headquarters which could be deemed as refundable. In fact, due to certain no-adjustments, the Lok Karya Group has overdrawn from the Central Office a sum of Rs. 1529.53 during the period covered by the Report. Circumstances leading to this overdrawing have been dealt with the sub-para No. IV below.

realised by the individual Kshetras only in April, 63. It has, however, been noted that such a recurrence should be avoided in future.

The grant of the Lok Karya Kshetras is paid in two or three instalments. Since the first instalment is paid only in June & July after the budget has been approved and passed by Parliament. The workers suffered hardship when they did not receive the salary for the months of April and May. The Samaj are, therefore, allowed to carry forward the unspent balance for two months with the concurrence of the Ministry of Finance.

This is neither practicable nor is it the intention of the Planning Commission explained *vide* our letter No. BSS LKG/Pl. Comm' 12. Gen dt. 16/4/1962.

The grant of the LKK is paid in two or three instalments. Since the first instalment is paid only in June and July after the budget has been approved and passed by Parliament, the workers suffered hardship when they did not receive the salary for the months of April and May. The Samaj are, therefore, allowed to carry forward the unspent balance for two months with the concurrence of the Ministry of Finance. The necessary sanction of the Planning Commission was communicated in their letter No. 7(2) 61-Pub. dated 29-12-61.

II. Local Collections by Different Kshetras ■

1. Additional resources were raised by some of the Kshetras in accordance with directions issued for the purpose. Total collections so effected have been shown separately in the

The main object of the LKK Scheme is to build up local initiative in organizing activities on self-help basis. Organizing these activities on a self-help basis

annexed statement of Receipt and Payment, which amounted to Rs. 4448.07 as against Rs. 3939.96 in the previous year. As observed by us in our report for the year 1959-60 Kshetras contained to exercise full control over the collections effected by them.

requires considerable effort and application if the area where the Kshetras are functioning. The local contributions which are raised in the form of cash, kind and services are, therefore, utilized by the workers for organizing such activities for which there is a local need. Thus, under the scheme itself, the Kshetra enjoy control in the utilization of local collections.

2. Activities like milk distribution etc. were contained at certain Kshetras which although not specifically covered by the Grant were met mostly out of local collections. We have already suggested in our last year's Report that various activities at the different Kshetras be regulated as part of an integrated plan and should follow a pre-determined pattern.

We again stress that emphasis should be given to achieving coordination in the activities through executive instructions and it should not be left to individual Kshetras to take up activities which are not in accordance with the executive instructions howsoever much suited they may be to local conditions.

Noted.

III. Expenditure Incurred at Various Kshetras

1. We have checked the accounts submitted by the various Kshetras with the relevant vouchers produced to us for the purpose and have separately given our remarks on the same together with our requirements and our suggestions for further improving the accounts submitted by the various Kshetras. We have been assured due attention in this matter. No further comments.
2. A total of Rs. 271243.21 nP. was spent in the account of various Kshetras during the period covered No comments.

by our report and this includes expenditure incurred by the Samaj at its headquarters as approved by the Planning Commission *vide* their letter No. PC/PUB/8(82)/60 dt. 13-6-60.

IV. Lok Karya Group Account with Bharat Sevak Samaj (Centre Office)

1. We have shown in the annexed statement of Receipts and Payment, sum of Rs. 1529.53 as overdrawn from the Central Office. This is computed as below :—

(a) Balance due to LK Group as per books of Central Office as on 31-5-61. 494.85

Less

Expenditure incurred in LK Group account for 1959-60 but charged by Central Office to Training Centre Account and subsequently adjusted to LK Group in October, 1964. 2424.38

This is an explanation regarding an adjustment and does not call for any action.

Balance due to Central Office 1529.53

2. A sum of Rs. 700/- has been shown due from Central Development Fund. In fact this amount was paid to them in instalments towards Adjustment of loan of Rs. 2000/- which was actually taken for the purpose of the Lok Karya Group but wrongly charged to Organisation Section by the Central Office. It has been explained to us that this entry was adjusted by the Central Office in October, 1961. No comments.

V. Books of Accounts:

The Group has maintained the same system of accounts as earlier pointed out by our Report pertaining to the year 1959-60. Although accounts were maintained in a better condition than last year, there is scope for further improvement in the records and we emphasise that our

Noted. The improvement in the account with regards to the double entry system has since introduced.

suggestions contained in the last year's report may be implemented.

Subject to our remarks contained in sub-paras I to V above, we certify that the expenditure incurred by the various Lok Karya Kshetras as per the annexed Receipt and Payments Statement was so expended in terms of Grant sanctioned for the purpose by the Planning Commission, Government of India, New Delhi.

APPENDIX XVIA

(See Para 27 of Report)

Receipt and Expenditure Account of Bharat Sevak Samaj, Slum Welfare Centre, Patna City.

As on 31-3-1963.

Receipts		Expenditure	
	Rs.	Rs.	Rs.
To Central Slum Welfare Committee Patna (1)	6,667·57	6,667·57	A. Recurring
To Local Contribution	320·00	320·00	By Estt.
To Miscellaneous	30·13	30·13	By House Rent
	<u>7,017·70</u>		By Contingencies :
			Travelling allowance
			112·94
			Postage
			11·36
			Stationery
			48·61
			Pre Primary Education
			96·47
			Misc.
			67·82
			Health & Sanitation
			94·23
			Adult Education
			51·58
			Newspapers & Periodicals
			91·84
			Embroidery
			46·82
			<u>621·67</u>
			TOTAL
			<u>6,701·67</u>
			B. Non-Recurring
			Tools & Imple-
			ments
			Towards purchase of Usha Sewng Machine
			150·00
			Industrial Loan to Sohan Singh Azad
			90·00
			<u>240·00</u>
			By Refund to Central Slum Welfare Committee Patna
			58·00
			<u>6,999·67</u>
			By closing balance
			58·00
			<u>7,017·70</u>

Sd/-
(B.K. Sinha)
Chartered Accountant
Bhattacharya Road, Patna 1.

APPENDIX XVII B

(See Para 27 of Report)

Scheme of Pilot Project of Public Cooperation and participation for socio-economic welfare activities in slum area of Behrampura, Ahmedabad

Receipts and Payments account for the year ended 31-3-1963

Receipts					Payments
<i>Opening Balance</i>					
On hand	12.32				
With BSS Gujarat	2341.89	2354.21			By salaries to workers 5056.61
					By Community tools 1488.81
					By Rent 625.00
<i>Grant</i>					
BSS, New Delhi		6810.00			By Supervision charges 75.00
					By <i>Contingent Expenses</i>
<i>Udyoga Centre income</i>		1.50			„ Stationery 69.67
					„ tailoring class 70.79
<i>Interest</i>		1.10			„ sports centre 205.62
					„ travelling 41.25
<i>Public contribution</i>					„ health centre 203.81
For rent, tools and contingency expenses		2320.05			„ kindergarten 164.28
					„ subscription 98.35
					„ electric bills 21.20
<i>Creditors</i>					„ entertainments 17.00
For deposit N. Leywa		40.00			„ postage 1.50
					„ milk centre 450.00
					„ Miscellaneous 306.41
					„ books 38.55
					1688.43
					<i>By Due from</i>
					Pilot Project Asarwa 200.00
					BSS City Branch 250.00
					<i>Payment to creditors of previous yrs.</i>
					Closing balance on hand 4.98
					With Bombay Mercantile Coop. Bank Ltd. 66.55
					71.53
		11,526.86			11,526.86

Sanghavi & Co.
Chartered Accountants
Ahmedabad dated
22-6-1963

Examined and found correct.
Sd/—
CHARTERED ACCOUNTANT

APPENDIX XVIII

(See Paras 27 and 53 of Report)

PLANNING COMMISSION

**Note on list of points on which PAC desired further information *vide*
Lok Sabha Sectt. O.M. No. 2/1/(65)/64/PAC dated the 6th March,
1965**

S. No.	Question	Answer
1	Secretary, Planning Commission promised to furnish a statement showing the number of labour cooperatives registered, the number out of them organised by Bharat Sevak Samaj and the total number of labourers engaged therein. The statement may be furnished.	The total number of registered Labour Cooperatives as on 30-6-64 was 3,701 with a total membership of 3,08,672. 2. The Samaj has advised that they have organised Labour Cooperatives in a number of States but mainly in Bihar, Manipur and Delhi. The detailed information regarding the number of societies and their members has been called for from the State Units of the Samaj. In Delhi, the Stone-Breakers Cooperative Society, has 154 shareholder members but it provides direct employment to 513 Khandars, 1756 stone-breakers, 156 earth lifters and 66 truck loaders. All of them earn wages, which are higher than those earned by them under the private contractors.
2	It was stated on 23-1-65 (forenoon) that the quantity of work done by Labour Cooperatives in 1963-64 had been reported to be Rs. 5.76 crores. The details of these works may be furnished.	The required information has been asked for from the Ministry of Community Development and Cooperation.
3	At the Sitting of the PAC held on 19-1-65 (afternoon) the representative of the Planning Commission stated in connection with	A note received from the Samaj explaining the position is enclosed at Annexure-I.

S. No.	Question	Answer
	<p>the Accounts furnished in respect of different centres (Lok Karya Kshetras) to the Committee that the details as to how the accounts were worked out and what were the complete accounts would be looked into and the Committee informed about it. A note on this matter may be furnished.</p>	
4	<p>With regard to para 86(c)(iv) of Audit Report (Civil) 1964, the representative of Planning Commission stated that the prices paid by Bharat Sevak Samaj for the tools etc. would have to be checked with those obtained by D.G.S. & D. A note may be furnished.</p>	<p>The necessary information is not readily available with the Samaj. Further enquiries are being made.</p>
5	<p>What is the total membership of the Bharat Sevak Samaj? (Latest position may be furnished).</p>	<p>The present membership of the Bharat Sevak Samaj is estimated at 41,560. The Samaj has asked for the latest figures from their State Units. These will be furnished as soon as they are received.</p>
6	<p>Two copies each of the consolidated Accounts of Bharat Sevak Samaj Construction Service up to July 1963 (stated at the sitting of PAC held on 23-1-65) (afternoon) to have been prepared may be furnished.</p>	<p>The reference in the meeting of the Public Accounts Committee sitting held on 23-1-65 was to the accounts of the Bharat Sevak Samaj Central Construction Service. Two copies of their balance sheets for the period ending 31-7-63, as now received, are enclosed herewith (Profit and Loss Account—Appendix XXXIV)</p>
7	<p>Two copies each of the list of names, addresses etc. of Governors, Directors etc. filed by Bharat Sevak Samaj with the Registrar under section 4 of Societies Registrar Act 1860 every year so far may be furnished.</p>	<p>The required information is still awaited from the Samaj. It will be sent to the Lok Sabha Sectt. as soon as it is received.</p>

(Vide O.M. No. 9(20)/64-P.U.B. dated 11-3-65.)

ANNEXURE I

The discussions in the Public Accounts Committee under reference related to the Urban Lok Karya Kshetras. The position in regard to them is as follows.

2. As required by the terms of the sanction, the accounts of the Urban Lok Karya Kshetras, as submitted to the Planning Commission, include the accounts of the grants given by the Planning Commission and the cash contributions and donations collected locally from the slum dwellers and others.

3. The accounts do not include the contribution made by the workers of the Samaj and the local slum dwellers in the form of kind and services. This is sizeable in most cases. But still it is excluded mainly on account of the difficulties experienced in assessing such contribution in financial terms on the basis of some standard norms.

4. The workers of the Urban Lok Karya Kshetras have also promoted and organised a number of Cooperatives Societies for the welfare of the slum dwellers. Once such a society is registered, it becomes a separate entity and is governed by the rules and regulations of the Cooperative Act applicable to the State concerned. The accounts of such societies are also excluded as they are submitted separately to the Cooperative Department of the State Governments concerned.

APPENDIX XIX

(See Para 36 of Report)

PLANNING COMMISSION

Statement showing the local contributions raised by the Bharat Sevak Samaj for Labour & Social Service Camps, Local Development Works and their other activities.

S. No.	Item	Amount of local contribution	Remarks
		Rs.	
1	Labour & Social Service Camps.	37,31,300	The Samaj have held so far 9,402 camps. Of these 4,516 are half grant camps and the remaining are hundred per cent grant camps. In the half grant camps according to the Bharat Sevak Samaj, the average collection by the local people donations is Rs. 200 per camp. Besides, the value of Community Development Works done (e.g., roads, field channels, compost pits, tanks etc.)
2	Programme of the M/O Information & Broadcasting.	3,50,000	According to the Bharat Sevak Samaj, the contribution raised by them through the programmes (a) Mass Contact (b) Jan Sahyog Kendras (Public co-operation Centres) (c) Brochures, (d) Bharat Seva—A journal and (e) bulletins has been Rs. 2,95,546.13.
3	Contribution by BSS Construction Service	8,26,300	<i>Ardhra Pradesh</i> : Six schools, four wells, irrigation, road, dam etc. (Rs. 12,800) <i>Social Education and welfare schemes</i> (Rs. 21,000), <i>Bihar</i> : Wells

S. No.	Item	Amount of local contribution	Remarks
		Rs.	tanks, small dams, link roads, schools buildings etc. in the Kosi Project area (Rs. 5,08,000) <i>Manipur</i> : Link road, buildings etc. (Rs. 9,700), <i>Kusmi Airfield Project</i> : Institute of Agr. Economics and Cooperation (donations) (Rs. 4,000), Expenditure on welfare activities and social education (Rs. 34,800), <i>Mysore</i> : (Bidar)—donation to local College (Rs. 10,000) and other States (<i>Maharashtra, U.P. etc.</i>) : Expenditure on welfare activities etc. (Rs. 2,00,000)
4	Local Works Programme (Gujarat)	72,62,180	The Bharat Sevak Samaj have executed 1,010 Local Development Works during the period November 1954 to 31st March, 1964, the total cost of these works is Rs. 1,28,31,033. The Government grant is Rs. 55,68,850 (43 percent) while the local contribution is Rs. 72,62,180 (57 per cent.). The scheme executed are Water Supply Scheme, Schools, Panchayatghars, Libraries, Goddams, Small tanks, roads and culverts etc. Since 1960-61 the programme is confined to the Drinking Water Supply Scheme.
5	Bharat Sevak Samaj, Delhi Pradesh.	16,78,900	Organisation & Establishment (Rs. 1,63,000), Land Office Building (Rs. 26,000) Relief and Assistance (Rs. 2,00,000), Night Shelters (Rs. 40,000), Legal Aid (Rs. 600), Technical Training Institute (Rs. 70,000), Women & Children Centres (Rs. 70,000), Occupational Therapy Institute

S. No.	Item	Amount of local contribution	Remarks
		Rs.	(Rs. 5,50,000), Contribution to N.D.F. in cash (Rs. 25,000), Vinay Nagar (Rs. 3,00,000), Kidwai Nagar (Rs. 1,50,000), Slum Welfare Project (Rs. 23,600) Nanakpura Building (Rs. 5,000), Shadipur Urban Pilot Project (Rs. 15,000), Milk Distribution (Rs. 13,000) Welfare Extension Project, Mehrauli (Rs. 12,000), and Ayurvedic Dispensary (Rs. 15,700).
6	Lok Karya Kshetra Rural & Urban.	40,00,000	See footnote.

FOOTNOTE

Lok Karya Kshetras (Rural and Urban)

The various activities in the Kshetras (both Rural and Urban) are organised mainly on self-help basis. The people's contribution is mobilised through voluntary labour (Saramila), donations in cash and kind, voluntary services in the Organisation of health and sanitation drives/campaigns, adult education classes. Family Planning Camps, coaching classes for weak students, donation of books, magazines, etc. for libraries and reading rooms, voluntary services of doctors in running dispensaries, free legal aid, free milk distribution, collections through Lok Karya Patras, collection of fees from beneficiaries of Balwadis and dispensaries, voluntary services rendered by members of Mahila Mandals, yuvak Dals, etc. for organising Community Welfare activities. The amounts earned through the various types of cooperatives are also utilised in the organisation of welfare activities.

2. It is difficult to value exactly the contribution of the people in terms of money. However, a rough estimate has been attempted below:

- (i) The 'Saramila' in Lok Karya Kshetras (Rural) has been valued at Rs. 4 lakhs annually. The figure for 1963-64 is Rs. 5.5 lakhs (Rs. 4 lakhs)
- (ii) The amount collected through Lok Karya Patras is estimated at Rs. 5,000 annually. (Rs. 5,000)
- (iii) The people's contribution through fees etc. for Balwadis is estimated at Rs. 1,000 per Balwadi. There are 1002 Balwadis in Rural Kshetras and 115 in Urban Kshetras. Thus the people's contribution may be roughly Rs. 22 lakhs per annum. (Rs. 22 lakhs)
- (iv) The contribution for libraries and Reading Rooms in terms of books, magazines, etc. number now 2 lakhs would easily be Rs. 1 lakh per year (Rs. 1 lakh)
- (v) The women beneficiaries of craft classes i.e. sewing, tailoring, etc. is about Rs. 10,000. The fees charged is Rs. 1-2 per women. The people's contribution will, therefore, work out to Rs. 15,000 per annum (Rs. 15,000)

(vi) The beneficiaries of adult education classes and free coaching classes for weak students are about 10,000. Even taking the voluntary services of the teachers at Re. 1/- per annum per person, the contribution will come to Rs. 10,000 per annum (Rs. 10,000)

(vii) The voluntary contribution of Doctors for dispensaries and fees collected from the beneficiaries is estimated at Rs. 5,000 per annum (Rs. 5,000]

3. Thus the total people's contributions for various activities in the Kshetras may be estimated at Rs. 16.35 lakhs per annum.

4. The programmes of the Lok Karya Kshetras was launched in 1958-59 with 50 rural Kshetras and 4 Urban Lok Karya Kshetras. The programme had been expanded in a phased manner bringing the total number of Kshetras at 200 in rural areas on the end of 1963-64. Thus the programme is in operation for the last six years. Making a discount for a lower number of Kshetras in the first 3 years, the annual average of Public contributions can safely be taken out Rs. 11.50 lakhs and thus the total contributions during the last years would work out to Rs. 69.00 lakhs.

5. It may, however, be desirable with a view to make the estimates more conservative, an amount of Rs. 45 lakhs has been taken as the total contribution in the [Rural and Urban Lok Karya Kshetras.]

(Vide O.M. No. 9(20)/64-Prl, Dated 18-1-65)

APPENDIX XX

(See Para 40 of Report)

MINISTRY OF EDUCATION

Aims & Objects Officially Laid down for the Labour and Social Service Camps

(a) *As shown in the circular letters giving the terms and conditions for financial assistance upto the year 1963-64*

The aim of the scheme is to inculcate a sense of dignity of manual labour among students and other youth and give them an opportunity to become familiar with Village life and conditions through "Shramdan"; also for satisfying felt needs in rural areas.

(b) *As given in the circular letters for the year 1964-65.*

The objectives of the scheme are to break the resistance to manual work among the educated classes, to develop among students a spirit of discipline and corporate action, to acquaint them with conditions in economically backward areas and to give them some practical training in citizenship by running the camps on a self-help basis.

(Vide O.M. No. F. 7-6/63-PE. 1, dated 3-2-65).

APPENDIX XXI

(See Para 41 of Report)

GOVERNMENT OF INDIA

DEPARTMENT OF SOCIAL SECURITY

List of points on which further information was desired by the Public Accounts Committee at their sitting held on the 19th January 1965, called for by the Lok Sabha Secretariat, New Delhi, *vide* their O.M. No. 218364 PAC, dated the 18th February 1965

Information called for by the P.A.C.	Reply of the Department of Social Security
--------------------------------------	--

Para 88(d)—Night Shelters :

Who had collected the rent from the students who were living at the Ambala Night Shelter and what was the amount collected?

The rent is generally collected by the caretaker and deposited in the account of the Night Shelter. The reports received from the Bharat Sevak Samaj do not separately show the number of students in the shelter. It was, however, observed in one of the Inspection Reports that there had been some students among the inmates in the Night Shelter. The Statement of Accounts and Inspection Report shows an income of Rs. 628.80P. from the inmates of the Night Shelter during 1963-64 but there is no indication of the amount realised separately from the students as rent.

(*Vide* Endt. to F. 5-25 63-SW. 3, dated 15-3-65)

APPENDIX XXII

MINISTRY OF WORKS & HOUSING

(See Paras 43 and 45 of Report)

REFERENCE:—*Lok Sabha Secretariat O.M. No. 2174.64-PAC dated 21st January, 1965.*

List of points on which further information was desired by the Public Accounts Committee at their sitting held on 19-1-1965

“Paragraph 86(d)—Outstanding service charges:—

1. Demand of Service charges year-wise and building-wise due from the Bharat Sevak Samaj since 1958 may be furnished. How many letters were issued to that Organisation since 1958 asking them to pay their dues and on what dates?

2. What are the reasons for the service charges falling into arrears since 5th December, 1958?”

Reply:—

1. The following office accommodation has been allotted to the Bharat Sevak Samaj:

- | | |
|--|-----------|
| 1. Janpath Barracks 'A' | 5229 Sft. |
| 2. Theatre Communication Bldg.
(for Central Office of the Samaj) | 5972 Sft. |
| 3. Theatre Communication Bldg.
(for Delhi State Br. of the Samaj) | 1527 Sft. |
| 4. U.S. Pavilion, Exhibition Grounds
(for Construction Service) | 2298 Sft. |

Service charges in respect of areas of buildings at Serial Nos. 2, 3 & 4 have been paid by the Bharat Sewak Samaj for the period upto the 31st December, 1964. Hence they are upto date in their payment of service charges in respect of these buildings.

In respect of the accommodation at serial No. 1, however, Rs. 28,947.26 is outstanding as arrears of service charges as on 1-1-1965. The year-wise break up of the outstanding dues is as under:

Year	Demand Due
1958-59	Nil
1959-60	Nil
1960-61	Nil
1961-62	Rs. 3,920.41
1962-63	Rs. 10,855.50
1963-64	Rs. 11,742.75
1964-65 (upto 31-12-64)	Rs. 2,428.60

Details about demand numbers for the aforesaid outstanding dues for accommodation in the Janpath Barracks and reminders for payment thereof are given in the enclosed statements.

2. Reasons for accumulation of arrears.

Reasons for the accumulation of arrears of service charges is that the Bharat Sevak Samaj has not been regular in making payments despite regular demands and reminders.

Recently, Shri Brij Krishen, Pradesh Convener, Bharat Sevak Samaj met the Secretary, Ministry of Works and Housing and pointed out that the rates of water and electricity charges claimed were exorbitant. The Secretary explained the procedure for the fixation of these charges, viz., the distribution of water and electricity charges for an area fed by common meters over allottees occupying that area. The Pradesh Convener, has agreed to make the payments and has informed that (i) for arrears of Rs. 16,587.15 up to the period 31st December, 1962, when the premises was under the occupation of the Occupational Therapy Institute of the Bharat Sevak Samaj, they have approached the Delhi Administration for grant-in-aid and (ii) for the arrears of Rs. 12,360.11 from 1st January, 1963, when they started using the premises for their Technical Training Institute, they have approached the Ministry of Labour for grant-in-aid. It is proposed to give them some time for getting payments of these dues failing which other steps would be taken to effect recoveries.

Encl. 1

(Vide O.M. No. 5/15 64-Bt. dated 10-3-65)

ENCLOSURE

Statement showing details of Demand numbers for the outstanding dues of service charges from the Bharat Sevak Samaj in respect of the Accommodation in the Janpath Barracks and reminders issued to them

S. No.	Demand No.	Month of issue	Reminder number	Date of issue	Remarks
1	2	3	4	5	6
1	50—MIVD Rents	11/61			
2	.....		MIVD/50. Rents	20-11-61	
3	528—MIVD Rents	12/61			
4	590— Do.	1/62			
5	657— Do.	2/62			
6	769— Do.	3/62			
7			Do.	27-3-62	
8	23— Do.	4/62			
9	82— Do.	5/62			
10	147— Do.	6/62			
11			Do.	4-6-62	
12	217— Do.	7/62			
13	293— Do.	8/62	Do.	27-7-62	
14	358— Do.	9/62			
15			MED Do.	11-9-62	
16	429— Do.	10/62			
17	498— Do.	11/62			
18	565— Do.	12/62			
19	634— Do.	1/63			
20	704— Do.	2/63			
21	770— Do.	3/63			
22	22— Do.	4/63			
23	81— Do.	5/63			
24			Do.	13-5-63	
25	140— Do.	6/63			
26	196— Do.	7/63			
27	252— Do.	8/63			

1	2	3	4	5	6
28	310—M[VD/Rents	9/63			
29	...		MED/50/Rents.	10-9-63	
30	368—	Do.	10/63		
31	414—	Do.	11/63		
32	464—	Do.	12/63		
33	523—	Do.	1/64		
34	...		Do.	20-1-64	D.O. letter from the Hon. Minister to Smt. Savitri Nigam, M.P.
35	577—	Do.	2/64		
36	634—	Do.	3/64		
37	16—	Do.	4/64		
38	68—	Do.	5/64		
39	120—	Do.	6/64		
40			Do.	13-1-65	D.O. letter from the Secretary to Shri Brij Krishan, Pradesh Convener, B.S.S.

APPENDIX XXIII

(See Para 43 of Report)

BHARAT SEWAK SAMAJ, DELHI PRADESH

27-A, Theatre Commn. Bldg.
Connaught Place,
NEW DELHI.

Dated 21st Jan., 1965.

The Chairman,
Public Accounts Committee,
NEW DELHI.

Dear Sir,

I understand that the P.A.C. is looking into the matter of payment of service charges by the Bharat Sewak Samaj to the Ministry of Works, Housing & Supply. I am concerned with the payment of services charges by Delhi Pradesh Bharat Sewak Samaj with regard to Barracks at Janpath. This needs some clarification and I am submitting the same for your kind information.

The said building was allotted to the Samaj for the Occupational Therapy Institute for the Physically Handicapped children in 1955 at the following rates:—

Water charges	Rs. 00.50	For 100 Sq. ft.
Electric charges	Rs. 4.25	Do.
Caretaking charges	Rs. 1.75	Do.

Total area allotted upto 30-9-59 was 1618 S. ft. and after that it was increased to 5229 Sq. ft. The charges were increased from 1-10-59 as under:—

Water charges	Rs. 00.80	For 100 Sq. ft.
Electric charges	Rs. 8.50	Do.
Caretaking charges	Rs. 1.75	Do.

Accordingly, the Institute has been paying these charges regularly @ Rs. 577.81 p.m. and has paid all the charges upto 31-12-1962 except Rs. 6933.72 for the period from 1-4-61 to 31-3-62 due to the fact that full grant-in-aid was not received from the Delhi Administration and is still pending. At our request, the Estate Office (*Vide* their D.O. letter No. MIV-D 50 dated 11-9-62) agreed and allowed the Institute to make the payment after the receipt of the grant money.

2. In 1963, the Samaj was informed that the service charges had been increased w.e.f. 1-4-61 and 1-10-61 and was asked to make an additional payment of Rs. 9653.43 with restrospective effect. Thus the total amount due under this head comes to Rs. 16587.15. This additional charge was considered unreasonable and also too heavy for the Samaj in view of its lean resources. However, the Samaj has requested the Delhi Administration to give grant to the Institute for this purpose. The Estate Office has been duly informed and they have been kind enough to allow us to make the payment after the receipt of the grant from the Delhi Administration.

3. On 1-1-63 the O.T.I. was shifted to Rouse Avenue Lane, and the barracks were used for housing the Technical Training Institute of the Bharat Sewak Samaj. It may be pointed out that the barracks are to be demolished at our request the Works, Housing & Supply Ministry has allowed us to utilise them till we get an alternative place.

The fresh charges as mentioned above affected the Technical Training Institute also. It has amounted to Rs. 17356.15 from 1-1-63 to 31-12-64. The Works & Housing Ministry has separated the Electric and Water meters for each Institution since the March 1964 and have asked the institutions to pay water and electric charges direct to the New Delhi Municipal Committee. According since 17-6-64 we are making direct payment to N.D.M.C. and on an average the monthly consumption amounts to Rs. 160. As we had not paid for the period from 1-1-63 to 16-6-64, we calculated the charges at the average rate of Rs. 160 - and have paid Rs. 2800 - to the Estate Office for this period. These charges did not include caretaking charges which we were paying at the rate of 1.75 per 100 S. ft. per month. So we also paid Rs. 2196.04 for the period upto 31-12-64 to the Estate Office.

4. Here I would like to bring to your kind notice that the Technical Training Institute is not receiving any grant-in-aid from Govt. The Institute was started ten years ago to train Govt. servants and private employees in draughtsmanship in order to improve their technical qualifications. In the beginning, there was only civil course for draughtsmanship but later, mechanical course was also started. This course has been recognised by the Govt. with the result that the successful students find better jobs. The classes are held in the evenings for three hours after the office hours. Under the circumstances we requested the Housing Ministry to waive off the enhanced charges amounting to Rs. 12360.11. At the same time, we have applied to the Labour Ministry to give us grant-in-aid for this institution as soon as our request is accepted, we will pay this amount also. So the actual amount due from Delhi Pradesh Bharat Sevak Samaj as on 31st December, 1964 amounts to Rs. 28947.26. Out of this amount Rs. 16587.15 would be paid after the receipt of grant from the Delhi Administration and Rs. 12,362.11 after receiving grant from the Labour Ministry. Except these two amounts, the Pradesh Branch has paid all other charges up to date.

Thanking You.

Yours truly,
BRIJ KISHAN

APPENDIX XXIV

(See Para 43 of Report)

GOVERNMENT OF INDIA

MINISTRY OF WORKS AND HOUSING

SUBJECT:—Para 86(D) of Audit Report (Civil), 1964 regarding recovery of rent from Bharat Sevak Samaj.

In their O.M. No. 2/1/74/64/PAC dated 29th January, 1965, the Lok Sabha Secretariat wanted *inter alia* to be furnished with information on the following points as desired by the P.A.C. regarding para 86(d) of Audit Report (Civil), 1964.

1. Whether Bharat Sevak Samaj is charging any rent from the occupants of buildings allotted to them for Occupational Therapy or for Technical Training Institute? If so, what are the details?

2. Has the Technical Diploma Institute of Bharat Sevak Samaj started courses of mechanical training, in addition to civil courses?

3. Was the Government consulted when the Technical Training Institute was set up by the Bharat Sevak Samaj?

4. Whether it was the intention of Government not to give office accommodation to private organisations due to paucity of office accommodation for Government Offices. (In this connection reference is invited to Estate Office letter No. 0476/306, E.O. IV dated 5th October 1957) was this circular sent to the Bharat Sevak Samaj or not?

5. A detailed note stating the action taken in November/December, 1962 to vacate the premises occupied by Bharat Sevak Samaj when Occupational Therapy Institute was closed, may be furnished.

6. A note stating whether the rent-free accommodation allotted to the Bharat Sevak Samaj are being used for the purpose for which these had been allotted to the Samaj may be furnished.

The information on the above points is given below. The information in regard to points 1, 2, 3 and 6 is as furnished by the Chairman, Bharat Sewak Samaj, Delhi State.

1. No rent is being charged by the Bharat Sewak Samaj from the occupants of the buildings allotted to them for the Occupational Therapy Institute or for the Technical Training Institute as they

are part and parcel of the Samaj. The Occupational Therapy Institute is located in its own building at Rouse Avenue, and the Technical Training Institute was shifted to "Barracks-A" Janpath, and it functions only at night for three hours.

2. Yes.

3. The Institute was set up by the Bharat Sevak Samaj on its own in the year 1953 without any Government aid. It was later on recognised by the Government of India in the Ministry of Labour and Employment in 1959.

4. Yes. The notice dated the 5th October, 1957 which was issued to private organisations was, however, not sent to the Bharat Sevak Samaj, because it had then been decided in consultation with the Ministry of Finance that the Bharat Sevak Samaj might continue to occupy office accommodation free of rent. The other notice dated the 29th September, 1962 was, however, sent in which the Bharat Sevak Samaj was asked either to vacate the accommodation or to pay market rate of rent @ Rs. 50.00 per 100 sq. ft. Subsequently, however, on reconsideration it was decided that *status quo* may continue. Accordingly the notice was withdrawn.

5. In early 1963 it came to notice that the Occupational Therapy Institute of the Bharat Sevak Samaj, which was occupying 5229 sq. ft. of space in Janpath 'A' Barracks, New Delhi, had shifted to their new building. The allotment of the aforesaid accommodation was therefore cancelled on the 6th March, 1963 and the Bharat Sevak Samaj was requested to vacate the accommodation. The Bharat Sevak Samaj represented against this cancellation and requested for retention of the accommodation for meeting their requirements. On reconsideration, the Bharat Sevak Samaj were permitted to retain the accommodation. The Technical Training Institute of the Bharat Sevak Samaj was then accommodated in the premises.

6. The Bharracks at Janpath were allotted to the Bharat Sevak Samaj for its Occupational Therapy Institute. Later on when the Bharat Sevak Samaj acquired a plot of land at Rouse Avenue for construction of building for the Occupational Therapy Institute, the Institute was shifted to its own buildings at the Rouse Avenue. The Technical Training Institute which was housed in temporary hutments at Rouse Avenue was shifted to Janpath in the premises vacated by the Occupational Therapy Instiute.

J. S. (G)

Copy with three spare copies in advance furnished to the Budget Section with reference to their Memo. No. 5/15 64-Bt. dated the 2nd Feb., 1965.

(Vide O. M. No. I 15 64-Bt. dated 18-2-65)

APPENDIX XXV

(See Para 47 of Report)

MINISTRY OF HEALTH

Para 117 of Audit Report (Civil) 1964

POINT No. 1: *A note indicating how far prices of sand fell as a result of allotment of land to Bharat Sevak Samaj for stacking of sand in Delhi may be furnished.*

It was explained in our answer to question 2 relating to Audit Para 117—Indirect Subsidy to Bharat Sevak Samaj, that the concessional rate was charged by the Delhi Development Authority in the hope that the price of sand which was rising very fast would come down due to fair trade practices of the Bharat Sewak Samaj. From the report of the Director Public Co-operation Planning Commission it appears that prices of sand did come down. A statement showing the rate of sand at Yamuna sand Quarry, near Gita Mandir, Upstream of Railway Bridge during the contract period, 1962, run by the Bharat Sevak Samaj, is enclosed (Annexure I). The rates of sand prevailing in the later half of 1962 and in 1963 are being ascertained from the Planning Commission and will be furnished very shortly. It may be stated in this connection that a Sub-Committee appointed by the Ministry of Works and Housing in November, 1961, had held a meeting on the 6th December, 1961 and a copy of the record of that meeting is enclosed (Annexure II). It has been stated in the record that "current market rate of sand at the source of supply is about Rs. 10 per 100 cft." The note of the Planning Commission on the working of the sand contract by the Bharat Sewak Samaj during the year 1962 also states that the rate per truck load (about 150 cft) had been reduced from Rs. 15-18 to Rs. 10-12.

Incidentally, it may be sated that the information regarding the price of sand given by the Auditor General in the meeting was from a statement compiled by the Surveyor of Works, Zone I, which had been sent by him to the D.D.A. on the 8th September, 1964. It has now been clarified that the statement under reference related to the sand quarried at Okhla and had nothing to do with the sand collected at Bela Road which had been leased by the D.D.A. to the Bharat Sewak Samaj. Surveyor of works has no information about the prices of sand quarried at Bela Road.

ANNEXURE I

Statement showing the rate of sand at Jamuna sand quarry near Gita Mandir upstream of railway bridge during the contract period of 1962 i.e. January 1962 to June 1962 run by Bharat Sevak Samaj.

Period	Rates per hundred cft. at quarry site
5-1-62 to 6-1-62	Rs. 6.67
7-1-62	Rs. 4.67 to Rs. 6.67
8-1-62	Rs. 1.33 to Rs. 4.67
9-1-62	Rs. 1.25 to Rs. 3.33
10-1-62	Rs. 1.25 to Rs. 1.33
11-1-62	Rs. 1.33 to Rs. 6.67
12-1-62 to 28-1-62	Rs. 6.67
29-1-62 to 3-2-62	Work suspended on account of flood in river Jamuna.
4-2-62 to 22-2-62	Rs. 6.67
23-2-62 to 24-3-62	Work suspended on account of flood in River Jamuna.
25-3-62 to 30-6-62	Rs. 6.86

ANNEXURE II

CENTRAL PUBLIC WORKS DEPARTMENT

SUBJECT:—Award of the supply of sand from the river Jamna.

A meeting of the Sub-Committee to fix the price per truck of Jamna sand as decided *vide* Ministry of W.H.& S. No. L-3(129)/61 dated 13th November, 1961, was held at 4.30 P.M. on 6th December, 1961 in the office of the Chief Engineer, C.P.W.D., in which the following were present:

1. Shri N. G. Deman, C.E., C.P.W.D., Chairman.
2. Shri N. V. Venkataraman, Secretary (Fin.), Delhi Administration, Delhi.
3. Shri M. A. Tirunarayanan, Chief Engineer (Water), Delhi Municipal Corporation.
4. Shri M. N. Jain, Deputy Chief Engineer (Water), Delhi Municipal Corporation.

Also present:—

5. Shri B. K. Guha; A.C.E. (I).
6. Shri P. D. Chawla, S.S.W. (I).
7. Shri C. Rama Rao, E.O. (CE).
8. Shri G. V. Nanjudiah, S.W. (I), CPWD.

Opening the discussion the Chairman indicated that the Committee has to fix a fair price to be charged per truck of Jamna sand on the assumption that the successful bidder will be under an obligation to sell the sand at prices not exceeding the amount indicated in the auction notice.

The Chairman then requested Shri Chawla to indicate the basic factors which determine the price of sand at the source of supply.

Shri Chawla explained that sand quarried from the bed of the river Jamna at various points from Wazirabad to Okhla, are utilised in the construction works of Delhi. The control over the quarrying operations vests with various Govt./Semi-Govt. bodies such as the Delhi Administration, Delhi Municipal Corporation, the U.P. Govt.

etc. and the revenue realised from the different points are accounted for by these different bodies separately. The general procedure in all cases appears to be to auction the right to quarry the sand for the highest bidder who deposits the amount of the bid which is termed as the lease money. The successful bidder also pays a royalty at the rate of Re. 1 per cent cft. of sand quarried to the respective administrations. Over and above these charges, the successful bidder has to incur further expenditure on the actual quarrying of sand, and then add his own profit while fixing the rate he charges to his customers.

In other words the cost of sand at the source of supply would be made up of the following:—

- (i) Lease amount.
- (ii) Royalty.
- (iii) Cost of quarrying and other charges.
- (iv) Profit of the contractor himself.

It is understood from enquiries that the successful bidder hardly employs any labour on the extraction of sand from the river bed, and it is only his purchases who dig up the sand from the bed of the river and do loading and unloading operations into the truck, while carting the sand. He only maintains watch and ward establishment and a clerk who would keep account of the number of trucks carried from the river bed. This cost of establishment would be distributed over the entire quantity of sand extracted, and thus the rate per unit would depend upon the quantity lifted. Taking all these factors into account a rate of Rs. 2.50 per % cft. appears to be a fair price.

The current market rate for sand at the source of supply is about Rs. 10.00 per % cft. This of course, takes into account the lease amount which the bidder would have paid to the Govt. at the time of auction.

Shri Chawla also indicated that the current C.P.W.D. Schedule of rate is Rs. 6.25 per % cft. If the fair rate of Rs. 2.50 without lease money is deducted from this, the contribution of lease money to the cost of sand is Rs. 3.75 % cft.

Shri M. N. Jain indicated that they are contemplating auctioning on the basis of a fixed fair price a portion of the Jamna bed for quarrying sand from which they expect at least 100 lakhs Cft of sand to be quarried. He indicated that the fair price may be fixed up with this factor in mind.

The Committee then took up for detailed discussion as to how the price should be fixed up. It was suggested by Shri M. N. Jain that the lease money should not be given up altogether and the price may be fixed up on the basis of the C.P.W.D. Schedule of rate of Rs. 6.25. Allowing for the general increase in price structure of materials and labour as a whole it was considered that a rate of Rs. 7.00 per % cft. should be fixed up.

The break up of this rate would be generally as follows.

Lease amount	4.00
Royalty	1.00
Quarrying and Establishment charges	1.30
	6.30
Contractors profit 10 P.C.	0.63
	6.93
Say	Rs. 7.00

On the basis of the above break up, for a quantity of 100 lakh cft. of sand quarried, the lease amount to be realised at the time of auction would be Rs. 4 lakhs.

POINT No. 2: *Statement showing the cartage rates and other rates with regard to sand may be furnished.*

The required information is neither available with the D.D.A. nor with the C.P.W.D. and the Ministry of Health are, therefore, not in a position to give this information. However, since the rates of sand furnished in reply to Point No. 1 relate to the source and not to the site of the works, it is presumed that this information may not now be needed by the Public Accounts Committee. In any case the cartage will also depend upon the distance of the works from the quarry.

POINT No. 3: *The Survey Reports of the Ministry of Works and Housing and the Planning Commission on the basis of which reduction in the price of sand was claimed, may be furnished.*

A copy of the statement received from the Surveyor of Works, C.P.W.D., regarding the price of sand prevailing during the years 1960 to 1964, furnished by him to the D.D.A. on the 8th September, 1964, is attached (Annexure III). It has, however, now been clarified by the Surveyor of Works that this statement relates to sand quarried at Okhla and not near the land which was leased at Bir Bela Road by the D.D.A. Surveyor of Works has no similar information about the sand quarried at Bela Road.

A note by the Planning Commission on the working of sand contract by the Bharat Sevak Samaj during the year 1962, is enclosed (Annexure IV).

ANNEXURE III

Rates of sand per 100 cft.

Year	January	February	March	April	May	June	July	August	Sept.	Oct.	Nov.	December
1960	8.32	9.36	9.86	7.80	..	..	10.40	17.33	12.48	12.48	..	12.48
1961	10.40	10.40	10.40	10.40	10.40	..	7.00	10.00	12.00	8.00	10.00	..
1962	10.00	8.00	13.00	13.00	..	..	8.00	..	..	..	..	8.32
1963	..	..	8.32	8.32	8.40	8.40	8.40	10.50	..	..	10.50	..
1964	..	..	5.69	..	5.69	12.14	12.73	12.73	..	..	..	..
<i>Rates per Cubic meter.</i>												
1964	..	..	2.01	..	2.01	4.29	4.50	4.50	..	..	..	..

Sd/-

8-9-64.
Surveyor of Works (D)
 Zone I, C.P.W.D.,
 New Delhi.

ANNEXURE IV

Note on the working of sand contract by Bharat Sevak Samaj during the year 1962

In a meeting held in the room of Shri V. K. Rao, Joint Secretary, Ministry of Works, Housing & Supply, it was decided to award part work of sand quarrying contract to the Bharat Sevak Samaj for the year 1961-62. It was decided to give only part work, as the Bharat Sevak Samaj had no previous experience in this line. The Samaj carried out this experiment under lot of stress and strain caused by unfair means adopted by the contractor, who was awarded the other part of the contract and had been well entrenched in the trade for the last 13 years. The results of the experiment are summarised below:

1. *Direct gain to the public and the Government in the rate of supply of sand*

The rates of the supply of sand at the quarry site have been brought down by nearly 33 per cent. over that of the last year. The rate per truck load has been reduced from Rs. 15-18 to Rs. 10-12. The gain to the public has been at a rate of Rs. 5-6 per truck. As about 52,000 trucks were taken out of the sand quarry, the net gain to the public and the Government works out to Rs. 2,85,000.

2. *Higher royalty to Delhi Administration.*

Delhi Administration charges royalty under the Minerals Act at a rate of Rs. 1.40 per truck load. The royalty paid to Delhi Administration this year is of the order of Rs. 73,000 as against that of Rs. 24,000 paid last year. Thus the royalty this year has jumped to over 3 times of the last year.

3. *Saving to the Bharat Sevak Samaj: Indirect saving to Government*

The Bharat Sewak Samaj have saved for themselves a sum of Rs. 30,000. The contractor has also saved a similar amount.

4. *Greater potential in normal years.*

This year the number of truck loads taken out have been on the low side on account of sustained floods in river Jamuna for over 5 weeks and the quantum of construction activity having been on a lesser scale as compared to that of last year.

5. The experiment conducted through the agency of the Samaj has thus yielded useful information and data about the margin of the profit in the Construction Trade. It also shows the extent of savings and benefits which accrue to the Public and the Government by award of work to such agencies.

POINT No. 4: A statement giving the details of land allotted to Bharat Sevak Samaj for quarrying of stone, sand, etc. by the D.D.A. and Ministry of Works and Housing may be furnished.

No land has been allotted to the Bharat Sevak Samaj by the D.D.A. for quarrying of stones, sand, etc. A statement furnished by the Ministry of Works & Housing in respect of the contracts awarded to the Bharat Sevak Samaj for removal of sand from Bir Bela area is attached (Annexure V).

POINT No. 5: Did the Delhi Development Authority have the authority to give a concession in the licence fee etc. as was done in the case of land allotted to Bharat Sevak Samaj.

The land in question forms part of the old Nazul Estate and the power of the Authority to lease out any such land is governed by clause 5 of the Nazul Agreement, 1937. There is no specific provision for licensing of the land. In the absence of any such provision in the Agreement in regard to the temporary licensing of land, the D.D.A. thought that there was no restriction on its power in this behalf and they leased out the land on a concessional basis without obtaining the sanction of the Government of India. It appears that this aspect of the matter was not examined by the D.D.A. while giving this land. The position in this regard is, however, being reviewed for future guidance.

POINT No. 6: A detailed statement showing the sequence of events which led to the delay in submitting the note showing action taken on the 18th Report (3rd Lok Sabha) of Public Accounts Committee may be furnished.

A. A note containing the chronological history relating to para 18 of the 18th Report of the P.A.C. regarding the contracts awarded to Bharat Sewak Samaj is enclosed (Annexure VI).

ANNEXURE V

Statements of contracts awarded to Bharat Sewak Samaj for removal of sand from Bir Bela Area.

Year	Area	The date upto which sand could be removed.	Ceiling price fixed for sale of sand.	Autho- rity who awarded the contra- ract.	Whether by Auc- tion / tender or other- wise	Amount	Remarks.
1961-62	80.34 acres.	30-6-62	Rs. 7.00 per 100 Cft.	M.C.D.	By ne- gotia- tion.	1,49,871/-	(i) The contract was awarded by D.M.C. on the basis of bid of Rs. 1,32,000/- received in respect of the remaining area measuring 70.76 acres. Payment was made in five instalments. (ii) Land measuring 225' x 25' was allotted by this office (L&DO) for stacking of sand for one year <i>w.e.f.</i> 23-5-62 at Rs. 25/- per bigha per annum. The payment of Rs. 16/- has been received.
1962-63	151.10 acres.	30-6-63	Do.	L.&D.O.	Do.	2,81,871/-	(i) The contract was awarded by this office (L & DO) on the basis of the amount received during 1961-62. (ii) Payment of three instalments of Rs. 56374.20 each and Rs. 75000/- has since been received. (iii) The land measuring 225' x 25' allotted on temporary basis for one year <i>w.e.f.</i> 23-5-63 remained in occupation of the Bharat Sewake Samaj. Ground rent for the period from 23-5-63 to the date of vacation still remains to be paid.

B. The copies of the 18th Report of the P.A.C. were received from the Lok Sabha Secretariat on the 27th Feb., 1964 and the D.D.A. were asked on the 13th March, 1964 to furnish us with necessary material on all the points. A reply was received from the D.D.A. on the 24th March, 1964 on many points, but in respect of a number of points only interim replies were given. During the course of the examination of the observations made by the Public Accounts Committee, it was found necessary to consult the Ministry of Works & Housing in regard to item 13, Housing Commissioner, Delhi Administration regarding item 11, Chief Commissioner regarding items 1, 8, 24 and 31 and the Ministry of Commerce & Industry, later Petroleum and Chemicals on item 20.

A statement indicating the dates on which the various authorities concerned were addressed and the dates on which their final replies were received in the Ministry of Health, is enclosed (Annexure VII).

It will be seen that the final replies from the Delhi Development Authority were received only on 3rd September, 1964 and the matter was discussed by the Minister for Health with the Chief Commissioner, Delhi, on the 6th November, 1964. The matter was also discussed in two meetings with the officers of the D.D.A. on the 6th and 7th December, 1964, and draft replies were then finalised on the 17th December, 1964.

It may be explained in this connection that the observations made by the Public Account Committee on the working of the D.D.A. were of far reaching importance and the Ministry of Health was anxious not only to check the factual information received from the D.D.A. but also to ensure that all measures necessary for improving the working of the Authority in the light of the comments made by the Public Accounts Committee were evolved and implemented. During the discussions with the D.D.A., various measures for improving the working of the D.D.A. were suggested and accepted by the officers of the D.D.A.

Observations made by the Public Accounts Committee in regard to the composition, powers, functions and responsibilities of the Delhi Development Authority and regarding the incidence of high expenditure on the administration of the Authority were considered to be important enough for being brought to the personal notice of the Minister for Health, who herself discussed the matter with the Chief Commissioner, Delhi, who is the Chairman of the D.D.A. The delay in the submission of the information required by the Public Accounts Committee, though much regretted, was really unavoidable.

ANNEXURE VI

Chronological history relating to para 18 of the Eighteenth Report of the P.A.C. regarding contracts awarded to the Bharat Sevak Samaj

Meeting of the P.A.C. on the 8th November, 1963: Lok Sabha Secretariat asked on 21st November, 1963 for a detailed note regarding the contracts awarded to the Bharat Sevak Samaj by the 30th November, 1963. This could not be furnished in due time. D.D.A. informed on 19th December, 1963 that this particular point concerned the Delhi Administration and the Housing Commissioner who had been asked to send the requisite note to the Ministry. Note from Housing Commissioner received on 21st December, 1963 and sent to A.G.C.R. on 4th January, 1964. A communication was received from the A.G.C.R. on the 30th April, 1964 saying that either the Ministry should make available the relevant records or incorporate a footnote that the records could not be produced to Audit. Comments of the Housing Commissioner on the observations made by the A.G.C.R. were invited on 5th May, 1964. Reply from Housing Commissioner was received on 19th August, 1964 saying that the note was amended by the Additional Chief Engineer (Delhi Administration) incorporating replies to the queries made by the A.G.C.R. It was also explained by him that the facts contained in the amended note had been verified by the A.G.C.R. and intimation to that effect had been given by the A.G.C.R. in his letter dated the 22nd July, 1964. A statement received from the Housing Commissioner explaining the reasons for delay in furnishing the information is also attached.

Though the facts had been "verified" by the A.G.C.R. from the records made available to them, yet the note was not formally vetted by the A.G.C.R. The A.G.C.R. had also observed that the replies to the queries made by them should also be incorporated in the final note.

The "verified" note was sent to the A.G.C.R. on 31st August, 1964 for final vetting. He was reminded demi-officially on 30th October, 1964.

The A.G.C.R. informed the Ministry on the 2nd November, 1964 (recd. on 5th November, 1964) that the Public Accounts Committee had since considered para 109 of the Audit Report, 1963 and their

recommendations were contained in the Eighteenth Report of the P.A.C. (Third Lok Sabha). The A.G.C.R. accordingly suggested that in order to give complete picture to the Public Accounts Committee, in respect of this item, the draft note should be revised in the light of the latest recommendation of the Committee and sent to him for final vetting. The A.G.C.R. further observed that since the D.D.A. had entrusted the work to the C.P.W.D. and deposited works with them, the note should also be shown to the Ministry of Works and Housing before it was sent back to Audit for final vetting.

The comments of the Ministry of Works and Housing were invited by us on the 17th November, 1964 and their reply saying that they had no comments to offer was received on the 27th November, 1964.

On the 21st December, 1964, we sent our final note to the A.G.C.R. on all the 31 observations/recommendations which had been made by the P.A.C. in their 18th Report. Our note on this particular point was also incorporated in those comments.

Case Study explaining the time gap on the disposal of paragraph 18 of the Eighteenth Report of the Public Accounts Committee regarding the contracts awarded to the Bharat Sevak Samaj from 5th May, 1964 to 19th August, 1964.

The reference from the Ministry of Health *vide* Shri A. P. Mathur's D.O. letter No. 10/15/63-LSG, dated the 5th May, 1964, asking the comments of the Housing Commissioner, on the observations made by the A.G.C.R. on the note was received without enclosures on 7th May, 1964.

The enclosures were actually received on 11th May, 1964.

After examining the matter, a reference was made to the A.C.E. (D.A.) *vide* H.C.'s D.O. letter No. L&H/Fin./3 (18)/62-1406, dated the 16th May, 1964, which was received by the A.C.E. on 17th May, 1964, requesting him to furnish the information required by the A.G.C.R. on the note.

The A.C.E. (D.A.), in turn addressed a D.O. letter to Shri C. P. Mittal, D.A.G., Central Revenues, *vide* his No. A.C.E. (DA) A&C/ I.P. 19/1411-13, dated the 18th May, 1964, requesting him to depute a responsible officer for verifying the facts contained in the note from the initial documents maintained by the C.P.W.D. The Additional Chief Engineer (D.A.) received an interim reply from the A.G.C.R. *vide* Shri T. S. Anand, A.A.G.'s D.O. letter No. RR. 8-14/6364/97, dated the 25th May, 1964, informing him that the A.G.C.W.M. was being requested to depute one of his officers for further checking of the records.

The A.C.E. (D.A.) received another communication from the A.G.C.R. *vide* Shri Anand's D.O. letter dated the 22nd July, 1964, informing him that the facts contained in the note have since been verified and that they had no comments to offer in that regard (received by the A.C.E. (D.A.) on 28th July, 1964).

The Additional Chief Engineer (D.A.) wrote to the Housing Commissioner *vide* his D.O. letter dated the 13th August, 1964, (received by H.C. on 16th August, 1964) informing him about the developments on the action taken by A.G.C.R. and forwarding the modified note along with the original draft.

All the papers including the modified note and the original note received from the A.C.E. duly verified by the A.G.C.R. sent to the Ministry of Health by the Housing Commissioner on 19th August, 1964.

ANNEXURE VII

Statement showing dates on which various authorities were addressed and their replies received

Item No.	Authorities whose comments invited	Date on which addressed	Date of receipt interim reply, if any	Date on which final reply was received
All Items	D.D.A.	13-3-1964	24-3-1964 (Replies were incomplete)	3-9-1964 (Discussed with officers of the D. D. A. on 7-12-64 and final drafts approved on 17-12-64)
Items 5, 6, 9, 12, 15, 16, 17, 24, 25, 28, 29, 30	D.D.A.	3-6-1964	Interim progress report on 1-7-64.	
Item No. 13	W. & H. Ministry	Do.		27-6-1964
Item No. 11	Housing Commissioner, Delhi Administration.	Do.		17-6-1964
Items 1, 2, 12, 18, 19, 20 & 27.	D. D. A. (for further clarifications).	9-7-1964	13-7-1964 14-8-1964 (Interim progress report).	3-9-1964
Items 1, 8, 24 & 31	Chief Commissioner, Delhi.	15-7-1964		Matter discussed with Chief Commissioner by the Health Minister on 6-11-1964
Item 20	Min. of C. & I.	20-6-1964		
	Petroleum & Chemicals.	14-7-1964		7-10-1964
		17-8-1964		

APPENDIX XXVI
(See Para 47 of Report)
PLANNING COMMISSION

Para 117 of Audit Report (Civil) 1964. Note regarding reduction in prices of sand in 1962 due to the quarry run by the Bharat Sevak Samaj.

The Public Accounts Committee discussed in its meeting held on 23rd January, 1965, the question whether the price of sand was reduced as a result of quarrying by the Bharat Sevak Samaj. As the position could not be fully clarified in the meeting, the additional information is being furnished in this note.

2. The prices of sand prevailing in 1962 were read out from a statement in the meeting by the Comptroller and Auditor General. These were found to be varying from those mentioned in the survey conducted by the Planning Commission. The Chairman, Public Accounts Committee, sought clarification of the two sets of figures. The position has been checked and is as follows:—

3. There were two main sand quarries in 1962 in Delhi, one at Gita Mandir and the other at Okhla. The quarry at Gita Mandir was run by the Samaj while that at Okhla by a private contractor. The prices in the statement read out by the Comptroller and Auditor General were collected by the C.P.W.D. and related to the Okhla Quarry. The Planning Commission survey related to the Gita Mandir quarry. The variation in the price at quarry site was thus due to the fact that they related to two different quarries. It may, however, be mentioned that the prices in both the C.P.W.D. statement as well as the Planning Commission survey were at the quarry site and not at the works site.

4. The Public Accounts Committee was also concerned whether the price at which sand was sold by the Bharat Sevak Samaj at the quarry site affected the market price of the sand. According to normal trade practice the price of the sand to the consumer at work site consists of the following two main constituent elements:

- (a) the price paid for sand at the quarry site;
- (b) the carriage charges. This varied for different areas depending upon the distance of the work site from the quarry site.

5. The presumption made in the meeting of the Public Accounts Committee was that the prices paid by the consumer consisted of the two elements mentioned at (a) and (b) above plus some profit made by the truck driver over and above the prices paid at the quarry site and the carriage charges. This presumption is not correct.

6. The consumers do not pay to the truck drivers anything more than items (a) and (b) above. It is, therefore, obvious that the consumer gets the benefit of this reduction in price at the quarry site. The prices in 1962 at the site of the quarry run by the Bharat Sevak Samaj were lower as compared to the prices in 1961. To that extent, the consumer benefited from the reduction in the prices.

7. To appreciate the circumstances under which the work of supply of materials, such as, bricks and sand etc. was undertaken by the Bharat Sevak Samaj, attention is invited to the enclosed D.O. letters No. 6252-W/61, dated 13/14th July, 1961 from Shri P. C. Bhattacharyya, Joint Secretary, Ministry of Finance and No. 8948T/CC/61, dated 4th August, 1961 from Shri Bhagwan Sahay, Chief Commissioner, Delhi (Annexures I and II). It may also be mentioned that the survey by the officer of the Planning Commission was carried out under the directions of Dr. A. N. Khosla, the then Member of the Planning Commission.

(Vide O.M. No. 19(36) 64-Pub. dated 4-3-1965).

ANNEXURE I

P. C. Bhattacharyya,
Joint Secretary (I. & W.)

D. O. No. 6252-W/61
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
13/14th July, 1961.

Dear Shri Tarlok Singh,

Please refer to your D.O. No. 19(10)/61-Pub. dated 30th June, 1961, addressed to Shri Wanchoo regarding the role of voluntary organisations in construction activities. As Shri Wanchoo has left this Ministry, I am answering on his behalf.

2. I would invite your attention to D.O. No. Cont. 21(35)/60 dated 6th July, 1961, from Shri V. K. Rao, Joint Secretary, Ministry of Works, Housing & Supply, addressed to you. We generally associate ourselves with the views expressed therein. I should only like to add the following:—

- (i) We welcome the idea of employing voluntary organisations for the supply of material like stone, stone ballast, shingle, sand, etc. In order that this idea may be given a practical shape, the administrations concerned should be persuaded to allow quarrying facilities to voluntary organisations on payment of royalties. In certain places, near-monopoly conditions prevail in the matter of supply of such material. If voluntary organisations come into the picture it may be possible to make a dent into the prevailing conditions.
- (ii) Shri Rao has not specifically commented on making available the services of technical personnel to the voluntary organisations to assist them. I presume, however, that, exigencies of service permitting and the voluntary organisations agreeing to pay such personnel the foreign service terms usually admissible to them on such deputation, there should be no difficulty on this account. I understand that in a meeting held recently

with the Deputy Chairman of the Planning Commission, the W.H.&S. Ministry have already expressed their view to this effect.

- (iii) Practically, none of these voluntary organisations would have legal entities in the sense that they cannot sue and be sued against. It would, therefore, be necessary to provide adequate safeguards against possible breaches of agreement by these organisations and also for the recovery of the loans and advances that may be made to them which are not specifically covered by the standard terms and conditions of contract. As Shri Rao has pointed out, certain special concessions shown to the Bharat Sevak Samaj has been objected to by Audit. It is, therefore, essential in my opinion to devise a suitable machinery which will insure Government against any possible losses and breaches of contract. What that machinery should be is a matter for the authorities concerned to consider.

3. The delay in reply to your letter, which is regretted, is due to the fact that the W.H.&S. Ministry's papers had to be consulted.

With kind regards.

Yours sincerely,

Sd/- P. C. BHATTACHARYYA.

Shri Tarlok Singh,
Addl. Secretary,
Planning Commission.

ANNEXURE II

URGENT

D.O. No. 894ST/CC/61

CHIEF COMMISSIONER,

DELHI

August 4, 1961.

My dear Tarlok Singh.

I am sending you, in original an application from the Bharat Sevak Samaj, Delhi Branch, for a loan of Rs. 6 lacs. for starting four kilns for manufacturing bricks. Although the Samaj is prepared to repay the loan in yearly instalments, spread over a period of six years, I am of opinion that the repayment on the basis of yearly instalments should not start earlier than two years after the date of sanction. It is also very necessary that arrangements for the setting up of the kilns should be taken in hand without any loss of time.

2. I am prepared to allocate to the Samaj sites for kilns and also arrange for permits to import slack coal. The Samaj is taking up this work at my suggestion and I will give the required support to its endeavour.

3. In most of constructions at least 25 per cent of the total expenditure is covered by the cost of bricks, and we have to plan for an expenditure of about eight or nine crores of rupees annually from private sources in house building activity, if we are to meet the shortage of housing in this rapidly growing city. The present rate of private expenditure probably does not exceed two crores of rupees in this activity on account of the non-availability of building plots. I have undertaken to make available two thousand building plots by the end of October this year, and it is expected that developed land for about a lac of plots would become available progressively in the course of the next four years. In addition the Municipal Corporation has its own schemes for slum-clearance and rehabilitation of Jhonpuri and Jhuggi dwellers, for which several crores of rupees have been provided. The governmental expenditure on construction during the Third Five Year Plan is also likely to be not less than what it was during the Second Five Year Plan. The cost of construction is bound to increase rapidly, unless the price of the building material is kept within reasonable bounds. One of the most important building materials being bricks, we may have to impose a ceiling on its price. But it would be very difficult

to operate such a control, unless the supply of bricks is increased very substantially. The method of controlling rise by law is only a negative approach and it becomes an effective instrument of planning only when other means of the type that we have in view are taken.

4. This is a fool proof business not requiring much engineering or technical skill. All that is needed is skill in organisation and sincerity of effort. This is the kind of work, which, I think, is eminently suitable for the Bharat Sevak Samaj to take up. If it succeeds in this line of work, it will be rendering a great public service, which will be widely appreciated.

5. I have discussed this project with Dr. A. N. Khosla, Member—Planning Commission, and he has fully endorsed this viewpoint. I shall be grateful if very early arrangements are made for the grant of financial help that the Bharat Sevak Samaj has requested.

Yours faithfully,

Sd/- BHAGWAN SAHAY

Shri Tarlok Singh.
Additional Secretary.
Planning Commission.
New Delhi.

Encl: One loan application.

APPENDIX XXVII

(See Para 47 of Report)

MINISTRY OF HEALTH

Copy of D.O. No. F. 1-4/64-LSG-I, dated the 13th October, 1964 from Shri A. P. Mathur, Under Secretary, Ministry of Health addressed to Shri D. R. Sawhney, Chief Accounts Officer, Delhi Development Authority, New Delhi.

Please refer to the correspondence resting with Shri Sahay's D.O. letter No. 1A-6(10)/63-64, dated the 18th September, 1964 regarding notes on audit paras 111—118 from the Audit Report (Civil), 1964.

I am forwarding herewith a list of the points relating to para 117 of Audit Report (Civil), 1964 on which detailed clarifications are required by the Public Accounts Committee. I shall be grateful if a detailed note on each of the points is furnished to us by the 20th October, 1964, positively, so that it could be furnished to the Lok Sabha Secretariat, duly vetted by Audit, by the 7th November, 1964, as desired by them. For facility of reference the question may be reproduced at the top of the note giving the answer thereto. A copy of the Unstarred Question No. 526 and the reply given thereto by the Ministry of Works and Housing will be furnished shortly.

2. It has, however, been observed from the statement showing the market rates of sand sent with your letter referred to above, that the rates of sand actually did not fall in 1962 and 1963 after the allotment of land to the Bharat Sewak Samaj but went up in the months of March, April and July in 1962 and August and November in 1963. It does not therefore, appear to be correct to say that the rates of sand actually came down after the allotment of land to the Bharat Sewak Samaj. This point may kindly be further examined and elucidated.

(Vide O.M. No. F-2/65-LSGI, dated 10th March, 1965).

APPENDIX XXVIII
(See Paras 50 and 73 of Report)
PLANNING COMMISSION
(PUBLIC COOPERATION DIVISION)

Minutes of the meeting of the Working Group on Construction Service of Voluntary Organisation and Labour Contract and Construction Cooperatives held on the 2nd March, 1964.

PRESENT

Planning Commission

1. Shri G. L. Nanda
2. Shri C. R. Pattabhiraman
3. Shri B. S. Nag
4. Shri Krishna Prasad
5. Shri D. P. Singh
6. Shri H. K. D. Tandon
7. Shri A. N. Malhotra
8. Shri Birbhai Singh
9. Shri Y. D. Piplani
10. Shri P. N. Bhuchar
11. Shri S. S. Athwal
12. Shri Wazir Singh
13. Shri S. P. Gupta

Ministry of W. H. & R. & CPWD

1. Shri N. G. Dewan
2. Shri D. N. Endlaw
3. Shri V. R. Vaish
4. Shri Gurdev Saran
5. Shri G. S. Bhasin
6. Shri S. N. Banerji

Railway Board

1. Shri G. P. Shahani

Ministry of Defence

1. Shri S. S. L. Kakkar
2. Shri R. L. Kumar

Ministry of I & P

1. Dr. K. L. Rao
2. Shri C. L. Handa (CW&PC)

Bharat Sevak Samaj

1. Shri Hans Raj Vadhera
2. Shri R. K. Gupta
3. Shri M. D. Mithal
4. Shri Chakradhari Agarwal
5. Shri P. N. Chadha

Ministry of C. D. & Coop.

1. Shri E. V. Ram Reddi

State Representatives

1. Shri K. Chand, U. P.
2. Shri B. V. Iyengar, Mysore
3. Shri G. A. Narasinha Rao, A. P.
4. Shri B. Pratap Rao, A.P.

The members of the Working Group welcomed the growth of the Construction Service of the Bharat Sevak Samaj which has been able to secure economies in construction costs and improvement in the quality of work. The following decisions were taken :

1. The targets for the Fourth Plan were approved as under :

1966—67	Rs. 12 crores
1967—68	Rs. 15 crores
1968—69	Rs. 18 crores
1969—70	Rs. 21 crores
1970—71	Rs. 24 crores

Total Fourth Plan Rs. 90 crores

2. The Central Ministries and State Governments should accept the recommendations of the Third Plan as incorporated in the Planning Commission letter No. 19 (10) 61-Pub. dated 24th August, 1961 with the modification that the works may be awarded to Construction Service of Voluntary Organisations at 'Prevailing market rates', instead of 'workable rates', as stated in the letter.

3. No limit should be placed on the capacity of the Central Construction Service of the Bharat Sevak Samaj regarding the cost or types of the works to be awarded to it. In respect of Pradesh and District Units, the Central Managing Committee or the General Manager of the Central Construction Service, Bharat Sevak Samaj, will fix limits on the capacity of their Branches and intimate the same to the Departments concerned. The departments may also be informed of the extent of the technical know-how available with the respective Units.

4. The Construction Service of the Voluntary Organisations should be encouraged to tender for as many works as possible. Its services may also be utilised in determining fair rates, for particular works, or in particular areas.

5. The Departments should indicate to the Construction Service of Voluntary Organisations well in advance, wherever possible, the dimensions, type of construction programmes. The Voluntary Construction Agencies will also maintain contact with the concerned Ministries/Departments of the Central and State Governments and plan ahead to meet their construction needs.

6. The Central Construction Service of Voluntary Organisations should be utilised in organising the supply of material at reasonable rates in towns with a population of 5 lakhs or more and project areas with high concentration of works. Long term loans repayable in 5 years may be given by the State Governments, the General Ministries and the local bodies.

7. In view of the difficulties faced by the Construction Service of Voluntary Organisations and the Government Corporations it was recommended that permanent cadres be created in the various Departments to meet the needs of technical and accounting personnel for the Construction Service of Voluntary Organisations and the Public Corporations, such as, N.P.C.C. and N.B.C.C. etc. It was agreed that suitable increases in the cadres of the C.P.W.D. and other Departments of the Centre and the States may be made to meet their needs.

It was stressed that persons to be loaned to Construction Service of Voluntary Organisations should be good ones. They should also have a bias for social service.

8. *Machinery, tools and plants.*—It was agreed that

- (i) the machinery, tools and plants available with the concerned departments may be made available to the Voluntary Organisations at the departmental concessional rates;
- (ii) foreign exchange may be made available to meet the essential requirements of such types of equipment, plant and machinery as are not available in the country.
- (iii) the Government may authorise the officers of the Construction Service of Voluntary Organisations to act as direct demanding officers for the purchase of stores for which contracts are entered into by D.G.S. & D.

9. *Rural Construction Service.*—(i) The Rural Construction Service should be gradually built up as a wing of the Central Construction Service. All Overseers and sub-overseers should be borne on the strength of the Central Construction Service and seconded to Lok Karya Kshetras. The Service should participate actively in rural works and other construction programmes relating to agricultural production.

(ii) The targets to be achieved by this Service should be fixed at Rs. 1 crore for the Third Plan and Rs. 16 crores for the Fourth Plan.

(iii) The Rural Construction Service should have a special wing to undertake construction work in the border areas. The Third Plan target for construction through Rural Construction Service should be fixed of Rs. 0.5 crores and that for the Fourth Plan at Rs. 5 crores.

10. *Financial assistance to the Service.*—(i) The Working Group recommended a long term loan of Rs. 100 crores for the Fourth Plan. In case of difficulty in finding out this amount because of the overall shortage of funds this loan amount may be reduced to a sum of Rs. 7.5 crores.

(ii) The Working Group recommended that, in addition to the exemption from the payment of earnest money and security deposit the Construction Service of the Voluntary Organisations be given works advances on the following basis:

"An initial advance not exceeding 1/4th of the estimated cost of the work may be granted in two instalments, half at the start of the work and the remaining half after 25 per cent of the work had been completed, subject to an overall ceiling of Rs. 25 lakhs for each work. The recovery of the amount of loan, together with interest thereon, should be effected in two instalments—half after 50 per cent of the work is completed and paid for and the balance after 75 per cent of the work is completed and paid for."

(iii) The departmental officers should be given the authority to give the initial advance as soon as the work is allotted without any further reference to the Government.

11. An Advisory Service may be established with five Regional Units, as already approved by the Planning Commission. The Service may be based in the Ministry of I&P. (C.W.&P.C.).

12. *Loan assistance to Voluntary Organisations for the construction of commercial buildings and setting up of Housing Board.*—Discussion on items No. 5 and 6 of the Agenda was deferred as the representatives of the L.I.C. were not present. It was decided that a separate meeting of a few members may be called to discuss the issue with the L.I.C. representatives.

13. *Labour Construction Cooperatives.*—The Construction Service of Voluntary Organisations wherever well established, should promote the growth of the Labour Cooperatives by standing surety for them in selected areas to the Government, or other institutions capable of providing credit facilities. They should also provide them with the necessary technical skill. This experiment may be tried in five selected districts in the first instance and, on the basis of the experience gained, the programme may be suitably improved and expanded.

APPENDIX XXIX

MINISTRY OF IRRIGATION AND POWER

(See Paras 51 and 64 of Report)

Copy of letter No. 2(6)/57-Policy dated 30th November, 1957 from the Ministry of Irrigation and Power to All State Government etc.

SUBJECT: *3rd meeting of the Co-ordination Board of Ministers—Decision on Public Cooperation in the execution of the river valley projects—Follow-up action.*

I am directed to state that the question of awarding contracts to the public cooperation agencies was considered, by the Coordination Board of Ministers at the meeting held in Delhi on the 9th September, 1957. The Board decided that:—

“to encourage public participation in the execution of river valley projects, voluntary organisations like the Bharat Sewak Samaj, Gram Panchayats, Labour Cooperatives, etc., should be granted the following concessions;

- (a) allotment of work at the prevailing schedule of rates without calling for tenders;
- (b) payment of advances to meet expenditure on preliminary arrangements; and
- (c) exemption from payment of earnest money or security.

The Board stressed that checks and counter-checks should be provided to ensure that Government funds were utilised in a proper manner and that the voluntary organisations set apart a certain sum of money for providing amenities and welfare facilities in the areas concerned”.

A copy of the note on the subject, placed before the Board for its consideration, is also forwarded herewith.

2. In view of the important role assigned to public cooperation in the execution of the river valley projects in the second Plan, the Government of India would commend this decision of the Coordination Board for adoption by all the State Governments Project authorities

NOTE I

MINISTRY OF IRRIGATION AND POWER

Public Co-operation in the execution of river valley projects:

Brief note regarding the awarding of contracts to the Bharat Sewak Samaj

The few years' experience of getting some work on major projects like Kosi done through public cooperation has demonstrated that this method of work ensures a large number of benefits, the more important of which are:—

- (1) Gives employment not only to landless labourers but also to the agriculturists, who, during most of the year, are idle and unemployed. When work is done through contractors only professional labour is attracted and there is a certain amount of exploitation.
- (2) The work is executed at a cheaper rate, as the middleman's profit is eliminated.
- (3) It eliminates graft and other corrupt practices.
- (4) The worker is employed more or less continuously and gets more for his work through this method than through the contractors.
- (5) The method creates a feeling of national pride amongst the people, works up their enthusiasm and instils a spirit of self-confidence.
- (6) Construction of public works with their own hands brings home to the people a realisation that the Plan is their own and for their benefit.
- (7) It builds up inspiration and faith in the government's bonafides and plans on the one hand, and in the people's capacity for self-improvement on the other.
- (8) It ensures better progress of work and expedites the enjoyment of benefits of the project.
- (9) It steadily brings down the social barrier, as people of all classes work shoulder to shoulder.
- (10) It ensures the achievement of targets laid down in the Second Five Year Plan, which will not be possible through the normal agency of contractors who are few, who are not

fully equipped and who cannot draw people of all classes of work under them.

Experience gained so far has shown that it is necessary to adopt a uniform policy all over the country for the work to be done through organisations enlisting public cooperation, so that we get the maximum advantage out of this method of execution of works.

2. The first item that may be considered is whether the work should be given after issue of open tenders or on an *ad hoc* basis based on the schedule of rates of the concerned State. The number of labourers who can move from place to place under contractors is limited, and even this labour has to pass periods of idleness between one job and another. The tempo of work in the Second Five Year Plan being higher than ever before, a large increase in the strength of contractors and labour will be necessary to ensure the necessary progress. In addition, we may need a large number of items of imported machinery to do the work. Due to the shortage of labour tenders are likely to become higher and higher. The tenders system has not eliminated litigation and it happens that an agreement arrived at appears to be favourable in the initial stages, but, after meeting the subsequent demands of the contractor, and as a result of litigation the picture is entirely reverse. There are also allegations of fictitious items or over measurements under contractors which may more than wipe off any probable reduction in tenders rates. The contractors are not in a position to attract workers from the agricultural and other classes, and their capacity for increasing the strength of manual labour is therefore very limited. It is only public organisation like the Bharat Sewak Samaj which can make such classes of people work enthusiastically and, at times, even without payment. If the people who are willing to work can be given work continuously then the progress of work will be greater than if there were gap of idleness.

3. Keeping the above in view, it is suggested that to public organisations like Bharat Sewak Samaj the work may be allotted the ruling schedule of rates without calling for tenders. It may be brought to notice that because of other benefits which work through public cooperation ensures, the Bombay Government have issued instructions that the labour cooperatives will be allotted work even if their rates exceed those of the contractors by 5 per cent. The Ministry of Works, Housing and Supply allows work to be allotted at estimated rates to the Ministry of Rehabilitation, which utilize refugees although tenders are called where contractors are concerned. The

Nagarjunasagar Control Board has recently agreed to allot work to the Bharat Sewak Samaj at the ruling schedule of rates both on the Andhra and Hyderabad sides.

The second question that may be considered is that of giving advances to the organisations like the Bharat Sewak Samaj enlisting public cooperation, such advances being adequate enough to meet expenditure on preliminary arrangements like water supply medicine, tools etc. and keeping the workers fed and liked after till the payment start coming in. These advances can be returned without adversely affecting the arrangements. Already, cooperative societies are advanced large amount by the Cooperative Banks, although the cooperative societies have profit as their motive. That Bharat Sewak Samaj is a registered body and works on a 'no-profit no loss' basis. Besides, if money is taken on interest, it will lead to a rise in the rates of work. It is, therefore, suggested that the project authorities may automatically allow the Bharat Sewak Samaj advances sufficient for the above objectives. The advances can be calculated as percentages of the season's work in the different States, the length of the working season being different in different States, these percentages will vary. On the Kosi, about 35% of a Season's work is considered as sufficient for the purpose, and this figure has been agreed to, while on the Nagarjunasagar Project, 25% is considered sufficient, as the working season here is longer. On the Yamuna bund, an advance of only Rs. 50,000 was accepted, although the work for the season was estimated to cost Rs. 5 lakhs.

Deduction of security.—The contractors are required to pay earnest money with the tenders and subsequently they are paid not more than 95% of the work executed by them. The deduction of 5% made from the various bills are re-imbursed to them after sufficient time had elapsed after completion of work. This system may be necessary in the case of contractors as a precaution to ensure the completion of the work according to specifications. The position is different in the case of public organisations like the Bharat Sewak Samaj. In view of the fact that such bodies receive advances for making preliminary arrangements, any deduction of security will mean an equivalent increase in their advance. It is, therefore, suggested that no earnest money or security is asked for or deducted from the bills of such organisations.

APPENDIX XXX

(See Para 51 of Report)

MINISTRY OF WORKS AND HOUSING

Copy of letter No. Cont. 32 (95) /58 (i) dated the 28th April, 1958 from the Ministry of Works, Housing and Supply to the Chief Engineer, C.P.W.D., New Delhi etc.

SUBJECT: *Award of works to Bharat Sevak Samaj.*

I am directed to state that the Government of India had been considering for some time past the question of award of works to the Bharat Sevak Samaj. It has now been decided that works may be awarded to the Bharat Sevak Samaj on the following terms and conditions:—

- (i) All earth work contracts up to a limit of Rs. 5 lakhs and building works relating to the slum clearance up to a limit of Rs. 1 lakh may be awarded to the Samaj after consulting the Central Works Advisory Board as regards rates etc.
- (ii) No earnest money or security deposit should be recovered from the Samaj.
- (iii) An initial advance of one-fourth of the estimated cost may be given to the Samaj in two instalments—one-eighth at the start and another one eighth after one-fourth of the work has been completed. Where the rates accepted by the B.S.S. are lower than the estimated cost by an amount which is less than the interest chargeable on 1/8th of the total estimated cost advanced for a period of six months within which the advance is proposed to be adjusted, the recovery of interest on the advance may be waived provided that the advance is paid back or adjusted against running bills within six months.

APPENDIX XXXI

(See Para 51 of Report)

MINISTRY OF WORKS AND HOUSING

Copy of letter No. Cont. 32(95)/58 dated the 9th November, 1961 from the Ministry of Works Housing and Supply to the Chief Engineer, C.P.W.D., New Delhi etc.

SUBJECT: *Award of works to Bharat Sevak Samaj.*

In supersession of the orders contained in this Ministry's letter No. Cont. 32(95)/58(i), dated the 28th April, 1959, as amended *vide* this Ministry's letter No. Cont. 32(95)/58 dated the 23rd September, 1961, on the subject noted above, I am directed to state that the Government of India have been pleased to decide that earth works and building works may be awarded to the Bharat Sevak Samaj, according to the capacity of its respective Branch Organisations on the usual terms and conditions with the following concessions:

- (i) No earnest money or security deposit should be recovered from the Samaj;
- (ii) If required by the Samaj, an initial loan not exceeding 1/4th of the estimated cost of the work, subject to a maximum of Rs. one lakh for each contract may be granted in two instalments—half at the start of the work and the remaining half after 25% of the work has been completed; and
- (iii) The recovery of the amount of loan, together with interest on it, should be effected in two instalments half after 50% of the work is completed and the balance after 75% of the work is completed.

APPENDIX XXXII
(See Para 51 of Report)
MINISTRY OF RAILWAYS

Copy of D.O. letter No. 59/W2/CT/23 dated 13-10-1959 from the Hon. Minister for Railways to Samaj Harinarayanand, State Convenor, Bihar State Bharat Sevak Samaj, Budhmarga, Patna—1.

Please refer to your letters No. 3135/1/59 of the 4th June and 24th August, 1959.

The General Manager, Northern Railway under whose charge the Robertsganj-Garhwa Road Railway construction will be carried out, has been informed that earthwork contracts upto a limit of Rs. 5 lakhs can be awarded to the Bharat Sevak Samaj on the following conditions:—

- (a) The rates for earthwork are not more than those for similar work in the same area given to other contractors. These rates should be duly considered by a Tender Committee and approved by competent authority.
- (b) The Bharat Sevak Samaj need not submit a regular tender for the earthwork but one of its authorized officers should apply to the competent authority within the stipulated time of submission of tenders.
- (c) No initial earnest money or security deposit should be taken but a security deposit should be built up by 10% deductions as retention money from all running bills.
- (d) No initial advance will be paid to the Samaj for making arrangements to start the work.

You may now instruct your local officers to apply to the General Manager, Northern Railway, for the allotment of earthwork contracts in the zones where the Bharat Sevak Samaj wish to take up this work.

APPENDIX XXXIII

(See Para 51 of Report)

MINISTER FOR LABOUR, EMPLOYMENT AND PLANNING

New Delhi, 6th February, 1963

D.O. No. 19(2)/63-Pub.

My dear

Will you kindly refer to your letter dated the 4th January, 1963 regarding the work advances given to the Bharat Sevak Samaj Construction Service?

2. I enclose a note, prepared in this connection in the Planning Commission, which gives an overall view about the activities of B.S.S. Construction Service, their usefulness to the Government, the well-considered policy on the basis of which these work advances are being given and the justification for their continuation.

3. The objection regarding adequate security would have been valid in the initial stages when the Samaj had only few works and in the event of default in one work it would have been difficult for the C.P.W.D. to make recoveries from the balances in the other works. The present position in Delhi, however, is that Samaj have works of a value of about Rs. 1 crore and the total work advances are of the order of Rs. 4.5 lakhs. Against this the bills pending payment aggregate Rs. 9 lakhs and there is available at site building material of the value of about Rs. 4 lakhs. The work advances thus are more than covered.

4. Similarly, sufficient safeguards exist to watch the interest of the Government against risks of abandonment, delays and sub-standard execution of work. The Service is mainly manned by retired and serving officers belonging mainly to the Central Ministries, Planning Commission and the Comptroller and Auditor General. These officers are fully familiar with the rules and regulations and alive to the need to watch Government's interest. Secondly, a series of administrative measures have been taken to strengthen the Service and to ensure proper coordination and close supervision. This includes setting up of a Project Committee, for each major project or a group of smaller projects, with the Resident Engineer of the Samaj and the Executive Engineer incharge of the C.P.W.D. This Committee meets frequently to review the progress and to resolve day to day difficulties. The system has functioned well and so far no case of default has occurred.

5. The enclosed note indicates how large economies have resulted to Government in the works executed by the Samaj. Their role in this connection has assumed special importance in the execution of defence works where excessive rates are being quoted by the private contractors. The savings to the Government amount to many times the 'work loans' advanced by the C.P.W.D. which in any case are finally adjusted and do not involve any additional expenditure to the Government. The entry of the B.S.S. in any area helps to reduce rates by contractors also.

6. I am sure that on the basis of the detailed information now furnished you will agree that in the wider public interest, the B.S.S. Construction Service should be further strengthened and the existing concession of giving work advances should continue. If any specific point in this connection requires further consideration this could be resolved in a meeting with your Secretary and Shri R. S. Krishnaswamy, Programme Adviser in the Planning Commission along with representatives of the Finance Ministry and audit.

7. I am sending a copy of this letter to the Finance Minister for his information.

Yours sincerely,

Sd/- G. L. NANDA

Shri Mehr Chand Khanna,
Minister for Works, Housing and Rehabilitation,
New Delhi.

The following are the main objections in respect of the concession at present allowed by the C.P.W.D. to the Construction Service of the Bharat Sevak Samaj:—

- (a) The objection of the Audit is that lack of adequate security deposit leaves Government open to the risk of abandonment of work, delay in completion of work and sub-standard execution of work; and
- (b) Advances of unsecured loans amount to as a measure of indirectly financing the Samaj for the contract given to it by the C.P.W.D. There would appear to be no valid ground for giving unsecured advances to Samaj for financing the work done by it on behalf of the C.P.W.D.

These objections have been discussed in the following paragraphs:—

Lack of adequate security: pending bills and material at site (about Rs. 10 lakhs) provide sufficient security against advances (about Rs. lakhs)

2. The objection regarding adequate security would have been valid in the initial stages when the Construction Service of the Samaj had only few works in hand from the C.P.W.D. In such circumstances, a situation could have developed in which Government would have been unable to recover the losses incurred due to the abandonment, delayed completion and sub-standard execution in any particular works from the profits earned in other works.

2.1. But the Construction Service of the Samaj has developed fast in recent years so much so that they have now in hand works from C.P.W.D. of a value of about Rs. 1 crore in Delhi alone. A view may now be taken of all the works taken together. If this is done, it will be noted that the value of the work done for which payments have not been made far exceeds the advances by the C.P.W.D. The Finance Ministry and the Ministry of Works, Housing and Rehabilitation have been kept regularly in touch from time to time about the value of the pending bills. They amounted to more than Rs. 10 lakhs in February, 1962, about Rs. 8 lakhs in December, 1962 and more than Rs. 8 lakhs in January, 1963. As against this the total works advances by the C.P.W.D. at present under the concessions under reference amount to only about Rs. 4 lakhs.

2.2. In addition, the Samaj has large quantities of building material at site. The value of such material in Delhi will amount to about Rs. 4 lakhs. The C.P.W.D. accept such building material at site as security against advances. This facility is being given even to the private contractors.

2.3. The pending bills and the material at site thus provide a comfortable reserve against any risk that the Government incurs in giving initial loan to the Samaj.

2.4. Reserve Fund is created from the savings by the Samaj to ensure against any losses or payments, which get due to the Government.

Risk of delay or abandonment or sub-standard work: The service has sufficient trained technical and administrative staff to ensure efficient execution

3. The risk of abandonment of work, delay and sub-standard execution would arise only if the Service lacked the necessary techni-

cal and administrative staff. But a series of measures have been taken to strengthen the Service as indicated below.

3.1. For each important work or group of works, a Project Committee to set up with the Resident Engineer of the Bharat Sevak Samaj and the Executive Engineer of the C.P.W.D. These Project Committees meet regularly, about 2 to 3 times in a month, to review the progress and to resolve the difficulties that arise in the day to day execution of the work. The experience has been that the Executive Engineers of the C.P.W.D. are more strict on the Bharat Sevak Samaj than other private contractors.

3.2. The Service of the Bharat Sevak Samaj was reconstituted so as to have a Central Managing Committee with Advisory and Executive Wings. This Managing Committee includes very senior retired Engineers of the Government, socially inclined senior construction contractors, and two senior officers of the Planning Commission, each of the status of a Director—one an Engineer and the other an Administrative Officer. The Managing Committee meets 3 or 4 times in a month and exercises a day to day watch on the field activities of the Construction Service.

3.3. A senior engineer of the status of a Director has been appointed in the Planning Commission on a whole-time basis to give the necessary technical guidance to the Service and to assist in its day to day running.

3.4. The Planning Commission has recently decided in consultation with the Finance Ministry to appoint a whole-time Internal Financial Adviser who will exercise a day to day watch on the finance and accounts of the Bharat Sevak Samaj Construction Service. Shri Ratnam, retired Finance Secretary to the Government of India assists the Samaj in an advisory capacity. About 4 retired Government Accounts Officers are working on a whole-time basis. One serving Accountant has recently been taken on deputation.

3.5. The Bharat Sevak Samaj have revised their Constitution so as to provide for the employment of serving Government engineers and accounts officers on deputation. The Planning Commission has been urging both the Ministry of Works, Housing and Rehabilitation as well as the Finance Ministry to depute serving officers. These officers would, no doubt, watch Government's interest in the execution of these works. One Assistant Engineer and 2 Section Officers have recently been deputed to the Samaj by the C.P.W.D.

3.6. Other engineers, employed in the Samaj Construction Service, consist mostly of Senior retired Government engineers who are fully familiar with the Government rules and regulations and

can be depended as much as serving officers. They are generally selected in close consultation with the Planning Commission and sometimes with the Chief Engineer, C.P.W.D.

3.7. Periodical progress reports and annual audited statements of accounts are regularly submitted and scrutinized by the Planning Commission. An Audit Party of the A.G.C.R., deputed last year, audited the statements of accounts for the period ending 31st March, 1961. A similar Audit Party is now auditing the accounts for the period ending 31st March, 1962. Immediate remedial steps are taken in respect of the irregularities pointed out in these reports.

3.8. Recently the Planning Commission decided to associate very closely the COPP Building Project Team. The members of this Team have closely studied the works undertaken by the Samaj. In their recent report on public works they have recommended maximum support to organisations like the Bharat Sevak Samaj.

3.9. It will be relevant to mention that there has never been a case with the C.P.W.D. in which the Samaj may have defaulted from paying any penalty which is correctly chargeable to them. The fact is that such occasions do not arise.

Unsecured advances amount to indirect financing of the works by the C.P.W.D.: This is not so as the loans are secured and regular interest is paid

4. The objections in sub-para 1(b) would have been valid only in the initial stages when interest free advances were being given to the Samaj and there was no sufficient security. This position has since then been remedied. *Firstly*, there is sufficient security against these advances as pointed out in the preceding paragraphs. *Secondly*, as a result of correspondence exchanged in 1961 between the Planning Minister and the then Minister of Works, Housing and Supply (Shri B. Gopala Reddi) it was agreed that nominal interest may be paid by the Samaj on the advances received by them from the C.P.W.D. This is being done.

Main Considerations: Economy is construction cost, quality of work and people's participation

5. The Construction Service of Voluntary Organisations like the Bharat Sevak Samaj is being developed in pursuance of the Plan Policy set out in the Third Plan (page 296) and the Planning Commission policy letter No. 19(10)/61-Pub. dated the 24th August, 1961 (copy enclosed). This policy was formulated by a Working Group of Experts, under the Chairmanship of Dr. A. N. Khosla. This Ministry of Works, Housing and Rehabilitation was represented by

the then Secretary, Shri T. Sivasankar and the Chief Engineer, C.P.W.D., Shri N. G. Dewan, while the Finance Ministry was represented by Shri P. C. Bhattacharya and Shri Gurdev Saran. The Working Group also contained six Chief Engineers from different States. In his letter dated the 10th July, 1961 (copy enclosed), the Prime Minister also strongly recommended to the Chief Ministers of States for maximum support for the B.S.S. Construction Service.

5.1. The need for developing a Service of this type arose mainly as a measure to achieve economy in construction cost by avoiding excessive dependence on private contractors and to ensure better quality work. The other important aspect was to associate the people in the implementation of the construction programmes connected with the Plan.

5.2. The Working Group and the Planning Commission conceded that voluntary organisations like the Bharat Sevak Samaj will not have sufficient capital of their own to undertake construction works on a large scale. They accordingly recommended that they should be given loans and works advances for working capital, purchase of machinery and construction material and for meeting other initial expenditure. In regard to the security against these loans and advances, the recommendation was that suitable administrative arrangements which will ensure safety of the loans and works advances may be made.

5.3. The initial expectations of the Working Group have been fully realised by the performance of the Construction Service in the first two years. Large economies in construction costs have been realised. These aggregate to more than Rs. lakhs as indicated in the statement at Annexure .

5.4. The Bharat Sevak Samaj have rendered valuable service both to the Government and the Public by organising supplies of bricks and sand at considerably reduced prices. They are at present running 7 brick kilns which have assisted the Chief Commissioner, Delhi, in reducing the price of bricks from Rs. 45 to Rs. 29 per thousand. Similarly, the rates of sand have come down from Rs. 16—Rs. 17 to Rs. 10 per truck. They have also organised a Cooperative of stone breakers in Delhi which has ensured regular supplies of broken stone at normal prices and also higher earnings for labourers working as stone breakers.

Assistance by the Bharat Sevak Samaj Construction Service in the present Emergency

6. The utility of this Service was all the more established in the present Emergency. Their entire resources have been placed at the

disposal of the Defence Ministry. The Service offered to undertake important Defence works with a small margin of profit as against excessive rates quoted by the private contractors.

6.1. Thus, the Bharat Sevak Samaj Construction Service obtained through open tender the work of the construction of the Aerodrome at Kusumi (Gorakhpur). The cost of this work is about Rs. 110 lakhs. The difference between the tender of the Bharat Sevak Samaj and the lowest tender by a private contractor was more than Rs. 10 lakhs. While this aerodrome is being done by the Samaj at 73 per cent above the scheduled rates, a similar aerodrome near Lucknow is being done by another party at 135 per cent above the scheduled rates.

6.2. The Samaj has also taken up the work of construction of barracks for internees at Deolali. Here also, the tender rates came down from 62 per cent to 39 per cent as a result of the lower rates offered by the Samaj.

6.3. In Madras, the Defence Ministry were faced with the problem of undertaking construction works with bricks costing Rs. 100 per thousand. The Samaj have offered their service for opening brick kilns and supplying bricks to the defence works at Rs. 55 per thousand. This has brought about a general reduction in rates of bricks resulting in considerable savings to the Government.

6.4. In Delhi, the Samaj have works of a value exceeding Rs. 20 lakhs regarding the construction of the buildings of the Industrial Training Institutions which are now completely geared for training personnel required for Defence purposes. These works have been given the same priority as other important defence works.

6.5. In Manipur, the Bharat Sevak Samaj Construction Service has a very well organised unit. They have at their disposal a sizeable labour force functioning as organised labour cooperatives. They rendered very valuable assistance in the construction of border roads and other works. They have in their hand works of a value of Rs. lakhs.

Conclusion

7. To sum up, the main conclusions are:—

- (i) The pending bills and material at site provide comfortable reserves against works advances by the Ministry of Works, Housing and Rehabilitation.
- (ii) Suitable administrative arrangements exist which fully cover the risk to which the Government is exposed against abandonment of work.

- (iii) Economies in construction costs which are directly attributable to the Bharat Sevak Samaj Construction Service far exceed the recoverable work advances given to the Samaj.
- (iv) The Bharat Sevak Samaj Construction Service is at present rendering meritorious services in the execution of defence works and are saving large amounts of money to the Government.

7.1. In view of the above considerations and in the context of the Defence requirements in the present Emergency, it is necessary that any administrative measure which weakens the efficient functioning of the service should be avoided. It is, therefore, strongly recommended that the present arrangement of giving work advances to the Samaj should continue.

(Vide Planning Commission U/o note dated 17-1-65)

ANNEXURE—I

Statement showing the Names of Important Works undertaken by the Bharat Sevak Samaj during 1956-62.

(All figures are in Rs. lakhs)

Sl. No.	Name of work	Cost of work at the market rates or the rates tendered by the Contractors	Cost at which taken by the B.S.S.	Direct savings to the exchequers.	Cost at which the work is executed	Savings to B.S.S.	Remarks.
1	2	3	4	5	6	7	8
WORKS AT DELHI							
<i>Earthwork</i>							
1.	E. work in Jamuna bund	11.85	6.85	} 5.00	6.27	0.58	} Works completed.
2.	Repairs to left marginal bund' Okhla	1.47	1.47		1.37	0.11	
3.	Najafgarh Nulla Phase I	1.75	1.75		1.00	0.75	

4. Raising & strengthening of Shahdara Bund	2.50	2.50	} 0.02	2.31	0.19	} Works nearing completion.
5. E-Work at Gandhi Samadhi	5.00	4.98		4.28	0.70	
6. E-work on raising right marginal bund.	0.50	0.40	0.10	0.30	0.10	Works completed.
7. E-work on Ghalib bund	1.05	0.80	0.25	0.60	0.20	—do—
8. Najafgarh Phase II	3.00	1.00	1.20	1.60	0.20	
<i>Exhibition Work</i>						
9. Works in Industrial Exhibition 1958	4.89	4.89	..	3.76	1.13	Works completed.
10. Do. 1961	8.00	6.30	1.70	4.55	1.75	—do—
<i>Power House</i>						
11. Phase II	3.58	3.54	0.04	2.64	0.90	Works completed.
12. Phase II	5.00	4.90	0.10	3.90	1.00	Works well advanced.
<i>Supply of Materials</i>						
13. Bricks Kiln@	4.75	3.75	1.00	3.45	0.30	Works completed.
14. Sand	6.50	3.75	2.75	3.35	0.40	—do—
15. Development of colonies near Kalka	12.00	11.50	0.50	11.00	0.50	Works in progress.
16. Multi-storeyed buildings & workshop etc.	49.00	45.00	4.00	43.50	1.50	—do—

@ The overall economy in cost of bricks was of the order of 100 lakhs.

1	2	3	4	5	6	7	8	
17.	Stone pitching of left marginal bund.	5.00	2.80	2.20	2.51	0.29	Works completed.	
<i>Works at Bombay</i>								
18.	Development of colony sites in Stone	39.00	31.00	8.00	28.00	3.00	Works completed.	
<i>Works in Bihar</i>								
19.	E-work & building work in Kosi area and railway embankment.*	320.00	200.00	120.00	184.00	16.00	Works completed.	*Total economy on account of BSS' presence on this project was of the order of Rs. 500 lakhs.
<i>Works in Andhra Pradesh</i>								
20.	E-work excavation in the left main canal Nagarjuna-sagar Project	42.00	40.00	2.00	39.00	1.00	Works partly completed.	
21.	Works in other areas	40.00	38.00	2.00	36.20	1.80	—do—	
<i>Defence Works</i>								
1.	Constructing and extending runway at Kusmi airfield. Gorakhpur.	122.00	110.00	12.00	103.00	7.00	Works in progress.	
2.	Strengthening hard standing at Gorakhpur. ¶	68.00**	61.00	7.00	58.00	3.00	—do—	**Computed on the basis of tendered percentage by the contractors at Lucknow.
3.	Constructing Barracks at Deoli, Rajasthan	10.00	9.00	1.00	8.00	1.00		

APPENDIX XXXIV

(See Para 55 of Report)

BHARAT SEVAK SAMAJ—CENTRAL CONSTRUCTION SERVICE

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31-7-63

<p>To Loss Najafgarh Drain Account (Delhi Works) as per Audited Profit & Loss Account</p>	14,44,660.25	<p>By Profits adjusted on Hybrid System from Contracts at Bidar as per audited P & L account for the period ended 31-8-1963</p>	2,96,421.75	
<p>To Loss Arab-ki-Sarai Account as per Audited Profit & Loss Account</p>	1,83,339.02	<p>By Profits adjusted on Hybrid System from Contracts at Gorakhpur as per audi- ted P & L Account</p>	20,06,664.53	519
<p>To Expenses of the Central Office</p> <p style="padding-left: 20px;">Less Charged to Najafgarh Drain Account as per P & L Account as on 31-3-1962</p>	2,65,901.67	<p>By Interest</p> <p style="padding-left: 20px;">From Pradesh Units</p> <p style="padding-left: 20px;">Call Deposits</p>	25,195.52	50,163.31
<p>To Advances treated as expenses</p>	8,835.52	<p>By Liabilities as provided in Najafgarh Drain Account as on 31-3-1962</p>	17,326.03	
<p>To Interest</p> <p style="padding-left: 20px;">Paid to Planning Commission</p> <p style="padding-left: 20px;">Payable to Planning Com- mission</p>	1,49,811.78	<p>By Misc. Receipts</p>	48,645.32	
	1,86,122.80			

<i>Less Charged Arab-ki-Sarai as on 31-3-1962 . . .</i>	<u>7,655.15</u>	
	1,78,467.65	
<i>Add Payable to Maharashtra Pradesh</i>	<u>3,846.58</u>	1,82,314.23
<i>To Other Charges</i>		2,610.88
<i>To Expenses met from the Central Development Fund including expenses for the previous years</i>		1,61,581.10
<i>To Profit pending appropriation to Balance Sheet</i>		1,82,913.16
	<u>24,19,220.94</u>	<u>24,19,220.94</u>

520

Sd/-
Accounts Officer
NEW RELHI
DATED : 6-3-1965 } Seal

Sd/-
Accounts Organiser
Annexure to the Balance Sheet

Sd./-
General Manager

Sd/-
Chartered Accountants
"CERTIFIED TRUE COPY"
Sd/-
A. S. Bhalla
9-3-45
Accounts Organiser

APPENDIX XXXV

PLANNING COMMISSION

(See Paras 59 & 63 of Report)

List of Points on which further information was desired by the Public Accounts Committee at their sitting held on 23-1-1965.

Question 1.—Details of the Grants given by the various State Governments (State-wise) to the Bharat Sevak Samaj year-wise and the amounts raised by the Samaj by its own efforts, may be given.

Reply 1.—The information has been called for from the State Governments as in the telegram/letter at Annexure I. The complete information required is not yet available from any of the State. As soon as it becomes available, it will be furnished to the Lok Sabha Secretariat.

Question 2.—Latest Balance Sheet of the Construction Service of the Bharat Sevak Samaj may be furnished.

Reply 2.—The Bharat Sevak Samaj earlier intimated to the Planning Commission that the accounts of the Central Unit of the Bharat Sevak Samaj Construction Service had been prepared for the period ending 31-7-1963. They have now advised that the Central Managing Committee of the Bharat Sevak Samaj Construction Service have directed that the accounts should be prepared on a 'cash basis'. The final accounts thus prepared would be submitted by them in about a month. They will be furnished to the P.A.C. as soon as they are received.

Question 3.—A note giving the details of the savings in the Kosi Project and the Nagarjuna Sagar Project as a result of entrusting the work to Bharat Sevak Samaj may be furnished. Any other information in justification of the savings to the Exchequer to the extent of more than Rs. 3 crores as a result of awarding contracts to Bharat Sevak Samaj, may be furnished.

Reply 3.—A statement which gives the savings in some of the important major projects including Kosi and Nagarjuna Sagar Project is appended at Annexure II. A detailed note has been given at Annexure III in regard to the Kosi Project. In some cases the figures have been checked by the Central Ministries/Departments concerned, while in others their replies are awaited. The basis of calculation of the saving has been indicated against each item.

Question 4.—A statement giving the names, designation present pay, pay on deputation, etc., of the Officers of Central & State Governments on deputation to the Bharat Sevak Samaj may be furnished. The assignments and functions entrusted to them may also be indicated.

Reply 4.—The required information as furnished by the B.S.S., may be seen at Annexure IV.

Question 5.—Appendices to the Pamphlet "Central Bharat Sevak Samaj (Construction Service)—October 1963" (Appendices 5, & 13) may be checked up and 3 authenticated copies of each may be furnished.

Reply 5.—The authenticated copies of the Appendices under reference are at Annexure V.

Question 6.—Details of instances where the Financial Adviser pointed out defects, irregularities etc., with regard to construction activities or accounts matters of the Bharat Sevak Samaj may be furnished.

Reply 6.—The required information is given in Annexure VI.

ANNEXURE—I

STATE/EXPRESS
CHIEF SECRETARY

PUBLIC ACCOUNTS COMMITTEE WANT IMMEDIATELY YEARWISE BREAK UP OF GRANTS GIVEN BY STATE GOVERNMENTS TO BHARAT SEVAK SAMAJ SINCE ITS INCEPTION FROM 1952-53 UPTO THIRTY FIRST DECEMBER 1964 (.) PLEASE FURNISH THIS INFORMATION BY FIFTH FEBRUARY 1965 AS ALSO AMOUNTS RAISED BY SAMAJ THROUGH ITS OWN EFFORTS IN YOUR STATE (.)

SECRETARY
PLANCOM

No. 9(20)/64-Pub
Not to be telegraphed.

New Delhi, the 28th January, 1965.

Sd/- H. K. D. TANDON

Director, Public Cooperation.

K. A. P. Stevenson,
Joint Secretary,

Planning Commission

New Delhi,

January 29, 1965.

My dear,

I am writing this letter to you in confirmation of the following telegram sent to you yesterday:—

“Public Accounts Committee want immediately yearwise break up of grants given by State Governments to Bharat Sevak Samaj since its inception from 1952-53 upto thirty first December 1964 (.) Please furnish this information by fifth February 1965 as also amounts raised by Samaj through its own efforts in your State (.)”

2. It will be appreciated if the above information could be furnished in the enclosed proforma. For each year the Government

Grant and the contribution by the Samaj may be given schemewise, i.e. Local Development Works, Lok Karya Kshetra, general grant to the State Unit of the Samaj etc. In calculating the amount raised by the Samaj contribution both in cash and kind may kindly be taken into account. ..

3. It is likely that it may take some time to collect information for past years. In that case, such information as is readily available for recent years may be furnished so as to reach us by 5-2-1965.

4. The inconvenience caused due to the short notice is regretted. The Planning Commission is required to furnish this information to the Public Accounts Committee by the 7th February, 1965.

Yours sincerely,

Sd/- K. A. P. STEVENSON

To

All the Chief Secretaries of States

PROFORMA

*Statement showing the grants given to the Bharat Sevak
Samaj by Government*

Year and Scheme	Grant by the State Govt.	Amount raised by the B. S. S. in cash & kind	Remarks
1	2	3	4

ANNEXURE II

Statement showing Economy in Major Construction Works undertaken by the Bharat Sevak Samaj.

S. No.	Name of work	Quotation by Bharat Sevak Samaj	Lowest tender by the private contractor before or at the time of entry of the B. S. S.	Savings (difference of col. 3 and 4).	Remarks
1	2	3	4	5	6
		(Rs. lakhs)	(Rs. lakhs)	(Rs. lakhs)	
1.	Gorakhpur Airfield Phase I.	110	122	12	Work completed in about 7 months. Work was taken on the basis of open tenders. Figures verified by the Department.
2.	Jamuna Barrage at Delhi	199	244	45	Work taken on the basis of open tenders. The progress of the work is ahead of schedule. The figures have been verified by the Project authorities.
3.	Ashan Barrage Dehra Dun.	165	203	38	The figures have been verified by the department. The work is under allotment.
4.	Kosi Project.	*	*	*	*Attention is invited to page 294 of the Third Five Year Plan wherein economics effected in the Kosi embankment scheme as compared to the original

1	2	3	4	5	6
5. Supply of building materials such as bricks, stone ballast, sand etc.	@	@	<p data-bbox="820 347 1095 888">estimates, have been stated. Sizable economics were effected on this project because of the presence of the Bharat Sevak Samaj, which increase the bargaining power of the Government vis-a-vis the private contractors. In this connection, attention is invited to D. O. letter No. 5663 dated 17-7-56 from the Administrator, Kosi Project to the ministry of I&P which may be seen at Appendix-I.</p> <p data-bbox="798 931 1095 1665">@The Ministry of Finance recommended that the Administrations concerned should be persuaded to allow quarrying facilities to the Voluntary Agencies to break the near monopoly conditions prevailing in the matter of supply of materials like stone, stone ballast, shingle, sand etc. The Chief Commissioner, Delhi desired the Samaj to undertake the supply of materials with a view to bring down the high cost of materials prevailing in the year 1961. The Samaj undertook these activities which resulted in sizable</p>		

1	2	3	4	5	6
					economics. The result of some of these experiments were assessed in the Planning Commission and may be seen at Appendix II to IV.
6.	Multi-storeyed Building on Dr. Rajendra Prasad Road, New Delhi.	84	90	6	The work has been taken on the basis of open tenders. Figures verified by the department. The Samaj also effected economy by tendering for a similar building on Maulana Azad Road, New Delhi, which enabled the Department in bringing down the rate of the private contractor to that tendered by the Bharat Sevak Samaj for that work. Economy in the case of that building is over Rs. 1 lakh.
7	Bidar Airfield (Bitumen work)	21	27*	6	The work was taken on the basis of open tender. Figures verified by the department.
					*The amount is based on the lowest tender of the private contractor before the entry of the Bharat Sevak Samaj which was rejected by the department, as it was considered unreasonable. Later when the tenders were

1	2	3	4	5	6
					re-invited and Bharat Sevak Samaj also quoted, the rates came down. The lowest quotation of the Samaj about Rs. 21 lakhs which was about 20,000 lower than the other contractors.
8	Development of colony at Sion	23	30	7	The figures in col. 3 & 4 have since been forwarded to the M/o Works & Housing for verification. Work was taken on the basis of open tender and is since completed.
9	Purnea Airfield Phase-I	112	123*	11	Work taken on the basis of open tenders and is since completed.
					*The amount is based on the rates at which the work was previously (before the entry of the B.S.S.) awarded to a private contractor but was abandoned by him. Later when the tenders were called again and B.S.S. also quoted, the rates came down to Rs. 112 lakhs given in col 3. Figures have been sent to the Ministry of Works & Housing for verification.
	Do. Phase -II	55	57.5	2.5	Work taken on the basis of open tender and negotiation. The figures have been sent to the M/o Works & Housing for verification.

1	2	3	4	5	6
10	Constructing multi-storeyed office building and residential quarters at Faridabad.	58	63	5	The work is taken on the basis of open tenders. The lowest tender of the Samaj for other buildings enabled the Govt. to bargain with the contractors to reduce their rates to those submitted by the BSS. The figures are being verified by the department.
11	Nagarjunasagar Project.	70**	66**	4	**These figures have been furnished by the B.S.S. and have been forwarded to the department for verification.

APPENDIX I TO ANNEXURE II

Copy of D.O. letter No. 5663, dated the 17th July, 1956, from Shri T. P. Singh, ICS, Administrator, Kosi Project, Patna to Shri R. R. Bahl, Joint Secretary to the Government of India, Ministry of Irrigation and Power, New Delhi.

Please refer to your D.O. No. DWI-127(5)/56-K, dated the 21st June, 1956, asking for a note on the financial benefits to the Project from the scheme of work through public co-operation.

* * * *

I would, however, support the claim that the readiness of the Bharat Sevak Samaj to take up work this year on the basis of last years with whatsoever increase the administration thought reasonable did increase our bargaining power *vis-a-vis* the contractors. The public tenders elicited rates which were 50 per cent. in excess of last year's rate. After prolonged negotiation, the contractors came down to accept 16 per cent. increase. At this stage, Shri L. N. Mishra came forward to take up 11 miles of new work on the eastern embankment besides completing the substantial incomplete work of last years. His offer gave me the strength to decide that no more than 8 per cent. increase would be admitted, such an increase having been considered equitable in the slightly more difficult conditions of work than last year. This means a saving of between Rs. 2 to Rs. 2/8. Since 21 crore cft. of earthwork has been done on the eastern embankment this season, there has been a direct saving of about Rs. 5 lakhs. No change in last year's rate was made in the western embankment but had the contractors pressed for it, as they well might have done considering the ambitious programme of work for the season, we would have to pay Rs. 4/8 more per thousand cft. A total of 6 crore cft. of earthwork has been done in view reaches and Rs. 2.7 lakhs have been saved.

• • •

5. The above are some of the direct benefits but there are several other aspects of the matter to consider if we are to asses the benefit of work through public co-operation. These are:

(a) Public co-operation agencies have tackled 46 miles (B.S.S. 37 and Nepal Ex-Servicemen Societies) out of 114 miles of embankment constructed in seasons. The total earthwork done last year

and this year is 17 crores cft., besides 35 crores cft. done by contractors. The progress of work has been obviously accelerated particularly, as in the bleak conditions in the Kosi area the number of resourceful contractors coming forward for work so far have not been very large.

(b) The scheme of work through public co-operation is becoming increasingly popular with the labourers. This is reflected in the ever increasing flow of labourers to the public co-operation zones of work. The Bharat Sevak Samaj pays 90 per cent. of the total earnings to labourers and this is certainly more than what the contractors pay. As the local labourers are getting more familiar with earthwork and the technique of work is understood better by the organisers, the relative disadvantage of lower output per worker in public co-operation zones is disappearing. No wonder the labourers feel that they get a better deal than from contractors.

Other significant fact is the enthusiasm among the Gram Panchayats to take up work. Such a large number of them volunteered that the length of work to each Mukhia had to be reduced to 500 cft. or less. I am sure that the B.S.S. organisers known about the kind of response which they got, they would have asked for allotment of much longer length of embankment than they took.

(c) Under the approved scheme of work of the Bharat Sevak Samaj, 90 per cent. of the earnings is to be paid to labourers, 5 per cent. spent on organisation cost and the remaining 5 per cent. earmarked for community saving. My rough calculation is that Rs. 35 lakhs have been saved (5 per cent. on 17 crores at an all inclusive earthwork rate of Rs. 35 per thousand cft.) pooled with the contribution from the local works programme, this amount will prove to be a good nucleus for development of Gram Panchayats in the area.

I would readily acknowledge the help of the public co-operation organisers in obtaining for the Project, possession of land in anticipation of the legal proceedings. With all the speed, the legal proceedings could not result in our getting the land quickly. Thousands of cultivators have had to part with their lands, besides in some places, the alignment was such that those who have given lands found their villages left on the riverside of the embankment and were naturally determined to delay and obstruct the construction of the embankment. It must, therefore, redound to the credit of public organisers that without resorting to force or any line of action, the construction of embankments proceeded by and large according to the programme. There are tangible benefits from the early prevention of Kosi flood spill and the claim that by accelerating the work, the B.S.S. has conferred tangible financial benefits deserves recognition.

(d) By all accounts, the maintenance of the Kosi embankment will call for intensive patrolling and vigilance during the flood season to prevent breaches. The Chief Engineer has issued instruction to bring the Gram Panchayats into the picture but we have to wait and see as to what would be the extent of the response. The potentialities are there and it is expected that having made the embankment, the local public would be keen to maintain them. My own assessment is that their attitude will be largely influenced by Government's policy towards rehabilitation of the people living on the riverside margin of the embankments.

6. I regret that at this stage I am not able to think out more points which will be relevant for assessment of work through public co-operation by the proposed Committee. As the review proceeds and the necessity of further information is felt, I shall apply my mind again to the subject and try to furnish them.

Yours sincerely,
Sd/- T. P. SINGH.

Shri R. R. Bahl, ICS.,
Joint Secretary to the Govt. of India,
Ministry of Irrigation and Power,
New Delhi.

APPENDIX II TO ANNEXURE II

Prices of Bricks in Delhi brought under control through the Construction Activity of Bharat Sevak Samaj.

The Delhi Administration requested the Bharat Sevak Samaj to undertake burning of bricks to control the market rate which had shot up as high as Rs. 60 per thousand bricks (refer Hindustan Times Evening news dated 19-1-1962). The Delhi Brick Kiln Owners' Association issued a pamphlet under the heading 'WE CRY BECAUSE WE ARE HURT', in which they analysed that the actual cost of bricks at the Brick Kilns is of the order of Rs. 35 per thousands based on the supply of coal at controlled rates (page 7, 8 and last page of the pamphlet). They, therefore, appealed to all the Members of Parliament and Delhi Corporation, alleging that there was high handedness on the part of the Delhi Administration in fixing the rate as low as Rs. 30 per thousand first class bricks. They also alleged that the Delhi Administration had misled the public by introducing the Bharat Sevak Samaj as the competitor in this industry. They added that the Samaj would not be able to fulfil the promises made to run the Kilns on economic basis. The news item in the 'Hindustan Times' dated 19-1-1962 (evening news) read that the authorities seemed to rely on the assurance of the B.S.S. that it would supply bricks at rate of Rs. 30 per thousand bricks from February, 1962. It wished that the authorities had tried to find out whether the Samaj could deliver the goods. It further added that the Samaj had no business experience and the capital invested by the Govt. may be lost. In the Eastern Economics dated 12-1-1962 it was stated that according to the Brick Kiln Industry, the Administration had imposed this control at a very low price level without regard to economics of the brick making in the capital.

With the support of the public and the inherent strength of the Organisation, the B.S.S. not only succeeded in running the four Kilns economically during the year 1962 but increased the number of the Kilns to seven by the year 1963. The present output of the Kilns is of the order of two lakhs bricks per day. The economical functioning of their Kilns has proved to the Administration and the public that bricks can be manufactured at the controlled prices.

It would thus be seen that the Bharat Sevak Samaj not only helped in reducing the prevailing price of Rs. 60 per thousand to Rs. 30 per thousand but also helped the fixing of the correct controlled price of the first class bricks at Rs. 30 per thousand as against the contractor's expectation of about Rs. 40 per thousand. This itself has resulted in all overall saving of over Rs. 100 lakhs to the public exchequer and the public.

(A. N. Malhotra)

Director (Construction Services)

Planning Commission

1. Dy. Chairman, Planning Commission
2. Members, Planning Commission
3. Dy. Minister for Labour, Employment & Planning.
4. Adviser's (PA)
5. Adviser (I & P)
6. Additional Secretary
7. J. S. (PC)
8. Shri H.K.D. Tandon, P.S. to Dy. Chairman.

M/o Irrigation & Power

1. Secretary.

Railways (Railway Board).

1. Shri D. C. Baijal, Chairman.

Circular No. Const./Pub./19/63 dated June 19, 1963.

M/o Works, Housing & Rehabilitation.

1. Secy. M/o W.H. & Rehabilitation.
2. Shri N.G. Dewan, Ch. Engg.
3. Shri B. K. Guha, Addl. Ch. Engg.
4. Shri Gurdev Saran, Asstt. Fincl. Advr.

Bharat Sevak Samaj.

1. Genl. Secy. B.S.S.
2. Chairman, C.C.S.
3. General Manager, B.S.S.

APPENDIX III TO ANNEXURE II

Note on the working of sand contract by Bharat Sevak Samaj during the year 1962.

In a meeting held in the room of Shri V. K. Rao, Joint Secretary, Ministry of Works, Housing & Supply, it was decided to award part work of sand quarrying contract to the Bharat Sevak Samaj for the year 1961-62. It was decided to give only part work, as the Bharat Sevak Samaj had no previous experience in this line. The Samaj carried out this experiment under lot of stress and strain caused by unfair means adopted by the contractor, who was awarded the other part of the contract and had been well entrenched in the trade for the last 13 years. The results of the experiment are summarised below:

1. Direct gain to the public and the Government in the rate of supply of sand.

The rates of the supply of sand at the Quarry site have been brought down by nearly 33% over that of the last year. The rate per truck load has been reduced from Rs. 15—18 to Rs. 10—12. The gain to the public has been at a rate of Rs. 5-6 per truck. As about 52,000 trucks were taken out of the sand quarry, the net gain to the public and the Government works out to Rs. 2,85,000.

2. Higher royalty to Delhi Administration

Delhi Administration charges royalty under the Minerals Act at a rate of Rs. 1.40 per truck load. The royalty paid to Delhi Administration this year is of the order of Rs. 73,000 as against that Rs. 24,000 paid last year. Thus the royalty this year has jumped to over 3 times of the last year.

3. Saving to the Bharat Sevak Samaj Indirect saving to Government

The Bharat Sevak Samaj have saved for themselves a sum of Rs. 30,000. The contractor has also saved a similar amount.

4. Greater Potential in normal years

This year the number of truck loads taken out have been on the low side on account of sustained floods in river Jamuna for over 5 weeks and the quantum of construction activity having been on a lesser scale as compared to that of last year.

5. The experiment conducted through the agency of the Samaj has thus yielded useful information and data about the margin of the profit in the Construction Trade. It also shows the extent of savings and benefits which accrue to the Public and the Government by award of work to such agencies.

APPENDIX IV TO ANNEXURE II

SUBJECT:—Supply of stone ballast

Stone breakers society was organised for Timarpur hill in April 1961. They now have 166 members with a share capital of over Rs. 9,000/-. They are working 100 quarries.

2. Benefits to the workers

About 1000 families are engaged on this work. Most of them were under debt when the Samaj started this Society. After liquidating their debts most of them have some money in their reserves. Besides, they now own office building, school for children, dispensary and a retail shop for the supply of food stuffs for their members.

2.1. The output for the year ending June 1962 of the stone ballast was 34 lakhs cft. and that for the year ending June 1963 was 114 lakhs cft. The gross sale during the year ending June 1963 was of the order of about Rs. 17 lakhs. In the process, the wages of the workers have gone up by 15—20%. In addition, they have been given other benefits and facilities which work out to about 10% of their wages.

3. Savings to the Exchequer

The Delhi Administration used to lease quarries to the petty contractors on the basis that a certain fixed quantity will be quarried. In practice the quantity more than specified used to be quarried but no royalty or sales tax was paid. With the incoming of the Bharat Sevak Samaj the royalty has increased during the year 1962-63 from a figure of Rs. 64,000 to a figure of Rs. 2,05,000 giving a net additional revenue of Rs. 1,41,000 to the exchequer. In addition the petty contractors did not pay any sales tax. The Samaj is paying sales-tax to the tune of Rs. 87,000/-. Thus the Government revenue in the form of royalty and sales-tax has increased from Rs. 64,000 to a figure of Rs. 2,92,000.

ANNEXURE IV

Statement showing details of pay and allowances of Deputationists to Central Construction Services/Bharat Sevak Samaj as on 31-1-1965.

S. No.	Name	Designation	Function	Pay	Deputation allowance	C.C.A.	Conveyance allowance	H.R.A.	Dearness allowance	Project allowance	Leave salary contribution	Pension contribution	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.	Shri M. K. Sivasubramanian.	Supdr. Eng.	P.M.I. Delhi works.	1480.00	296.00	75.00	250.00	238.65	..	..	195.36	235.00	2770.01
2.	Shri M.K. Saha	Do.	P.M. Purnea Airfield.	1600.00	200.00	..	..	..	..	100.00	* *Information not available	*	1900.00
3.	Shri Kahairu	Executive Engineer.	S.R.E. Faridabad.	900.00	180.00	75.00	..	..	..	..	123.91	290.00	1568.91
4.	Shri J. P. Jain	Do.	S.R.E. Multi Storeyed Bldg., Dr. Rajindra Pershad Rd.	770.00	154.00	73.92	50.00	138.60	..	..	Not as yet intimated.	..	1186.52
5.	Shri Padam Sen	Section Officer.	Section Officer.	240.00	80.00	25.60	15.00	48.00	66.00	..	41.66	24.66	532.88
6.	Shri T. Mittal	Do.	Do.	240.00	48.00	23.40	15.00	20.00	66.00	..	24.36	Not intimated.	442.40
7.	Shri V. K. Maithal.	Do.	Do.	260.00	52.00	24.96	50.00	20.00	66.00	..	11.44	30.40	539.00

8.	Shri H. L. Garg	Accountant	Accountant	285.00	57.00	27.36	50.00	20.00	66.00	..	11.62	38.00	567.98
9.	Shri B. K.,	Do.	Do.	220.00	44.00	21.12	..	20.00	66.00	..	28.35	38.75	430.02
<i>Pradeshes</i>													
1.	Shri Venkatesen	Assistant Engineer.	Assistant Engineer, Madras Pradesh.	440.00	..	..	..	..	..	..	..	..	600.00
2.	Shri Siddalingaiah	Do.	Assistant Engineer, Construction Wing, B.S.S. Bangalore,	490.00	..	..	..	..	..	..	..	..	490.00
3.	Shri B. Narayana	Supervisor	Supervisor Construction Wing B.S.S. Bangalore	296.50	..	..	..	..	..	..	..	..	296.50

P.M.—Project Manager S.R.E.—Sr. Resident Engineer.

Attested True Copy

(Y. D. PILANI)

Research Officer

Sd/- P. L. MALHOTRA

Dy. General Manager

Central Construction Service, B.S.S.

ANNEXURE V REFERRED TO IN QUESTION No. 5

Extracts from the minutes of the meeting of the National Advisory Committee on Public Cooperation held on 22nd November, 1961.

ITEM No. 9.—Construction Service of Voluntary Organisations

14. Shri G. L. Nanda had stated in the forenoon session that large sums of money, which found their way into the hands of intermediaries or contractors in construction works, could be saved for the community if such works could be undertaken through the agency of voluntary organisations. The money saved might run into crores of rupees and some of the burdens and obligations of the Government in the field of social welfare could be shared by these agencies from the profits earned by them through construction programmes. The works might be awarded at the prevailing market rates so that no additional burden was thrown on the Government. He was of the opinion that that could be a practical way of supplementing the resources of voluntary organisations and also of rendering services to the community. He said that those concerned with construction programmes should take a sympathetic view and explore the possibility of these activities being executed through voluntary agencies.

14.1. The Committee, after some general discussion, agreed to the proposals contained in the agenda note on the item.

Authenticated.

(H. K. D. TANDON).

Director (Pub. Coop.)

Planning Commission.

APPENDIX 13 TO PAMPHLET (QUESTION No. 5)

No. 24(4)/59-Policy

GOVERNMENT OF INDIA

MINISTRY OF IRRIGATION AND POWER

From

Shri T. R. Barker,
Under Secretary to the Government of India.

To

- (1) The Chief Commissioner, Delhi/Tripura/Himachal Pradesh.
- (2) Government of Madhya Pradesh/Rajasthan/U.P./Bihar/Andhra Pradesh.

New Delhi, the 15th May, 1959.

SUBJECT:—Awarding of work to the Public Co-operation agencies.

Sir,

I am directed to invite your attention to this Ministry's letter No. 2(6)/57-Policy dated the 30th November, 1957, (copy enclosed for ready reference) on the subject mentioned above. One of the voluntary organisations which has been trying to enlist public participation in the field of irrigation and power projects is the Bharat Sewak Samaj. It is reported that the Samaj is now organised for taking up work on the projects within your State. In the circumstances it is suggested that the State Government may if they have no objection, consider the question of utilising this agency to the maximum extent possible for the execution of the irrigation and power projects as recommended by the Co-ordination Board of Ministers.

Yours faithfully,

Sd/- T. A. BARKER.

Under Secretary to the Government of India.

Copy forwarded for information to the Bharat Sewak Samaj, New Delhi (Shri B. D. Nanda).

This has reference to his letter No. CS/27/59, dated the 25th April, 1959.

Copy also to the Planning Commission.

Sd/- T. R. BARKER,

Under Secretary to the Govt. of India.

ANNEXURE VI

The Finance Officer was appointed in the Planning Commission on 24th July, 1963. Instances where he pointed defects and irregularities with regard to construction work accounts are detailed below:

2. The Finance Officer pointed out that the Samaj should submit Audited Statement of Accounts and Balance Sheet of their Central Construction Service. Unless the Samaj do so no fresh loans could be sanctioned. As a result of this advice the Samaj will shortly finalise their Audited Statement of Accounts and the Balance Sheet for the Central Construction Service upto period ending 31st July, 1963.

2. (i). As desired by the Finance Officer, the Samaj is progressively changing over to a commercial system of accounting on the pattern of other construction agencies in the field.

2. (ii). *Concurrent Audit*.—The Finance Officer has advised that for all the major construction works undertaken by the Samaj, concurrent audit should be done. As a result of this advice concurrent audit has already been started in a number of projects.

2. (iii). *Hypothecation and insurance of machinery and equipment purchased out of Government loans*.—On the advice tendered by the Finance Officer action was taken by the Samaj to hypothecate the machinery purchase from time to time. Machinery and equipment of a value of Rs. 9,41,266.52 has already been hypothecated. The Bharat Sevak Samaj have sent Hypothecation Deed for further machinery and equipment valued at Rs. 8,41,266.52. Physical verification of this machinery with purchase vouchers etc. is in progress. After this deed is signed the total value of machinery and equipment hypothecated to the Government would work out to about Rs. 17,82,533.84.

3. On the advice of the Finance Officer Samaj have been asked to ensure all the machinery and equipment vide Planning Commission letter No. 19(17)/64-Pub dated 22nd December, 1964.

To comply with the conditions of the loan the Samaj were advised to maintain a consolidated register of stock of machinery and equipment purchased by the Central Construction Service of the Bharat Sevak Samaj. This is being complied with.

APPENDIX XXXVI

MINISTRY OF HEALTH

(See Paras 60 and 69 of Report)

Recommendation of the Public Accounts Committee.

"The Committee were informed in the course of evidence that at a stage when it was not possible to proceed with the work (as tenders were not forthcoming, or were very high or after accepting the offer, the tenderers could not start the work). negotiations had to be held with Bharat Sevak Samaj to take up the work. They are of the opinion that as a normal rule tenders should be called for such work and contracts should not be given by negotiations. In order, however, to understand how such a situation did develop, the Committee desired to know whether those works were entrusted to the Samaj after inviting open tenders and how the rates accepted compared with quotations of other tenderers. They regret that the information promised is still awaited."

(S. No. 14 of Appendix to 18th Report).

Action taken by Government.

A detailed note on the subject giving information asked for by the Public Accounts Committee is enclosed (Annexure I). The Ministry of Works and Housing have seen this note and they have no comments.

(Vide O.M. No. 1—4/64-LSG.I. dated 18-1-65).

ANNEXURE I

Road Works:

- (1) Development of 65 acres of land at the Najafgarh Road for a residential colony (S.H. Roads—Supply of soling stone and metal). Contract Value Rs. 86,057. Agt. No. 5/EE of 62-63, of Ex. Eng. Special Division No. III.
- (2) Development of land along the Railway Line to Rewari to southwest of Ring Road for an Industrial colony. (S.H. Roads—Supply of soling stone and metal). Contract value Rs. 1,34,245. Agt. No. 8/EE, of 62-63, of Ex. Engr. Special Division No. III.
- (3) Development of land at the Lawrence Road near the Rampur Village for an Industrial colony. (S.H. Roads—Supply of soling stone and metal). Contract Value Rs. 1,87,780. Agt. No. 7/EE & 62-63 of Ex. Engr. Special Division No. III.
- (4) Construction of a Road running parallel to the Cantt. Railway Line to its west and connecting the Jail Road (S.H. Sheds—Supply of soling stone and metal). Contract Value Rs. 93,676. Agt. No. 9/EE, of 62-63 of Ex. Engr. Special Division No. III.

The award of the above four works was made to the Bharat Sewak Samaj at one time and, therefore, these four items have to be considered together. The history of these cases is as given below:—

- (1) Development of 65 acres of land at the Najafgarh Road for a residential colony—S.H. Roads—Supply of soling stone and metal.

Item rate tenders for the work were called on the 10th October, 1961. Out of two tenders received the lowest tender was that of Shri Chander Bhan which was 35.80 per cent. above the estimated rates for the execution of the entire work of supply and consolidation. The rate was considered high at the time and open negotiations were carried out with various tenderers. One tenderer Shri A. R. Mehta agreed to take up the work at 24 per cent. above the estimated rates. After collection of a very small quantity of material he abandoned the work. As the contractor did not proceed with the work and did not deposit the earnest money, no payment was made to him for the materials already collected. The value of the materials collected was only about Rs. 748.77nP. Tenders were again called

for on the 16th March, 1962, and the lowest tender was that of Shri R. S. Rana at 39.05 per cent. above the estimated rates.

The rates quoted by Shri Chander Bhan in the first tender and by Shri Rana in the second tender are as given below:—

<i>Material</i>	<i>Rates quoted by Shri Chander Bhan</i>	<i>Rates quoted by Shri R. S. Rana</i>
Supply of soling stone	Rs. 30 per % cft.	Rs. 34 per % cft.
Supply of 1½" stone ballast	Rs. 40 per % cft.	Rs. 41 per % cft.

- (2) Development of land along the Railway Line to Rewari to the south-west of Ring Road for an industrial colony—S. H. Roads.

Tenders for this work were called on the 28th February, 1962 but there was no response. Tenders were again called on the 15th March, 1962 but even then there was no response.

- (3) Development of land at the Lawrance Road near the Rampur Village for an Industrial Colony—S.H. Road.

Tenders for this work were called on the 15th March, 1962. but there was no response.

- (4) Construction of Road running parallel to the Cantt. Railway Line to its west and connecting the Jail Road—S.H. Roads.

Tenders for this work were called on the 23rd March, 1962. Out of two tenders sold, one was received and the rate for soling was quoted @ Rs. 34 per cent cft. and for metalling @ Rs. 40 per cent. cft.

From the above it will be seen that in the case of the work of roads in the 65 acres of land at the Najafgarh Road for a residential colony, the contractor to whom the work was awarded had left after collecting negligible quantity. Therefore, tenders had to be called again when the rates quoted were found to be quite high. Further, we had not been able to get any contractor for the road work connected with the development of land to the west of the Railway Line to Rewari and also for development of land at the Lawrence Road near the Rampura Village for Industrial Colonies. In the case of the Road running parallel to the Cantonment Railway Line, one tender was received and the rates quoted therein were found to be quite high. The difficulty in securing contractors for the execution of all these works was discussed with the Chief Commissioner. Most of the stone was to come from the Chandrawal quarries which had been leased to the Bharat Sewak Samaj for quarrying. It was, therefore, decided by the Chief Commissioner that we should not depend

on the intermediary contractors to supply us the material as we might not get contractors for some of the works where no tenders had been received and even if we get contractors they might fail us again and that, therefore, we should take the material directly from the Bharat Sewak Samaj to whom the quarries were leased out. The Chief Commissioner felt that by inducing the Bharat Sewak Samaj to take up the works we would ensure that the supplies were made and profit, if any, would go to workers of a co-operative Society and not a private individual. It was also mentioned by the Chief Commissioner that if, in the process of our getting contractors and getting the supplies, the development work was delayed the loss of interest due to the delay in the sale of plots would be very considerable, and as such, it was essential that a satisfactory arrangement for the construction of these roads was made.

It was under these circumstances that the Chief Commissioner asked the Bharat Sewak Samaj to undertake supply of materials for these four works. Bharat Sewak Samaj had first intimated that they were selling their stone at the quarries on the basis of truck-loads and if the material was required for any of the development projects they were prepared to supply it on the same basis and it would be for the Central Public Works Department to arrange for the cartage and stacking, etc. Due to the inadequate space at the quarries for stacking of the materials before cartage and due to the complications that would have arisen if the materials were taken from the Bharat Sewak Samaj at the quarries, the Bharat Sewak Samaj was persuaded by the Chief Commissioner to agree to supply the materials at the site of work in stacks. It was decided that the rate for the supplies would be worked out on the basis of the price per truck at which the Bharat Sewak Samaj was selling the materials in the market so that in the process of helping the Department in completing the projects, the Bharat Sewak Samaj did not suffer a loss. The rates for these supplies were worked out at Rs. 35.54 per cft. for the soling stone and Rs. 36.10 per cft. for the metal on basis of stack measurements at site of work. These rates were approved subject to the following condition which was incorporated in the agreement.

"The rates of soling stone and metal given above are liable to revision if necessary, by the Chief Commissioner Delhi and his decision will be final and binding."

This condition was specifically inserted for the reason that the rates given by Bharat Sewak Samaj were based on truck load of 150 cft. supplied at the quarry. The rates were as under:—

1. Soling stone Rs. 19 per truck of 150 cft.

2. Stone ballast Rs. 26 per truck of 150 cft. 1½" to 2".

The Bharat Sewak Samaj were agreeable to undertake the work of transport and payment on basis of stack measurement at site of work only on condition that their rates on basis of stack measurements would subsequently be revised if the quantity as per stack measurements per truck load was different from what was provided in the agreement. During actual execution it was found that the quantity of stack measurements per truck load was less than assumed at the time of framing the agreement. Their rates were revised on the basis of the actual stack measurements and the rates for the soling stone varied from Rs. 38.53 to Rs. 39.27 per cent. cft. and for the metal from Rs. 36.33 to Rs. 38.70 per cent. cft. It will be seen that the rate for soling stone paid were slightly higher than those at which the tender had been received for the works of "Development of 65 acres of land at the Najafgarh Road for a residential colony" and "construction of the Road running parallel to the Cantonment Railway Line", but in the case of Metal the rates paid were lower than the rates tendered for these works.

All these four works have been completed.

- (5) Development of land near Jhilmila Tehirpur for a residential colony—S.H. Storm-water Drains and Culverts. Contract Value Rs. 4,52,892. Agt. No. Spl IV/22 of 62-63 of Special Division No. IV.

Tenders were invited twice in November, 1962, and in December, 1962. On the second call, two tenders were received. The Bharat Sewak Samaj had quoted 29.8 per cent. above the estimated rates and another contractor at 25.8 per cent. above. Subsequently, the Bharat Sewak Samaj agreed to reduce their rate from 29.8 per cent. to 25 per cent. above the estimated rates. Their rate was considered reasonable and was accepted. The work is in progress.

- (6) Development of 99.91 acres of land for a residential colony near Jhilmila Tahirpur (Construction of sump well for sewerage). Contract Value Rs. 1,13,627. Agt. No. Spl. IV/II of 62-63 of Special Division No. IV.

Tenders for this work were called for thrice but there was no response. Open negotiations were then conducted when only one Shri Narinder Singh Bhandari turned up and offered a rate of 90 per cent. above the estimated rates. He did not agree to reduce the rates and also did not even show such interest in taking up this work even at this rate. The Bharat Sewak Samaj was then requested to take up this work. They offered a rate of 78.9 per cent. above the

estimated rates, which rate was approved by the works Advisory Committee as it was considered reasonable.

- (7) Development of land near Jhilmila Tahirpur for residential colony. (S.H. supply of soling stone and ballast for road works). Contract Value Rs. 1,89,279. Agt. No. Spl. IV/26 of 63-64 of Special Division No. IV.

Tenders were invited on the 18th May, 1962, but there was no response. The Bharat Sewak Samaj were then requested to take up the work of supplies, but they expressed their inability. In January, 1963, the Bharat Sewak Samaj were again requested to take up the work. The work of collection of soling stone and metal was then awarded on negotiations to the Bharat Sewak Samaj at Rs. 41 per 100 cft. of soling stone and Rs. 39 per 100 cft. of metal. These rates were 36.4 per cent. above the schedule rates taking extra load also into account.

- (8) Development of land near Okhla for Industrial purposes— S.H. Levelling and dressing block 'B' Contract Value Rs. 4,94,500. Agt. No. 4/EE of 62-63 of E.E Spl. Division No. V.

Tenders for the entire work of earth work in Block A and B of the Okhla Industrial Area as well as separate tenders for Blocks A and B were called on the 11th May, 1962. No tenders were received for the entire area as well as area 'B'. Two tenders for block 'A' were only received, the lowest being 28.5 per cent. above the estimated rates. Work was awarded to the contractor at 28.5 per cent. above. Negotiations were then held for Block 'B' on the 9th July, 1962. The lowest rate received was 50 per cent. above. Fresh negotiations were then held on the 31st August, 1962, when the lowest offer received was at 28 per cent. above from the Bharat Sewak Samaj. The work was awarded to the Bharat Sewak Samaj, at this rate.

- (9) Development of 161 acres of land to the east of the Ring Road and north of the Naraina village for residential colony. S.H. Roads and Paths. (Contract Value Rs. 2,18,225. Agt. No. 27/EE of 62-63 of the Ex. Engr. Spl. Division No. III.
- (10) Construction of the Road joining the Patel Road with the Ring Road running west of the Pusa Institute. (Contract value Rs. 1,49,203. Agt. No. 25/EE of 62-63 of E.E. Spl. Division No. III).
- (11) Development of 129.45 acres of land north-west of the Naraina Village and east of the Railway Line to Rewari

for industrial purposes Phase I. (Contract Value Rs. 1,74,276. Agt. No. 26/EE of 62-63 of E.E. Spl. Division No. III).

No tenders were called for the above three works.

The award of these three works was made to the Bharat Sewak Samaj at one time and at the same rate and, therefore, these works have to be considered together. Due to development works being done near the Naraina Village, it was considered desirable that the hillock in this area be levelled so that it could be converted into a park. The Bharat Sewak Samaj were asked if they could do quarrying to specified levels in this area and simultaneously supply us stone and ballast for road works for the development areas in the neighbourhood. The Bharat Sewak Samaj agreed to this proposal and the above mentioned three works were awarded to them on negotiation at 28 per cent. above the estimated rates. This work included both collection and consolidation. This rate had been accepted taking into consideration the extra expenditure which the Bharat Sewak Samaj would incur in operating a new quarry and in working upto specified levels.

After some supplies had been made by the Bharat Sewak Samaj for the Naraina residential area, it was found that the percentage of hard rock was small and it was not economical to do the quarrying. As such, the contract for the work of the Naraina residential area was closed, the total supplies made in this case being of the value of Rs. 62,813. The contracts for the other two works were cancelled, as no supplies were made by the Bharat Sewak Samaj against those. The above three works are in progress through other agencies.

- (12) Construction of the Road connecting the Mehrauli Road with the proposed road from the Mehrauli Road to the Chiragh Delhi Road west of Okhla Industries Estate—S.H. Earthwork, contract value Rs. 21,092. Agt. No. 8/EE of 62-63 of E.E. Spl. Division No. V.

At the first instance tenders on item rates (From P.W.D. 8) for the work costing Rs. 99,744 were invited on 16th April, 1962 and 2nd May, 1963, but there was no response. When the date of tender was extended to 11th May, 1962 three tenders were received. Lowest tender was 30.86 per cent. The rates quoted by the lowest contractor Shri Dharmbir Bhasin for items of earthwork worked was awarded work for items excluding the earth work. It was decided to get the items of earth work done through some other Agency. The cost

of this remaining work came to Rs. 16,473. A number of contractors working in this Zone were contacted, but none of them were found to be interested in this small work. After great persuasion one contractor, Shri Bhagat Ram, first offered to execute the work at Rs. 28.50 per cent above but later on declined to start the work. Negotiations were conducted with the Bharat Sewak Samaj who offered to do the work at 28 per cent. above the estimated rates. The work has since been completed.

- (13) Development of land near the Okhla Marshalling Yard--
S.H. Sewerage A. B. & C. areas. Contract value Rs. 4,22,487
Agt. No. 9/EE of 62-63 of the E.E. Spl. Division No. V.

Open tenders were called for and only the Bharat Sewak Samaj tendered for the work at 35 per cent. above. Open negotiations were also held but a lower rate was not obtained. The work was awarded to the Bharat Sewak Samaj at their tendered rate of 35 per cent. above the estimated rates.

- (14) Development of land near the Okhla Marshalling Yard.
S.H. Drains and culverts A. B. & C. areas. Contract Value
Rs. 2,77,202. Agt. No. 7/EE, for 62-63 of E.E. Spl. Division
No. V.

Open tenders for this work were called when single tender was received from the Bharat Sewak Samaj, at 28 per cent. above. The work was awarded to the Bharat Sewak Samaj on the basis of this open tender.

The total value of all these works is Rs. 30,14,546.

GIAN PRAKASH
Jt., Secy.
Ministry of Health

APPENDIX XXXVII

PLANNING COMMISSION

(See Para 62 of Report)

*Statement showing economics in Major Construction Works undertaken [by
Bharat Sevak Samaj]*

The economy to the exchequer in the works undertaken so far, which aggregate to about Rs. 18 crores, has been of the order of Rs. 3.0 crores. For purpose of illustration, the table below gives the extent of savings to the public exchequer in certain selected cases:

Name of work	Quota- tion by the private contractor	Quota- tion by the BSS	Savings to the exche- quer	Remarks.
1	2	3	4	5
(Rs. lakhs)				
1. Development of colony at Sion	30	23	7	Work completed.
2. Gorakhpur Airfield				
Phase—I	122	110	12	Each phase completed in about six months.
Phase—II	68*	61	7	*Estimated on the basis of the lowest tender of the Contractor for Phase-I.
3. Bider Airfield	33**	22	11	**Estimated on the basis of the recommended tender for award of work prior to BSS entry. Work since completed.
4. Purnea Airfield				
Phase—I	123	112	11	This estimate is based on the rates at which the work was earlier awarded to another contractor but abandoned by him. Phase-I of the work has been completed.
Phase—II	57.5	55	2.5	Phase-II is likely to be completed in time.
5. Jamuna Barrage	243	198	45	Work taken up in Jan., 1964. It is 4 to 6 months ahead of the scheduled.

1	2	3	4	5
6. Bldg. in DLW (Rly.) Varanasi	24	20	4	General rates for works in DLW area came down by a sizeable margin. The 1st Phase of the work has been completed.
7. Kosi Project in Bihar	410	290	120	Sizeable savings were effected by bringing down the construction rates to nearly 50% of the prevailing rates. Attention is drawn to page 294 of the Third Plan.
8. Multistoreyed building on Rajendra Prasad Road	86	84	2	The Samaj effected economy not only in this work but also helped the Deptt. in bringing down the rates of the other building on Maulana Azad Road which has been awarded to private contractors.
9. Ahsan Barrage Dehradun—U.P.	215	165	50	The tender of this work has been opened recently. The figures given relate to the tender rates by the B.S.S. and the private contractor. The formal allotment of the work has not issued so far.
	1411.5	1140	271.5	

Sizeable economies were also effected by organising supply of material such as bricks, sand and stones ballast in Delhi, Bhubaneshwar, Gorakhpur, Varanasi, and Bihar etc. The working of the Projects undertaken was analysed by the Planning Commission and their finding was that both the Government and the public benefitted substantially as a result of supplies organised by the B.S.S. There was an all-round reduction in rates. The price of the bricks declined from Rs. 45 to Rs. 30 per thousand, that of sand from Rs. 15 to Rs. 18 per truck to Rs. 10 per truck. The revenue to the Government increased three-fold both in the case of stone ballast and sand supply.

(Vide O.M. No. 9(20)'64 Dated 18-1-65.)

APPENDIX XXXVIII
PLANNING COMMISSION

(See Para 63 of Report)

Note on list of points on which P.A.C. desires further information vide Lok Sabha Secretariat O.M. No. 21 (65)'64'PAC dated 4th March, 1965.

S. No.	Question	Answers
1(i)	Audit Report by K. R. Agarwal & Co. on Exhibition Works in Delhi dealing with contracts given to Bharat Sevak Samaj for the industrial Exhibition	Three copies of the Audit Report under reference are enclosed (Not printed)
1(ii)	Audit Reports by K. R. Agarwal & Co. on Gorakhpur Works.	The accounts of the Gorakhpur works were not audited by K. R. Agarwal & Co.
1(iii), (iv) & (v)	Report on Construction Works in Mysore by Shri B. Narsingh Rao. Report on Construction Works by Shri Sitaramaya. Chief Advisor (Construction) Bharat Sevak Samaj, Mysore Pradesh Report on Delhi Camp in Ajmer (Rajasthan) by the Chief of the Construction Service, and the Audit Report thereon.	The Samaj have called for the necessary information from their State Units of Mysore and Rajasthan.
1 (vi)	Copies of the minutes of the National Advisory Committee on Plan Cooperation of the Planning Commission of the Meetings held during the last 4 years.	Three copies of the Minutes of the Meetings of the National Advisory Committee on Public Cooperation held on 27th and 28th August, 1960 and 27th November 1961 are enclosed herewith. (Not Printed)
2.	3 authenticated copies each of Appendices 10, 12 and 17 to the pamphlet "Central Bharat Sevak Samaj (Construction Service) October, 1963 may be furnished.	The Communications under reference concern the Central Ministries of Irrigation & Power and Works & Housing. The Lok Sabha Sectt., have kindly agreed to obtain authenticated copies of these communications directly from these Ministries.
3.	In the course of evidence on 23-1-65 (afternoon) it was stated by Secy. Planning Commission that at places where BSS had done major works.	The Bharat Sevak Samaj has sent a statement giving the information available with them. Three copies of this statement are enclosed herewith*. The

S. No.	Question	Answers
	they had a college, a panchayat institution and a school endowed by them. Three copies of lists of such institutions and their location may be furnished.	Samaj has advised (*Annex. I) that there may be more such institutions organised by the State Units of BSS. But, it is not possible to give fuller details as the time given for collection of such information was very little.

ANNEXURE I

Statement showing the welfare institutions and their locations organised by the Bharat Sevak Samaj in places where they have done major works.

Sl. No. 1	Name of the scheme 2	Location 3	Remarks 4
<i>Andhra Pradesh.</i>			
1	6 School	Nagarjunasagar Project Area	From contributions by the Andhra Construction Service.
2	4 Wells		
3	Village roads		
<i>Bihar</i>			
4	Degree college		4. The Samaj contributed Rs. 25,000 for setting-up of this college.
5	Lower, Upper & High Schools.	Saharsa District.	5. They number over 50.
6	Community Panchayat and Libraries.		6. They number over 60.
7	Tube wells.		7. About 12 Tubewells have been sunk.
8	Industrial School and Technical School.		8. One Industrial School has been assisted while more money is reserved for 1 Technical School.
NOTE : The above schemes have been financed from the Community Saving Fund of the Kosi Project. The information is given as broadly available at the Central Office.			
<i>Mysore</i>			
9	Donation to Bidar College.	Bidar	Donation of Rs. 10,000 was made from the surplus of work of Bidar Aerodrome.
<i>Maharashtra</i>			
10	Contribution to the welfare activities and institutions run by the Bharat Sevak Samaj.	Bombay	The Construction Service of the Bombay Branch contribution Rs. 60,000 per annum towards various welfare activities.

1	2	3	4
			There are a large number of welfare activities consisting of 55 Balwadies, 20 Mahila Mandals, 5 Dispensaries, Legal Aid Centres etc.
11	Anand Kendra	Bombay	The Anand Kendra was started in Bombay in 1954. It rehabilitates the homeless boys stranded in the city. These boys earn in the industrial centre run by the Kendra. The two main Divisions are the handloom section and the carpentry section. The younger boys get wholtime schooling in Municipal Schools, while the elder boys are attached to the night schools after the day's work. Proper facilities exist for medical treatment and medical check-up. It is one of the best institutions of its type in the whole of the country.
	<i>Manipur</i>		
12	Link Roads, building etc.	Manipur (Imphal)	
	<i>Rajasthan</i>		
13	Evening College	Jaipur	This is an institute of its own type. It has been recognised by the Rajasthan University. At present about 100 students are attending the College
14	Night Shelter cum-Dharmashala Bldg.	Jaipur Pillara, Jodhpur	The building has been constructed by the District Branch Bharat Sevak Samaj, Jodhpur out of the surpluses of the construction works undertaken by the Jodhpur District.

1	2	3	4
<i>Uttar Pradesh</i>			
15	Institute of Agricultural Economics & Co-operation (Gorakhpur).	Gorakhpur	
16	Night Shelter	Varanasi	This has been constructed by the Varanasi Construction Unit.
<i>Delhi</i>			
17	Occupational Therapy Institute, Rouse Avenue, Delhi.	Delhi (1955)	It is the only Institute of its type in Northern India. It provides for 235 handicapped and disabled children, out of which residential accommodation is being provided for 125 children. It is well-staffed with 4 main sections. The Occupational Therapy Institute a well equipped workshop, physio Therapy Training Centre and residential unit. It is housed on an acre of land at Rouse Avenue Road purchased by the Samaj from its own resources. The annual budget is more than Rs. 4 lakhs, of which 50% has to be met by the Samaj from its own resources.
18	Technical Training Institute for Draftsmen Classes (Civil and Mechanical)	Delhi (1954)	This Institute imparts training in Civil and Mechanical Draughtsmen courses, in the evening from 6 to 9 p.m. to about 100 students in each session. These students consist mainly of low income Government employees who wish to better their prospects. Recently a three-year Diploma Course

1	2	3	4
19	Stone Breakers Co-operative Society, Chandrawal.	Delhi (1961)	<p>in Architectural Assistantship has been started. The Samaj is not getting any grant from the Government for this Institute which is being run on a voluntary basis. The teachers and a number of persons give their voluntary service.</p> <p>This is a well organised society of the labourers and the stone-breakers who were prior to 1961 exploited by private contractors. It has 154 share holders members and it provides direct employment to 5-3 Khandars, 1076 stone-breakers, 176 earth lifters and 66 struck loaders. The wages of these persons is higher than those earned by them under the private contractors. Most of them have repaid their debts. During the last 3 years, the society has paid about Rs. 32 lakhs as wages besides dividend on share bonus. It is running a free allopathic dispensary and a children's school. By the coming of the Samaj, the royalty to the Government has increased by Rs. 2,50,000. 5% sales-tax which was not paid by the Contractor, is now being paid by the Society.</p>
20	Lok Karya Training Centre, Mehrauli.	Delhi (1960)	<p>The Training Centre is being run with Government Grant but the 3 acres of land at Ashoka</p>

1	2	3	4
			<p>Vihar, where the Centre is located, was purchased for about Rs. 16,500. This was contributed by the Construction Service.</p>
	<i>Gujarat</i>		
21	Rest House	Mt. Abu. (1961)	<p>Mt. Abu is a central Hill Station for Rajasthan and Gujarat and thousands of people go there for short stay in summer and Diwali. Most of such people are of middle class, who cannot afford to stay in expensive hotels. About 7 years back, the Samaj started a cheap rest house in a rented building. Seeing the usefulness of the venture, a building has been purchased with 14 rooms, where about a hundred people can get living facilities. A canteen is also provided where wholesome food is available at moderate charges. About 2,400 people take advantage of this Rest House in the summer season. The building has been purchased from the contribution of the Construction Service and other donations collected by the Gujarat Bharat Sewak Samaj. The total expenditure incurred is Rs. 42,000.</p>

APPENDIX XXXIX

(See Para 73 of Report)

PLANNING COMMISSION

Item No. 3 of the Agenda

(Page 32 of Agenda Paper of meeting of working Group on Construction Service of Voluntary Organisations and Labour Contract and country wise cooperative.

SUBJECT: *Financial assistance to the Construction Service of Voluntary Organisations.*

Loan requirements:

1. The turnover of the Construction Service by the end of Third Plan has been estimated as of the order of Rs. 10 crores per annum. This is expected to increase to about Rs. 25 crores per annum by the end of the Fourth Plan. To achieve this target the cost of the works in hand would be about Rs. 75 crores. The amount required by way of long-term capital will be about 1/6th of the cost of the works i.e. about Rs. 12 crores.

2. The Samaj would have taken a long terms loan of about Rs. 2.25 crores by the end of Third Plan period. Out of this they would have paid back about Rs. 0.50 crores leaving a net loan of Rs. 1.75 crores.

3. In addition to this loan, they would also have available 25% by their surplus for investment. This may amount to about Rs. 25 lakhs. The total amount for long-term investment with the B.S.S. at the end of the Third Plan is thus expected to be of the order of Rs. 2 crores.

4. The loan requirements in the Fourth Plan may be as below:

	(Rs. crores)
Working capital required for works of Rs. 75 crores	12.00
Working capital required for supply of construction material.	1.00
Working capital available at the end of the Third Plan	2.00
Amount available as working capital from the savings in the Fourth Plan	1.00
Net requirement	10.00

4.1. The Working Group may recommend 2 alternative recommendations i.e. Rs. 10 crores as the first recommendation and Rs. 7.5 crores if there is a shortage of funds.

5. *Works Advances*

5.1. The above requirements are based on the assumption that work advances will continue to be available to the Construction Service.

5.2. The Working Group may recommend that work advances may be given by all the Central Ministries and the State Governments on the basis of the order issued by the Government of Uttar Pradesh which is reproduced below:

"An initial advance not exceeding 1/4th of the estimated cost of the work may be granted in two instalments—half at the start of the work and the remaining half after 25 per cent of the work has been completed. The recovery of the amount of loan together with interest thereon should be effected in two instalments—half after 50 per cent of the work is completed and paid for and the balance after 75 per cent of the work is completed and paid for."

APPENDIX XL

(See Paras 74 and 76 of Report)

MINISTRY OF FINANCE (DEPTT. OF REVENUE)

Note Regarding Bharat Sevak Samaj

In October 1952, the Bharat Sevak Samaj had approached the Board for issue of a notification u/s 15-B of the Income-tax Act, 1922, so that donations made to it were exempted from tax in the hands of the donors. Such a notification could be issued only if the institution—Bharat Sevak Samaj—was such that its income would be exempt u/s 4(3) (i) of the Income-tax Act, 1922, being for charitable purposes. The objects of the Bharat Sevak Samaj of developing avenues of voluntary service for the citizens of India, of promoting national sufficiency, of promoting social well-being of the community etc. were considered by the Board as objects of general public utility and, therefore, of charitable nature. Accordingly, in March 1953, Bharat Sevak Samaj was approved, under a notification issued by the Government of India, for the purposes of section 15-B of the Income-tax Act, 1922. In view thereof, there was no occasion for the Income-tax Officer to make any assessment on the Bharat Sevak Samaj under the provisions of the old Income-tax Act, 1922.

2. In 1962, after the new Income-tax Act, 1961, came into force, a reference was made to the Board by the Bharat Sevak Samaj and the Planning Commission to declare that the income of the Samaj including the surplus from the Construction Service would be exempt from tax u/s 11 of the Income-tax Act, 1961. One of the functions of the Bharat Sevak Samaj was to render assistance in construction work, including irrigation projects and housing and re-housing of slum dwellers, and in furtherance of this object, the Bharat Sevak Samaj had started a wing called the Bharat Sevak Samaj Construction Service. When the Bharat Sevak Samaj applied for construction contracts with the various Departments of the Government, they insisted on production of an income-tax verification certificate before awarding the contracts. It was mainly in this connection that the Samaj had approached the Income-tax Department to issue a letter to the effect that its income including the surplus of the Construction Service was exempt from tax.

3. While asking the Commissioner to report on the above request of the Bharat Sevak Samaj, the Board had asked the Commissioner of Income-tax to obtain audited accounts of the Bharat Sevak Samaj. The Samaj had in July 1963 furnished to the Commissioner, for the year ended 31st March, 1962, Receipts and Payments Account of the Central Bharat Sevak Samaj for the loans and consolidated Profit & Loss account and balance-sheet of Bharat Sevak Samaj Central Construction Service in respect of certain works. These accounts, however, did not appear to give a complete picture. The Commissioner, however, was of the view that the business of the Central Construction Service of the Bharat Sevak Samaj was property held under trust within the meaning of section 11 of the I. T. Act, 1961, for charitable purposes. Thereupon the Board obtained from the Bharat Sevak Samaj a consolidated statement of all its receipts and expenses for the years 1957-58 to 1962-63. The statement furnished by the Bharat Sevak Samaj to the Board in July 1964 showed that the expenditure incurred out of its receipts including the surplus from the Construction Service was generally on objects of general public utility.

4. The Law Ministry was thereafter consulted on the point whether the Construction Service of the Bharat Sevak Samaj was property held under trust by the Bharat Sevak Samaj for charitable purposes. The Law Ministry answered the question in the affirmative. The Board thereupon agreed with the view of the Commissioner that the surplus arising from the Construction Service would be exempt from tax subject, of course, to the restrictions regarding accumulations referred to in section 11 of the Income-tax Act, 1961. The Commissioner of Income-tax was informed accordingly in August, 1964, who in turn intimated the Income-tax Officer in charge, also asking the latter to call for the statement of accounts. Thereupon the Income-tax Officer wrote to the Bharat Sevak Samaj in September, 1964, enclosing an exemption certificate u/s 11 of the Income-tax Act, 1961, and calling for the accounts so that it can be checked up whether the income of the Bharat Sevak Samaj including the surplus from the Construction Service is actually applied to charitable purposes as contemplated under its constitution and stating that if the accounts were not produced he would be obliged to cancel the certificate. These accounts have not yet been produced before the Income-tax Officer. On production of these accounts, the Income-tax Officer will check whether the income has been applied for charitable purposes and whether any part of the surplus becomes taxable under the provisions of section 11 of the Income-tax Act, 1961. The legal position regarding the eligibility of exemption u/s 11 of the Income-tax Act having been clarified by the Board in

consultation with the Ministry of Law, the Income-tax Officer will now verify whether the requirements of law in other respects are satisfied or not. Accordingly, steps are already being taken to obtain the audited accounts of the Samaj for ascertaining the application of its income.

Sd/- J. P. SINGH

Adl. Secy. to Govt. of India.

(Vide O.M. No. 36/1/65-IT(AI), dated 6-2-65).

APPENDIX XLI

(See Para 74 of Report)

D. O. No. 19(4)/62-Pub.

Shri H. K. D. Tandon,

**PRIVATE SECRETARY TO THE
PLANNING & LABOUR MINISTER.**

New Delhi, the 24th October, 1962.

My dear Verma Ji,

You will kindly recall that about two weeks back, when I met you, I requested you that we will need your guidance regarding the exemption of income-tax to Bharat Sevak Samaj. You suggested that a self contained note should be prepared setting out the case for exemption. You will be able to give advice on the basis of this note.

2. A note has been prepared in the Planning Commission on the lines indicated by you and is enclosed herewith. The Annual Report of the Bharat Sevak Samaj for 1959 and 1960 are also enclosed. It is true that it may not give a precise legal presentation. But I think that it gives broadly all the information that you require for deciding whether income-tax exemption is admissible in the case of the Bharat Sevak Samaj. After you have studied the note, please give me a ring. I, Shri A. N. Malhotra, Director, Planning Commission and Shri M. D. Mittal, General Manager, will come for discussions at your convenience.

Yours sincerely,

Sd/-

(H. K. D. TANDON)

Shri M. D. Verma,
Secretary,
Central Board of Revenue,
New Delhi.

PLANNING COMMISSION

(Public Cooperation Division)

SUBJECT: *Surplus accruing to Bharat Sevak Samaj through its Construction Service executing construction work entrusted to it by Government and other bodies—Exemption from payment of Income-tax.*

In pursuance of the recommendations of First Five Year Plan, the Bharat Sevak Samaj was constituted as a voluntary non-profit making, charitable, social welfare organisations, for the promotion of public welfare. It is registered under the Societies' Registration Act of 1860. A copy of the Constitution of the Samaj is enclosed (See Appendix IX).

2. The objects of the Bharat Sevak Samaj are enumerated in para 3 of the Constitution. Schedule I and II explain the principles and functions of the Bharat Sevak Samaj.

3. The funds required for its activities are to be obtained from

- (i) Grants from the Central and State Governments for specific purposes;
- (ii) Donations and contributions from Members of public; and
- (iii) Surplus that may accrue from its Construction Service.

4. The Central Board of Revenue, vide its letter No. 69(144)IT/52 dated 3-4-1953 has exempted donations and contributions from the members of public to the Samaj from the payment of income-tax.

5. In furtherance of its objects, the Samaj constituted the B.S.S. Construction Service and laid down regulations to governing and working of the Construction Service. A copy of these regulations is at Appendix X.

6. The functions of the Construction Service, as set out in para 5 in Appendix X involve their taking up from Government and other agencies construction works, specially those which have a social value as slum improvement, the construction of dwelling houses, drainage and irrigation works and flood protection works. In pursuance of these, the Construction Service of the Samaj through its various State units have been executing works from 1955 onwards. The value of works executed by the Samaj, the savings accruing to the public exchequer because of using the agency of the Samaj in the execution of the work and the surplus left with the Samaj after executing the works to the satisfaction of the authorities concerned are set out in the statement at Annexure I.

7. As laid down in para 16 of the regulations governing the activities of the Bharat Sevak Samaj Construction Service (Appendix X) all surplus derived from these operations of the Construction Service during the year, after making provision for various reserves (as indicated in para 13 of the regulations) are credited to the general fund from which allocations are made by the Administrative Committee of the Samaj for various social welfare activities undertaken by the Samaj.

8. In view of the accrued advantages of entrusting Construction work, particularly in the public sector to agencies like the Bharat Sevak Samaj, the Third Five Year Plan recommended a number of measures for adoption by official agencies in this regard. Extracts of these may be seen at Annexure II.

9. The Planning Commission followed this up with a circular letter to all State Governments/Union Territories in which it was suggested that agencies like the Bharat Sevak Samaj should be encouraged to take up as much of the Construction work as possible. In pursuance of this suggestion, Central Ministries..... Ministries and State Governments have issued orders whereby B.S.S. and other organisations are given preference in the matter of contracts for the execution of various construction work. The circular letter of the Planning Commission and the orders of the State Governments, Central Ministries are at Annexure II to Part III of Appendix I.

10. As a result the Samaj has been entrusted with works of the total of over one crore in the current year. In some cases the authorities have asked the Samaj to income-tax clearance certificates before contracts for the execution of the works entrusted to them could be entered into.

11. As mentioned in para 4 above, donations and contributions to the Samaj are already exempt from payment of income-tax. The savings accruing to the Samaj from the activities of its Construction Service is not covered by this exemption. As mentioned above, the Samaj has taken up the work of executing construction works as part of the principal objective for which the Samaj had been constituted. The income derived from it is also wholly being applied for the purpose for which the Samaj has been formed. In these circumstances, the Samaj has been advised by competent income-tax officers that the provisions of Section 11 of the Indian Income-tax Act of

1961 would apply to them and that the savings made by Construction Service and utilised by the Samaj for carrying on its welfare work are entitled to exemption from payment of Income-tax.

12. The Samaj requested *vide* their letter No. BSS/162/62, dated 21-7-1962, the Central Board of Revenue to declare or otherwise indicate that the Samaj is exempt from the payment of income-tax under section 11 of the Indian Income-tax Act so that it might be in a position to satisfy authorities concerned for taking up construction work. A copy of the letter from the Samaj to the Central Board of Revenue is at Annexure III.

13. The Central Board of Revenue *vide* its letter No. 13/29/62-IT(AI), dated 31-7-1962 directed the Samaj to approach the Commissioner of Income-tax, Delhi, who was the competent authority to deal with the matter. The Samaj thereupon approached the Commissioner of Income-tax with the same request and *vide* his letter No. JE-2(3)/62/70-80, dated 14-8-1962, the Commissioner of Income-tax has asked the Samaj to furnish him with a copy of the statement of their accounts for the year ending 31-3-1962, so as to enable him to examine the claim of the Samaj for exemption from the payment of income-tax.

14. The activities of the State units of the Construction Service of the B.S.S. are spread out in almost all the States where construction work is being carried on by them. It will take some time before the accounts from all these Centres are collated at Delhi and audited by the auditors of the Samaj. Meanwhile in the absence of an income-tax exemption certificate, the Samaj is experiencing considerable difficulties in entering into certain contracts. The inability to produce this certificate has dislocated the working of the Construction Service of the Samaj in places like Bombay and Hyderabad where the Samaj has programme to take up work of the value of over Rs. 50 lakhs this year. Delay in taking this work of construction would entail the Samaj incurring futile expenditure on staff and equipments etc. which would remain idle.

15. It is therefore requested that pending production of accounts interim orders may be issued by the Commissioner of Income-tax to the fact that the Samaj would not be liable to pay income-tax for the savings accruing to it from the activities of its Construction Service which are now being utilised wholly to finance the social welfare activities of the Samaj. Final orders could be passed immediately the Samaj is in a position to furnish the Commissioner of Income-tax, Delhi their audited statement of accounts for the year 1961-62.

ANNEXURE I

Statement showing the names of important Works Undertaken by the Bharat Sevak Samaj during 1956-62

S. No. No.	Name of Work	Cost of work at the market rates of the rate tendered by the contractors.	Cost at which taken by the B.S.S.	Direct savings to the exchequers.	Cost at which the work is executed	Savings to B.S.S.	Remarks
1	2	3	4	5	6	7	8
WORK AT DELHI							
<i>Earth-work</i>							
1.	E-Work in Jamuna bund	11.85	6.85	5.00	6.27	0.58	Works completed.
2.	Repairs to left marginal bund, Ohhla	1.47	1.47		1.37	0.11	
3.	Najafgarh Nulla Phase I	1.75	1.75		1.00	0.75	
4.	Raising and Strengthening of Shahdara Bund	2.50	2.50		2.31	0.19	
5.	E-Work at Gandhi Samadhi	5.00	4.98	0.02	4.28	0.72	Works nearing completion.
6.	E-Work on raising right marginal bund.	0.50	0.40	0.10	0.30	0.10	Works completed.
7.	E-Work on Chalib Bund	1.05	0.80	0.25	0.80	0.20	Do.
8.	Najafgarh Phase II	3.00	1.80	1.20	1.50	0.20	Do.
<i>Exhibition works.</i>							
9.	Works in Industrial Exhibition 1958	4.89	4.89	..	4.70	1.13	Works completed.
10.	Do. 1961	8.00	6.30	1.70	4.55	1.75	Do.
<i>C-power House.</i>							
11.	Phase I	3.58	3.54	0.04	2.64	0.90	Do.
12.	Phase II	5.00	4.90	0.10	3.90	1.00	Works well advanced.
<i>Supply of materials</i>							
13.	Brick Kiln	4.75	3.75	1.00	3.54	0.30	Work Completed.
14.	Sand	6.50	3.75	2.75	3.55	0.40	Do.
15.	Development of colonies near Kalka	12.00	11.50	0.50	11.00	0.50	Work in progress
16.	Multi Storeyed Bldgs. & work-shops etc.	33.00	30.00	3.00	29.00	1.00	Do.]
17.	Stone Pitching of left marginal bund	5.00	2.80	2.20	2.51	0.24	Work completed.]

1	2	3	4	5	6	7	8
WORK AT BOMBAY							
18.	Development of colony site at Sion.	39.00	31.00	8.00	28.00	3.00	Work completed.
WORK IN BIHAR							
19.	E-Work and building work in Kosi Area and Railway embankment	320.00	200.00	120.00	184.00	16.00	Do.
WORK IN ANDHRA							
20.	E-Work excavation in the left main Canal Nagrajunasagar Project	42.00	40.00	2.00	39.00	1.00	Works partly complete.
21.	Works in other areas	40.00	38.00	2.00	36.20	1.80	Do.
TOTAL		<u>550.84</u>	<u>390.98</u>	<u>149.86</u>	<u>368.08</u>	<u>32.90</u>	

ANNEXURE II

Extract from the Third Five Year Plan

Construction: Construction activity in the bigger projects as well as smaller and local works will remain the largest avenue for voluntary effort towards the utilisation of idle manpower. In villages, voluntary agencies will be encouraged and helped to take up construction work directly or through labour cooperatives. This will lead to reduction of cost, observance of satisfactory standards of work, a better deal for the construction workers and the promotion of honest dealings in the working of the constructions industry. Excessive dependence on contractors will be avoided and additional resources will become available for the programmes of the voluntary organisations. A Committee set up in the Planning Commission has made the following recommendations to enable the voluntary organisations like the Bharat Sevak Samaj to undertake construction work on a large scale.

- (a) It should be the effort of the official agencies to give maximum assistance to voluntary organisations. As far as possible, a certain proportion of the available work should be set apart for them and extended as their capacity develops.
- (b) Continous flow of work should be ensured. The project authorities should indicate well in time the magnitude, types and specific works that can be awarded to such organisations. They should be given preference over the private contractors and, where possible, given works on a negotiated basis.
- (c) Works may be awarded at workable rates on (i) 'work-order' basis; and (ii) the basis of schedule of rates increased or dearnessed by a percentage decided by a competent authority. The schedule of rates should be kept up to date.
- (d) Delay should be avoided and prompt payment ensured. Powers may be delegated to the Superintending and Executive Engineers and 'on account' payments may be authorised.
- (e) Technical personnel may be deputed by the State Governments and the Central Ministries to assist the voluntary organisations.
- (f) Loan assistance should be given for working capital and purchase of equipment.
- (g) Subject to proper assessment of their capacity, the voluntary organisations may be considered for all kinds of earth-work and simple mesonry works. They may be given major structures if and when they are adequately equipped. They may also be encouraged in undertaking contracts for supply of building material in bulk quantity.

ANNEXURE III

Copy of letter No. BBS/162/62 dated 20/21 July, 1962, from Shri L. N. Mishra, General Secretary, Bharat Sevak Samaj, Central Office, 47, Theatre Communication Building, Connaught Circus, New Delhi-1, to the Secretary, Central Board of Revenue, Central Secretariat Buildings, New Delhi.

The Bharat Sevak Samaj is a voluntary, non-profit making, charitable social service organisation engaged in the promotion of public welfare. It is registered under the Societies Registration Act, 1860, and its accounts are subject to audit. A copy of the Constitution of the Samaj is attached.

2. Funds required for its activities are obtained from:—

- (i) grants from the Central and State Governments for specific purposes;
- (ii) donations and contributions from members of the public;
and
- (iii) surplus that may accrue from its Construction Service

3. The Central Board of Revenue have already exempted donations and contributions from the members of the public from Income-tax vide Board's No. 69(144) IT/52 dated 3rd March, 1953.

4. The question now is whether the Samaj is not also exempt from liability to Income Tax on such surplus as may accrue from Construction works which it has been undertaking from time to time.

5. It may be mentioned that one of the functions of the Samaj is to render assistance :

“In construction work, including irrigation projects and housing and rehousing of slum dwellers, especially those which have a social value such as slum improvement and development and clearance, drainage and irrigation works in rural areas and flood protection works and in repair work”:

vide Article 4 at page 1 and 1(d) of Schedule II—Functions in the booklet attached. A more detailed description of the set-up of the Construction Service is also enclosed.

6. Apart from fulfilling one of its objectives, the surplus from Construction Service such as it accrues is spent on:—

- (i) Welfare services for the workers and their dependants, like the provision of drinking water in labour colonies,

free adult education for the workers, education for their children etc.;

- (ii) **community development works in the villages from which the workers come; and**
- (iii) **general welfare activities of the Samaj. Consequently, we were advised that the income from the Construction Service is exempt from Income Tax under section 4(3) (i) (b) of the Income Tax Act, 1922, the Provisions of which are now reproduced in Section 11 of the Indian Income Tax Act, 1961.**

7. This position has been explained to the authorities for whom the Samaj does works. Some have accepted, but other insist that they should be shown the authority under which the Samaj is exempt from payment of Income Tax or alternatively the Samaj should produce Income Tax Clearance Certificates. A copy from one of the Defence Ministry's Chief Engineers insisting on his being satisfied about the exemption of the surplus from Income Tax is enclosed herewith.

8. The Samaj requests in the circumstances that the Board would be pleased to declare or otherwise indicate that the Samaj is exempt from Income Tax under Section II of the Act of 1961, so that the Samaj might be in a position to satisfy the authorities concerned. The Samaj would be happy to furnish any other particulars which the Board may require in this connection.

Enclosures:—

1. The Constitution of the Bharat Sevak Samaj.
 2. Constitution of the Bharat Sevak Samaj Construction Service.
-

APPENDIX XLII

(See Paras 74 & 75 of Report)

EXP. BHARAT SEVAK SAMAJ—CENTRAL CONSTRUCTION SERVICE

OPINION

1. The question for consideration, in substance is whether the surplus which results from the construction activities of the Bharat Sevak Samaj is taxable as Income under the Indian Income-tax Act of 1961.

2. Section II(1) (a) of the Act exempts from taxation income derived from property held under trust wholly for charitable purposes to the extent to which such income is applied to such purposes. Explanation I to section 13 provides that "trusts" in section 11(1) (a) includes any other legal obligation. Section 2(15) which defines a charitable purposes provides that it includes *inter-alia* "advancement of any object of general public utility not involving the carrying on any activity for profit".

3. Is the property of the Bharat Sevak Samaj which is a Society registered under the Act 21 of 1860 held under trust or other legal obligation for charitable purpose? I think it is.

4. The pre-amble of Act 21 of 1860 shows that it is enacted to enable Societies for the promotion of various objects which are either charitable or of general public utility to be registered. Section 1 of the Act provides that a Society can be formed by 7 or more persons only for the purpose specified in section 20 of the Act. The purposes mentioned in Section 20 are charitable purposes and certain other purposes all of which are purposes of general public utility. Section 12 of the Act which provides for the alteration of the objects of a Society formed under the Act or for its amalgamation provides that such alteration can only be for either other purposes within the meaning of the Act or with any other Society registered under the Act. Section 14 of the Act which deals with the dissolution of a Society registered under the Act provides that on a dissolution the residue of its property shall not be paid to or distributed among the members of the Society or any of them but shall be given to some other Society registered under the Act or be dealt with in the manner therein provided. It is clear, therefore that a Society can be registered under Act 21 of 1860 only if its objects are such as are laid down in the Act which

objects as pointed out above, are charitable objects or objects of general public utility.

5. The objects of the Samaj which are set out in paragraph 3 of its constitution are clearly charitable objects. Schedule II to the Constitution of the Samaj sets out its functions. One of its functions is to render assistance "in construction work, including irrigation projects, and housing and re-housing of slum dwellers, specially those which have a social value, such as slum improvement, development and clearance, drainage and irrigation works in Rural areas and flood protection works and in repair work" (Paragraph 1-D) this is the function in the performance of which the Samaj has established what has been called "Central Bharat Sevak Samaj Construction Service". The objects of this construction Service are set out in paragraph 4 of appendix 1 to the review of the work of the service published in 1960. The functions of the construction service are set out in paragraph 5 of the same publication. The Construction Service is a branch of the activities of the Samaj and is carried out by Advisory and Managing Committees appointed by the Samaj. The funds with which the service operates are set out in paragraphs 13 to 18 of the said arppendix, in the same publication. These paragraphs show that the service is operated by funds set apart by the Samaj or donated to it by the Government or by borrowed or other funds. The activities of the Construction Service which are numerous and varied have resulted in a certain surplus, which is the subject matter of the question set out in the opening paragraph.

6. It appears to me that this activity of the Samaj which has yielded a surplus is a charitable activity within the objects of the Samaj and such as falls within the purview of Act 21 of 1860. The surplus is the income of property held under a legal obligation for charitable purposes.

7. It will be noticed that the definition of a charitable purpose given in section 2(15) of the Indian Income-tax Act requires that the objects of general public utility must not involve "the carrying on of any activities for profit". Can it not be contended that the Construction Service of the Samaj though it be an object of general public utility involves the carrying on of that activity for profit inasmuch as the activity has resulted in a surplus? I think that for the reasons mentioned below, the answer must be in the negative.

8. Under the Income-tax Act of 1922, it was held by the Privy Council in the Tribune Case (1939-7. I.T.R. 415) that the idea of

profits being made in the course of carrying out of an object of general public utility has not excluded. In the All India Spinners' Association Case (1941-9 I.T.R. 484) it was held by the Privy Council that what was excluded was private gain or commercial profits and not just profits which would in their turn be again devoted to charitable purposes. These Privy Council decisions were given under the Act of 1922 in which the words "objects of general public utility" were not qualified by the words "not involving the carrying on of any activity for profit" as in the definition in section 2(15) of the Act of 1961. Can it be said that these decisions are no longer applicable? I do not think so. The added words in the definition in the Act of 1961 merely express what was implicit in the definition under the Old Act. Section 11(4) of the Act of 1961 shows that this is so. That Sub-section contemplates a business undertaking being property held under trust for a charitable purpose and its income being exempt from taxation. That means that a charitable trust may undertake a business activity yielding profit. Even so such profit would be exempt from taxation provided that the profit goes into the funds of the charitable trust and is utilised for charitable purposes. As stated by the Privy Council what is excluded is a profit making activity for private gain or for commercial purposes.

9. In the present case, the surplus accruing to the construction service of the Samaj from its activities becomes a part of the property of the Samaj which the Samaj is under a legal obligation to apply to charitable purposes. The surplus is not a private gain or a commercial profit.

10. In the result, I answer the question set out in the opening paragraph by stating that the surplus accruing to the Samaj from its activity in the shape of the construction service is income derived from property held under a legal obligation for charitable purposes and is therefore exempt from taxation under Section 11 of the Indian Income-tax Act of 1961.

Sd/- (M. C. SETALVAD).

APPENDIX XLIII

(See Para 74 of Report)

MINISTRY OF FINANCE (DEPTT. OF REVENUE)

The objects of Bharat Sevak Samaj are contained in Annexure 'C' of the Planning Commission's pamphlet of May, 1952, and in the booklet regarding the Constitution of Bharat Sevak Samaj. These objects were examined in October-November, 1952. Member (IT) had come to the conclusion that the Samaj was an organization for general public utility. Thereupon, in consultation with the Minister for Revenue and Expenditure, a notification approving the Samaj for the purposes of section 15-B of the I.T. Act, 1922, was also issued in March 1953. The Board have, therefore, already held that the Samaj is an institution established for a charitable purpose the income of which is exempt u/s 4(3) (i) of the I.T. Act, 1922.

The Bharat Sevak Samaj also runs a Central Construction Service undertaking contract works from Government Departments under the Five Year Plans and the question that has arisen is whether the surplus in the Central Construction Service is exempt from tax. The objects and functions of this Construction Service are set out in paragraphs 4 and 5 of Appendix I to the Review of the Work of the Service published in 1960. The surplus accruing to the Construction Service of the Samaj from its activities becomes a part of the property of the Samaj and the Samaj is under a legal obligation to apply the same to charitable purposes. There is a legal obligation on the Committee administering the Construction Service to utilize the surplus for the activities of the Central Organization of the Bharat Sevak Samaj which are charitable in nature and for the benefit of the local community. From the literature available, it appears that the Construction Service is a property held under trust by the Bharat Sevak Samaj for charitable purposes. That being so, the surplus arising from the Construction Service will be exempt from tax under the main provisions of sec. 4(3) (i) of the I.T. Act, 1922 and also under section 11 of the I.T. Act, 1961, since the objects are of general public utility not involving the carrying on of any activity for profit, subject, of course, to the restrictions regarding accumulations referred to in sec. 11 of the I.T. Act, 1961.

Since the matter is of importance, Ministry of Law may kindly see and advise whether the above view would be correct in law.

Sd/-
(G. R. Desai)
Deputy Secretary,
11.8.64.

Ministry of Law.

Min. of Fin. (Deptt. of Rev. and Com. Law.)

U.O. No. 20/38/62-IT(AI) dated 11.8.64.

Notes in the Min. of Law,
Deptt. of Legal Affairs,
Advice (F) Section.

On the facts stated I agree with the conclusion drawn in the penultimate paragraph of Shri Desai's note dated 11.8.1964.

Sd/-
(R. S. GAE)
18.8.1964.

Ministry of Finance (Dept. of R. & C.L.)

Min. of Law U.O. No. 22244/64 Adv. (F) 19.8.64.

APPENDIX XLIV

(See Para 75 of Report)

Copy of letter from Bharat Sevak Samaj, Central Construction Service, 33, Prithvi Raj Road, Connaught Circus, New Delhi dated 27-12-1963 addressed to the Commissioner of Income-tax New Delhi.

SUB: Exemption under Section 11 of the Income-tax Act, 1961—
Bharat Sevak Samaj.

Kindly refer to your letter No. JE-2(3)/62/11722 dated 27th October, 1963 on the above subject.

Your kind attention is invited to clause (d) of the Schedule II of the Constitution of the Bharat Sevak Samaj. This Schedule lays down the functions of the Samaj and this clause (d) states that the taking up of the construction work is one of the objects of the Bharat Sevak Samaj.

In pursuance of the above object, the B.S.S. Construction Service was constituted in 1958, although the Samaj started associating itself with the Construction activities since 1955. This is clear from page 10 of Appendix I of the Constitution of the B.S.S. Construction Service given in the green pamphlet. It is reproduced here for ready reference:

Origin.—The service has been sponsored by the Bharat Sevak Samaj for the furtherance of its objectives etc. etc.”

3. Shri G. L. Nanda (then Minister of Planning and now Minister for Home Affairs) while speaking at the Youth Seminar held in Delhi in 1961 remarked

“Bharat Sevak Samaj has got a Construction Service etc.”
(Back page cover of the pamphlet—facts about Construction Service of B.S.S.).

4. Thus the Construction Service is not a branch or separate entity by itself but is merely one of the activities of the Bharat Sevak Samaj.

5. The day-to-day functional powers to work the B.S.S. Construction Service are vested in the Central Managing Committee. The members of the Central Managing Committee are appointed by the Administration Committee. Even the General Manager and the Advisers are appointed by the Administrative Committee (Clause 8,

page 12). Thus the Administrative Committee is the supreme body which has an overall control over the management of the B.S.S. Construction Service.

6. Clauses 13 to 18 of the Constitution of the Constitution Service (Pages 14 and 15 of the Green Book) state how the funds of the B.S.S. Construction Service are to be dealt with. Clause 16 specifically mentions that the surplus arising out of the activities of the Construction Service shall be at the disposal of the Administrative Committee who shall make allocations out of these funds for the various purposes. These purposes are nothing but the specific objects as laid down in the constitution of the Bharat Sevak Samaj, and on the strength of the resolution passed by the Administrative Committee and the agreements executed by it. Thus the entire funds meant for the construction service are under the administrative control of the Administrative Committee. From paras 5 and 6 above and after going through the Constitution of the Construction Service it is clear that the entire control and management of the Construction Service vests in the Administrative Committee. Hence the Construction Service is constitutionally and legally held in trust. It may be pointed out that the rules of the Constitution are enough for holding the property under trust and a departure from the rules would be a breach of trust and legal obligations which the Court could restrain [all India Spinners' Association v. C.I.T. Bombay 1944 I.T.R. 482 (P.C)].

With these words it is submitted that the Bharat Sevak Samaj Construction Service is held in trust within the meaning of Section 11(4) of the Income-tax Act, 1961.

We hope by the above submission and the perusal of the Constitution of the Bharat Sevak Samaj Construction Service and of the Bharat Sevak Samaj you would be pleased to come to the conclusion that the B.S.S. Construction Service is held under trust.

The copies of the Constitution of the Bharat Sevak Samaj Construction Service and that of the Bharat Sevak Samaj are enclosed herewith as desired by you.

We would be obliged if you could kindly afford us an opportunity at your convenience to be heard in person to explain the provisions of the Constitution and also put forth our views on this subject.

Thanking you,

Yours faithfully,

Sd/-

*Income-tax Adviser (BSS)
for General Manager*

[Ministry of Finance (Deptt. of Revenue) File No. 20/38/62-IT(AI.)

APPENDIX XLV

(See Paras 75 and 76 of Report)

GOVERNMENT OF INDIA

OFFICE OF THE COMMISSIONER OF INCOME TAX
DELHI AND RAJASTHAN

No. JE-2(3)/62/9653

Central Revenues Buldg.,
Indraprastha Marg

Dated, New Delhi-1, the 11 September, 1963

20, Bhadra, 1885 (Saka)

From

The Commissioner of Income-tax,
Delhi & Rajasthan

To

The Secretary,
Central Board of Revenue,
New Delhi.

Sir,

SUB: *Bharat Sevak Samaj, New Delhi—exemption u/s 4(3) (i) of the Indian Income-tax Act, 1922/Section 11 of the Income-tax Act, 1961.*

Kindly refer to the correspondence resting with Board's D.O. F. No. 20/38/62-IT(AI) dated 9th August, 1963.

2. The Bharat Sewak Samaj came into existence as a Society in the year 1952 and was duly registered under the Societies Registration Act, 1860 on 17-12-1952. Thereafter the Samaj was approved by the Central Board of Revenue for the purpose of Section 15B of the Indian Income-tax Act, 1922 *vide* their No. 69(144)/IT/52 dated 3rd March, 1953. With the passing of the Income-tax (Amendment) Act, 1953, the position changed and specific conditions were laid down to be satisfied. But there had been no occasion and opportunity for the department to examine or review this case in the light of the amendments made in Section 4(3) (i) and 15-B of the Income-tax Act, 1922. In the meanwhile the Samaj organised Central Construction Service and started undertaking contract works from the Government Departments, under the Five Year Plan schemes. Some of the departments insisted Samaj to produce tax clearance Certificate while accepting tenders for works. Thus the Samaj being confronted with this problem approached the Income-tax Department for decision and clarification on certain points.

3. The tax clearance certificate has, however, been directed to be issued pending final decision in the matter.

4. The question now is whether the Samaj is liable to tax on such surplus as may accrue from construction works which it has been undertaking from time to time.

5. The position in this respect is to be examined with reference to the old Act vis-a-vis the New Act, of 1961.

6. As far as the main body i.e. Bharat Sewak Samaj is concerned, there can hardly be any doubt about its income being exempt u/s 4(3) (i) of the Act, 1922 as its objects are charitable being for the "advancement of objects of general public utility". The income derived from business i.e. construction work undertaken by the Samaj through its separate agency, Central Construction Service, may also qualify for exemption within the terms of Section 4(3) (i) (b) of the Act, 1922 because it is contended by the Samaj that apart from fulfilling one of its objectives, the surplus from construction service as it accrues is spent on:

- (i) welfare services from the workers and their dependents, like the provision of drinking water in labour colonies, free adult education for the workers, education for the workers, education for their children etc.
- (ii) Community development works in the villages from which the workers come; and
- (iii) general welfare activities of the Samaj.

7. If the above position is found correct from the statement of accounts for any of the assessment years then such income would be exempt, otherwise action u/s 4(3) (i) (c) of the Act, 1922 may be called for.

8. But the position has undergone a great change so far as the new Act, of 1961 is concerned. Section 2(15) of the Act defines the charitable purposes and the words which have been imported are "not involving the carrying on of any activity for profit". These words are of great significance. The point that now crops up is whether the undertaking of construction work by the Samaj involves the carrying on of activity of profit. The statement of accounts produced by the Samaj for the year ending 31-3-1962 and the annual reports reveal that the Samaj has done an extensive construction work and is also running brick kilns etc. Reference in this context is invited to the Hon'ble Finance Minister's speech in Rajya Sabha on 4th September, 1961 while piloting the bill, wherein he has discussed the implication of the new words added in Section 2(15). In the light of this there may arise some doubt about its income from contract works being exempt u/s 11. Whereas business may involve a continuous exercise of activity, a continuous exercise of activity need not necessarily be a business, because "business" connotes some real substantive and systematic or organised course of activity or

conduct with a set purpose [Narain Sewadshi Weaving Mills & E.E.P.T. (1954) I.T.R. 765, 773 (SC)]. Therefore, there can be a continuous exercise of activity without there being some real organised course of conduct. Hence the words used in the definition appear to be wide enough to cover not only activities of a commercial nature, but activities for profit not amounting to business as well (kindly see Treatise on the Income-tax Act, 1961 by K. Srinivasan and other others—discussion on page 637 Vol. I Section 1-5). It is remarked therein, that it is not necessary that the carrying on of an activity for profit should be the main object of charitable purpose. Even if it is a subsidiary object, the main object being a charitable purpose, the entire purpose itself will be regarded as non-charitable having regard to the expression “involves”. On the other hand, “for profit” can only be interpreted in the context of the expression “for the purpose of making profit”. In other words, if it is established that making profit is not the purpose motivating the activity, it would not be considered as an activity for profit. The definition would seem to operate only where the acting for profit itself is the object of the charitable purpose. If this interpretation is taken to be correct, the surplus accruing from construction works would not be liable to tax in view of the objects of the Central Bharat Sewak Samaj Construction Service.

9. The whole discussion above would not be of relevance if it is held that the Central Construction Service itself is held under Trust within the terms of Section 11(4) of the Act, 1961. But in this case it cannot be said with certainty that the construction work itself is held under ‘Trust’ simply because the construction service has been sponsored by the Bharat Sevak Samaj.

10. In the light of the aforesaid discussion, instructions of the Board are solicited whether the income of the Samaj including the construction service will enjoy exemption u/s 11(1) of the Act and the case would fall within the ambit of sub-section (4) of the said Section.

11. A note recorded by the Planning Commission is returned herewith.

Yours faithfully,

R. N. MUTTOO,

Commissioner of Income-tax.

Encls. copy of constitution of B.S.S.,
B.S.S. Construction Service,
Statement of a/c.

APPENDIX XLVI

(See para 75 of Report)

No. JE-2 (3) /62/15565

**OFFICE OF THE COMMISSIONER OF INCOMETAX,
DELHI AND RAJASTHAN**

Dated, New Delhi, the 6th January, 1964

16, Pausa, 1885 (Saka)

From

The Commissioner of Incometax,
Delhi and Rajasthan.

To

The Secretary,
Central Board of Direct Taxes,
New Delhi.

Sir,

SUBJECT.—*Bharat Sevak Samaj, New Delhi—Exemption u/s 4(3) (i) of the I.T. Act, 1922/Section 11 of the Income-tax Act, 1961.*

Kindly refer to Board's F. No. 20/38/62-IT(AI) dated 16th October, 1963.

A copy of the Bharat Sevak Samaj's letter No. CS/A/C/I.T./63 dated 27-12-1963 received in response to this office letter enquiring the facts of the case is enclosed for ready reference and perusal of the Board. It has been contended by the Samaj that:

- (i) the Construction Service is not a branch or separate entity by itself but is merely one of the activities of the Bharat Sevak Samaj; and
- (ii) the Bharat Sevak Samaj Construction Service is held in trust within the meaning of section 11(4) of the Income-tax Act, 1961.

Both the points have been looked into and it appears that conclusion arrived at is correct, though the basis adopted for the second point is not logical. The case of All India Spinners' Association is not on all fours with the present case. There is a marked difference on the following points:

- (i) The Central Construction Service has been sponsored by the Bharat Sevak Samaj the objects of which are Charitable whereas the All India Spinners' Association was sponsored by the Indian National Congress, political organisation.

- (ii) Clause 3 of the Constitution of the All India Spinners' Association envisaged that the funds and assets would vest in the Board of Trustees who shall be the executive Council of the Association, and they shall hold the same for the purpose of the Association. But such similar provisions are missing in the Constitution of the Construction Service. On the contrary, the properties vest in the Bharat Sevak Samaj itself by virtue of clause 12-A of the Constitution.

It is thus clear that the Construction Service has no separate entity of its own and it appears to be a business undertaking i.e. "property held under trust" for the purpose of section 11(4) of the Act. Attention in this context is invited to the then 'Hon'ble Finance Minister's speech [Lok Sabha Debates Second Series, Vol. LVII-No. 15-P. 4955] who explained the purposes of introducing the sub-section (4) in section 11 in the shape of amendment No. 91 "to see that the business which is run is run solely for charitable purpose". It means that running of business by a Charitable Trust or Institution is permissible within the terms of Section 11 read with section 2(15) provided the business is solely run for charitable purposes. Since the present case meets the above ingredient, it thus appears that the Central Construction Service is held under Trust within the meaning of Section 11(4) of the Incometax Act, 1961.

Copies of the Constitutions and other relevant material have already been submitted to Board under this office letter of even No. 9653 dated 11-9-63 where the other points have been dealt in detail.

Yours faithfully,

R. N. MUTTOO,

Commissioner of Income-tax.

Encl. as above.

APPENDIX XLVII
(See Para 76 of Report)

COPY
DIRECT TAXES

27th August, 1964.

No. 20/38/62-IT (A1).

Shri K. C. Srivastava,
Under Secretary, Central Board of Direct Taxes.

To

The General Manager,
Bharat Sevak Samaj,
12, Theatre Communication Building,
Connaught Circus, New Delhi-1.

Sir,

SUBJECT.—*Exemption from Income-tax under section 4(3) (i) of the Income-tax Act, 1922/Section 11 of the Income-tax Act, 1961.*

I am directed to refer to your letter dated the 18th July, 1964, on the above-mentioned subject and to say that you may contact the Commissioner of Income-tax, Delhi.

Yours faithfully,

Sd/-

(K. C. Srivastava),
Under Secretary, Central Board of
Direct Taxes.

Copy forwarded to the Commissioner of Income-tax, New Delhi, with reference to his letter F. No. JE2(3)/62-200 dated the Nil August, 1964.

It appears that the 'construction service' is a property held under trust by the Bharat Sevak Samaj for charitable purposes. It has, therefore, been decided that the surplus arising from the construction service of the Bharat Sevak Samaj will be exempt from tax under section 4(3) (i) of the Income-tax Act, 1922/under Section 11 of the Income-Tax act, 1961, subject of course to the restrictions regarding accumulation referred to in Section 11 of the Income-Tax, 1961.

Sd/-

(K. C. SRIVASTAVA)
Under Secretary, Central Board of
Direct Taxes.

APPENDIX XLVIII

Summary of main Conclusions/Recommendations

Sl. No.	Para No. of Report	Ministry/Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	10	Planning Commission.	It is indeed surprising to the Committee that the list of names etc. which 'shall be filed' once in every year, has been filed for the first time since the registration of the Society and that too on the 19th March, 1965 after the Committee desired to be furnished with such a list. The Committee feel unhappy that provisions of the legal requirements had not been complied with by the Bharat Sevak Samaj.
2	12	—Do.—	<p>The Committee were surprised to learn that, in spite of the specific provisions in rule 149(3) of the General Financial Rules no consolidated accounts were asked for from the Bharat Sevak Samaj at any time till October, 1963. The Committee were pained to learn that in spite of the fact that audit had drawn the attention of the Planning Commission to this continuing lapse more than a year ago (July 1963) and the Planning Commission had as a consequence agreed to advise the Samaj to maintain consolidated accounts, the answer given to the Committee in evidence was: "in the Planning Commission the view taken was that section-wise accounts met the needs of the rule." The Committee need hardly emphasise that mere section-wise accounts neither meets the requirement of the rules nor depict "the overall financial position" of the organisation, which is a <i>sine qua non</i> for judging:—</p> <p>(a) whether the organisation has utilised the grants for the purposes for which they were given;</p>

1	2	3	4
			<p>(b) whether grants to cover the same expenses have been raised from any other source; and</p> <p>(c) whether the performance and the methods of functioning of the organisation entitled it to such grants from the Government.</p>
3	13	<p>Planning Commission</p> <hr/> <p>Information & Broadcasting</p> <hr/> <p>Education</p>	<p>In the absence of the consolidated accounts, it is also not possible for the Committee to know the ratio of grants received by the B.S.S. from Central and State Governments and the collections made by them from the public but the sectional accounts for the year ended 1962-63 show that the receipts of the Samaj from sources other than Government amounted to less than Rs. 1 lakh as against Rs. 28 lakhs provided by Government. The question as to how far the exercise of control and supervision over the activities of Samaj has been commensurate with the large amount of funds placed at its disposal has been examined in subsequent paragraphs of this Report dealing with expenditure from the grants.</p>
4	14	<p>Planning Commission.</p> <hr/> <p>Finance</p>	<p>The Committee are surprised that the Bharat Sevak Samaj itself has never considered it necessary to prepare and submit a consolidated account of their organisation in any year from 1952 till now. The Committee are also surprised that in spite of the clear stipulation in the GFR 149(3) the concerned Ministries have been giving grants to the B.S.S. year after year without realising that this essential requirement was not being complied with. Each Ministry has a Financial Adviser attached to it. The Committee fail to understand how these Financial Advisers in all the concerned Ministries could have over all these years failed to point out that the conditions laid down in Rule 149(3) were not being fulfilled.</p>

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			<p>The Committee regret to note that the Commission has adopted a complacent attitude in respect of the contravention of the provisions of Rule 149(3) in spite of the magnitude of the grants given year after year. The Committee cannot escape the conclusion that the Planning Commission has not exercised the financial controls that the rules prescribe and that whatever check has been exercised has been perfunctory and inadequate.</p>
			<p>The Committee, therefore, recommend that the Planning Commission should without any further delay insist on the submission of consolidated and duly audited accounts of Bharat Sevak Samaj showing the overall financial position of the organisation for every year since it started receiving grants from the Government. The Committee further recommend that no further grants should be made till the provisions of Rule 149(3) are fully complied with. However, a time-limit of six months may be allowed to B.S.S. for the submission of consolidated Accounts in respect of all the earlier years.</p>
5	15	<p>Planning Commission</p> <hr/> <p>Law</p> <hr/> <p>Finance</p>	<p>The Committee have not been able to find any provision in the Societies Registration Act 1860 under which a body registered under the Act has the obligation to prepare its annual accounts. The Committee suggest that Government should examine whether some suitable provisions should be incorporated in the Act to make it obligatory for the societies registered under the Act to prepare and submit their consolidated and audited accounts to the Registrar of Societies.</p>
6	16	<p>Planning Commission.</p>	<p>The Committee are surprised that despite the fact that there is no independent agency to assess the work done by the Bharat Sevak</p>

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			<p>Samaj or to check the figures furnished by it to the Planning Commission, claims have been made before the Committee by the Commission which do not appear to be sustainable. From the facts and figures placed before the Committee, the Committee feel that neither the claim regarding the increase in the membership of co-operative nor the claim about the contribution made through shramdan activities, has been substantiated. They also cannot appreciate the position that Government which gives such large grants to a private organisation has to rely entirely on the facts and figures furnished by the grantee organisation and has no independent machinery of its own to scrutinise claims and assess and evaluate performance.</p>
7	17	<p>Planning Commission.</p>	<p>The Committee are surprised at the claim that this (unanimous election of the Panchayats) has been a notable work of the Lok Karya Kshetras organised by the Bhara Sevak Samaj. It is not clear to the Committee how the Planning Commission apprised the role of the Lok Karya Kshetras personnel who had been appointed after a training of three months duration and distinguished their work from that of other influential bodies or individuals in the respective areas.</p>
8	18	<p>Planning Commission.</p> <hr/> <p>Community Development & Co-operation</p> <hr/> <p>Social Security</p>	<p>The Committee do not feel that the existing machinery for the inspection of the Lok Karya Kshetras is adequate. The inspection is not being done by independent authorities. Even so, the Committee find that adverse remarks about the working of L.K.K. have been made in a number of reports of Inspection that the officers of the Samaj themselves have submitted. As for instance in the tour note dated 6-6-61 about Lok</p>

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Karya Kshetras in Jammu & Kashmir, it has been stated "This Kshetra (at Marh — Jammu) was established in the first phase of our Lok Karya activity, but not much impact appears to have been made during all this period." In the same report about Lok Karya Kshetra at Kulgam (North Kashmir) it has been stated "The real purpose of the Lok Karya Kshetra is not being served for want of collaboration and co-ordination with Block Development Authorities". The Committee, however, find it significant that the Secretary Construction Service, B.S.S. and member, Central Lok Karya Committee in his tour notes dated the 11th July, 1962 has made the following remarks which speak for themselves.

General Remarks.— In Jammu & Kashmir as in other Pradeshes, it was found that the main activities in the L.K.Ks are the running of Balwadis and women's centre and observing cultural programmes etc. All these activities are much akin to those which are being conducted in the rural projects which have been sponsored by the Central Social Welfare Board and the State Social Advisory Boards."

The Committee would like the Planning Commission and the Deptt. of Social Security to take note of the duplication of activities and take urgent steps to avoid it and thereby save avoidable expenditure.

9 19 Planning Commission.

In view of the remarks of the office-bearers of the B.S.S., the Committee consider it hardly necessary to make any further comments about the working of the Lok Karya Kshetras.

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10	20	Planning Commission	The Committee learnt with surprise that inspite of the fact that twenty-one Lok Karya Kshetras which proved to be particularly inefficient had to be closed down and even after the report about the 'dismal failure' of the Kshetras as reported by the Secretary, Construction Service of the Bharat Sevak Samaj, grants continued to be released without any further safeguard. This gives the Committee the impression that the Planning Commission has not been keen to exercise control over the Bharat Sevak Samaj to ensure effective utilisation of the grants released by them .
11	21	Do.	The Committee feel that in view of the specific language of the letter there was no scope for misinterpretation that was made in this case.
12	22	Do.	The Committee regret to learn that not only was the level of education of the Sahayogis and Up-Sahayogis low, but also that their training was conducted by unqualified persons who were too old. The Committee would like to be furnished with a copy of the further report of the P.E.O. on receipt.
13	23	Do.	When a representation was made to the Planning Commission they acknowledged the difficulty and issued an order on the 22nd April 1964. The Committee are surprised to observe that though this order was ostensibly meant to cover all the voluntary organisations which were grantees of the Commission, in actuality, it resulted in the Bharat Sevak Samaj becoming the main beneficiary of the new order.
14	24	Planning Commission. <hr/> Finance	If a voluntary organisation faces great difficulties in paying salaries and allowances of its staff for the months of April and May, as they get their

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annual grants late, it is a clear indication that the activities of such an organisation are being financed mostly by grants from the public exchequer and that the part played by public contributions, donations etc. is very minor one. In this connection the Committee can do no better than to quote the following observations of the then Finance Minister made in the meeting of the National Advisory Committee on Public Cooperation held on the 27th and 28th August, 1960;

“if voluntary organisations were maintained or run with government grants, they would cease to be voluntary organisations. They would become official and then the very root of the matter would be lost. The organisational expenses of voluntary organisations should be met entirely by themselves. Voluntary organisations which could not raise funds to maintain their office expenses could hardly be described as voluntary in the real sense of the term. He was not personally against giving government grants for specific schemes or projects, implemented by voluntary organisations and the staff, technical and others, required to work the scheme could be provided from out of the grants. But, the expenses required to run the organisations as such should not be met through government grants.”

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25 Planning
Commission
Finance

The Committee regret that while giving grants in the past, the Planning Commission has not taken into account the amount of monies collected by the Samaj with the result that certain activities of the Samaj have been practically financed entirely by Government without laying down any specific condition to relate the quantum of Government assistance to the

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			<p>extent to which the Samaj was able to secure funds from non-Government sources by its own efforts. The Committee view this as a lapse and hope that the principle underlying the Finance Minister's observation quoted above would be carefully followed in future.</p>
16	26	Planning Commission.	<p>The Committee were informed that the State Units of the Bharat Sevak Samaj are part of the Central Unit, and are not separately registered. The Committee are therefore, unable to appreciate the written reply furnished to them viz;</p> <p>“The Planning Commission is not therefore in a position to furnish any information in regard to the grants given to the Samaj by the various States. The administrative responsibility of grants/loans given by the State Governments rests with them. The activities for which the State Units of the Bharat Sevak Samaj receive grant-in-aid from the State Governments, they render the accounts therefor to the State Government concerned.”</p> <p>Since the State Units of the Bharat Sevak Samaj are part of the Samaj it is all the more necessary that Government should insist on the preparation and submission of consolidated accounts, as required under G.F.R. 149(3).</p>
17	27	Do.	<p>It must be stated that the present system of accounts is not quite satisfactory and it does not disclose any real contribution or donation. More than that the Committee feel that the Government should be in a position to assess in concrete terms the extent to which the amount sanctioned for slum clearance achieved the purpose in view. There should be a clear distinction between the activities of the Samaj and those of local bodies and other organisations</p>

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			<p>which also receive assistance from Government sources for the same purpose. If the Government grants to the Samaj were spent only on salaries and establishment, the Ministry giving the grant and the Finance Ministry should specifically consider how far this would contribute towards the achievement of slum clearance.</p> <p>The Committee would suggest that a method should be devised to assess the contributions made by the workers of the Samaj and the local slum dwellers in kind and services in financial terms and for this purpose some basis of standard norms should be decided upon. Thereafter a summary should be appended to the accounts so as to make the picture complete.</p> <p>The Committee are not sure that there is no duplication of efforts or of work in the matter of slum clearance. They would like this matter to be examined so as to eliminate any duplication of work.</p>
18	28 Planning Commission.		<p>The Committee regret to note that no half-yearly reports about the physical availability of the tools and equipment as prescribed by the Samaj were being received from the B.D.Os. or Samaj functionaries.</p>
19	29 Planning Commission. <hr/> Community Development & Co-operation.		<p>The Committee were surprised to learn that tools and equipment purchased by the Bharat Sevak Samaj from the grants released by the Planning Commission, were taken on the Stock Register of Central Bharat Sevak Samaj and then they were transferred to the Block Development Officers who were supposed to keep the stores in their custody and also maintain the stock registers. The Committee feel that the proper course would have been for the Ministry of Community Development to sanction the expenditure for purchase</p>

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			of the necessary tools and equipment in which case they would have remained with the B.D.Os. as property of Government.
20	30	Planning Commission.	The Committee are surprised at this reply, ("In 1957, it appears that they were satisfied"). It really passes their comprehension how a written statement could be made that "Government of India is satisfied about the financial position of the Bharat Sevak Samaj," in an official communication without there being a satisfactory ground. The Committee cannot approve of practice of recording such certificates relating to private bodies in Government documents as a routine matter.
21	31	<u>Planning Commission.</u> <u>Community Development & Co-operation.</u> <u>Finance.</u>	<p>The Committee note with regret the circuitous and abnormal procedure followed in this case by the Planning Commission. They take strong exception to the procedure adopted in this case for the purchase of tools. They can find no justification for the plea of urgency adopted in this case to justify the Bharat Sevak Samaj purchasing tools and equipment costing Rs. 4.38 lakhs from the grants released by the Planning Commission on the ground that time could be saved and tenders avoided if the purchase could be made through the B.S.S. instead of Ministry of Community Development.</p> <p>The Committee regret to note that to avoid the established procedure and buying stores through regular tenders, this devious method was followed. Apart from the fact that they do not find any urgency in the matter, they deprecate this method of circumventing the healthy safeguards provided for preventing wasteful expenditure.</p>

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22	32	Information & Broadcasting.	(i) The Committee desire that the Ministry of Information and Broadcasting should also follow the same course of action as has been suggested in para 14 of this Report in regard to insisting on the immediate submission of consolidated and duly audited accounts of the Samaj and the stoppage of grants till the provisions of Rule 149(3) of the General Financial Rules are fully complied with.
		Planning Commission.	(ii) The Committee consider this to be a wrong precedent and would desire that no Ministry Deptt. of Government should release grants to private bodies without satisfying themselves about the suitability and capacity to undertake the task allotted to them. This also leads the Committee to the conclusion that it would be advisable that grants to such bodies should be channelised through a single Ministry, as already recommended in para 69 of their 34th Report (2nd Lok Sabha). The Ministry so nominated will of course, have to make arrangements for consultation with the other Ministries concerned with the different subjects.
		Information & Broadcasting.	
		Education.	
		Finance.	
		Information & Broadcasting.	(iii) In view of the opinion on Plan Publicity expressed by the Secretary, Ministry of Information and Broadcasting, the Committee feel that a very thorough probe into the whole question of Plan Publicity with a view to making it more effective with due regard to economy in expenditure is called for without delay.
		Do.	(iv) The Samanta Committee in their Report (para 3.69) have stated as follows: " Among the voluntary organisations doing Plan Publicity work Bharat Sevak Samaj is the largest

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			beneficiary receiving aid from the Ministry of Information and Broadcasting as much as 95% of the total grants allotted for that purpose."
			The Committee feel that in view of the facts disclosed in this and subsequent paras relating to Jan Jagran Scheme, a review is necessary to decide upon the quantum of assistance to be given to B.S.S. and other voluntary organisations. They consider that encouragement should be given to other voluntary organisations as well to take up programme of Plan Publicity and there should not be almost exclusive dependence on the B.S.S.
	Information & Broadcasting.	(v) The Committee desire that the provisions of the rules and conditions relating to grants-in-aid to private bodies should be strictly enforced in all cases and no relaxation should be made in practices and procedures relating to financial transaction unless in any case Govt. consider that there is special justification for such relaxation and place it on record.	
	Finance.		
	All other Ministries.		
	Information & Broadcasting.	(vi) The Committee were perturbed to learn from the Secretary, Ministry of Information and Broadcasting, who described the picture of B.S.S. as neither black nor white, but grey, that there had been defalcations and embezzlements also in certain areas. Since the Bharat Sevak Samaj is a private body, the Committee did not consider it appropriate to probe into these cases of defalcation and embezzlement in that organisation. However, keeping in view the fact that this organisation is financed by funds from the public exchequer the Committee would like Government to examine whether it is not necessary that all cases of defalcation and embezzlement are investigated properly by an independent agency.	

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23	33	Information & Broadcasting.	The Committee hope that early action will be taken to review if similar mis-classification had occurred in the past.
24	34	Information & Broadcasting	The Committee are greatly disappointed at this observation of Samanta Committee and hope that urgent steps would be taken either to close down such centres or to improve thier working so as to avoid further wastage of funds.
25	35	Information & Broadcasting ----- Planning Commission	It is surprising that the duplication of work by both the Kendras was not noticed earlier before it was pointed out by the Programme Evaluation Organisation in 1960, which shows lack of coordination between the Planning Commission and the Ministry of Information & Broadcasting.
			If, as stated by the Samanta Committee, the work had been handed over to Lok Karya Section of the Bharat Sevak Samaj in 1960, it is not clear why the Ministry of Information & Broadcasting continued to give grants for Jan Sahayog Kendras in 1961-62. (The amount of grant given to Bharat Sevak Samaj for Jan Sahayog Kendras during 1961-62 was Rs. 63,559). It is also not clear why it took more than a year to wind up the Jan Sahayog Kendras. The Committee suggest that this matter may be investigated further.
26	36	Information & Broadcasting ----- Planning Commission	The Committee do not find the break-up of the sum of Rs. 3,50,000 which is stated to have been worked out by the Planning Commission on rough and ready basis, in the note of the Ministry of Information & Broadcasting. They are, however, surprised to note that in the statement of the Planning Commission, sale

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27	37	Information & Broadcasting	<p>proceeds of brochures, journals and bulletins have been indicated as 'local contributions raised by the Bharat Sevak Samaj'.</p> <p>(i) The Committee feel disturbed to learn that most of the brochures brought out by the Samaj with the subsidy given by the Ministry of I. & B. for plan publicity 'deal with the objectives and activities of the Bharat Sevak Samaj' and were not in conformity with the objective <i>viz</i> plan publicity programme for which the Ministry gave grants. In evidence the Committee were informed that the Samaj had given an assurance on 9th March, 1961 that they would see that what had been laid down by the Ministry was followed in future. The Committee find from a note furnished in this connection that the Bharat Sevak Samaj had stated "we find it difficult to accept that the literature produced by us contains 'exclusive and all pervasive emphasis on publicity for the Samaj and its aims and programmes.' The other portions of that letter also indicate that there is no clear assurance. The Committee also find that the matter was not discussed at the meeting held on 14th March, 1961 according to the note furnished by the Ministry. The Committee very much regret that wrong information was given by the I. & B. Secretary when he said that at a subsequent meeting this assurance was given. The Committee do not find in these circumstances any justification on the part of the Ministry in admitting an expenditure of Rs. 28,701 incurred on 14 brochures although in their own opinion the material brought out was not in conformity with the objective for which the subsidy was given.</p>

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(ii) The Secretary also admitted that they had not been examining the manuscript of the brochures etc. before publication and it did not occur to them to ask for titles of brochures and scripts so as to examine them when it came to notice in 1961 that money was spent for the publicity of the Samaj, or even afterwards. Such a lapse on the part of the Ministry, the Committee find inexplicable. The Committee has been furnished with a note indicating whether the Brochures are examined in the Ministry and the result of such examination. The Committee are distressed to find that despite the 'so called' assurance of the Samaj, of the three brochures brought out by the Samaj during 1963-64 it had to be decided not to admit expenditure on one "as its subject matter does not concern plan publicity."

The Committee find that the Samaj had not been able to distribute about 69,000 copies of the brochures etc. which had been attributed during evidence as indicating that either they were not efficient or they were not working properly.

The Committee feel that in view of the continued tendency on the part of Bharat Sewak Samaj to publish brochures whose "subject matter does not concern plan publicity" it should now be seriously considered as to whether it would be desirable to continue grants and subsidies to that body for plan publicity through brochures.

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38 Information &
Broadcasting

The Committee regret that the Ministry put complete reliance on the statement made by the B.S.S. and furnished it to Audit without exercising any check of their own. The Committee would like the Ministry to

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			<p>ensure that a proper mailing list and Registers of sales and stock are regularly maintained by the B.S.S.</p> <p>The Committee also learn from a note furnished that the amount of Rs. 8973 paid in excess has been recovered from the Samaj by adjustment against the instalment of grant-in-aid released to the Samaj in March, 1964. The Committee hope that circumstances under which this excess payment occurred would be avoided in future.</p>
29	39	Education	<p>The Committee desire that the Ministry of Education should also follow the course of action as has been recommended for the Planning Commission and the Ministry of Information and Broadcasting in paras 14 and 32 of this Report, in regard to securing compliance with the provisions of Rule 149(3) of the General Financial Rules.</p>
30	40	Education	<p>The Committee note that the recommendation of the Committee on Plan Projects made in 1959, that the scheme of Labour and Social Service Camps should be discontinued as it did not adequately serve the purpose, was ignored by the Ministry. Instead, it appointed the Committee for Co-ordination and Integration of Schemes operating in the field of Physical Education, Recreation and Youth Welfare, in 1959, with Dr. Kunzru as Chairman. This Committee submitted its report in December, 1963. In the meantime for a period of four years the Ministry continued to give grants for the Scheme. It is, however, significant to note the following evaluation of achievements of the Scheme of Labour and Social Service Camps, made by the Kunzru Committee:</p> <p>“In the labour and social service camps, as they are organised at</p>

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present, the campers are required to devote about 4 hours per day to manual labour. The main emphasis appears to be on hard work rather than on the educational value of these camps. It has been found that generally there is little followup of the work done and, in several kinds of cases, the projects become unserviceable soon after their completion. For instance, the approach roads constructed by the campers or the trees planted by them disappear not long after the campers leave the camp. This creates disappointment in the community and the material value of the work undertaken becomes nil. There is no real or meaningful co-ordination between the community and the campers. On the administrative side also, in the case of voluntary organisations, the Ministry of Education had recently sent a team to observe the conduct of the re-oriented camps and the report presented by them revealed the fact that there was poor advance planning, poor execution and a general attitude of carelessness about the management of these camps which was quite discouraging."

The recommendations of the Kunzru Committee about Labour and Social Service Camps are, however, very clear. It has been recommended by that Committee that—

- "(i) In proper hands and under proper control, the camp movement can lead to a development of character and personality. It is, however, essential that the organisation and control of these camps should be vested in educational organisations. Outside agencies should be excluded from managing these camps.
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			<p>(ii) Strict control should be kept on the financial aspect and proper accounts should be rendered to the Ministry of Education by the appointed time.</p> <p>(iii) In matters of organisation, the main emphasis should be placed on the educational values of camping. Considering the age of the campers, the social service component of these camps is not of very great value. Social service is undoubtedly useful, but need not be unduly stressed in these camps."</p>
			<p>The Committee are sorry to note the State of affairs that the findings of Kunzru Committee reveal. The Committee are of the view that the above recommendations of the Kunzru Committee about Labour and Social Service Camps should be implemented without further delay to avoid wastage of funds.</p>
31	41	Social Security	The Committee would like the Central Board of Social Welfare to look into this matter. (Realisation of amounts separately from students.)
32	42	Social Security	(1) The Committee regret to learn that in some cases where defects have been pointed out, replies have not yet been furnished by the Bharat Sevak Samaj. In the opinion of the Committee if no suitable replies relating to the irregularities mentioned by the Inspectors of the Central Social Welfare Board are received within a reasonable time, strict action including stoppage of grants should be considered. The Committee would like to be informed regarding the action taken against the organiser at the Saupal shelter (Bihar), as also the action taken in the case of Ambala night shelter where rent at the rate of Rs. 5/- per month was charged from students.

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(ii) With regard to the night shelter at Cuttack the Committee learnt with regret that the organiser of the Bharat Sevak Samaj himself was living in the shelter where as such shelters are meant for the poor and the needy. It is indeed surprising that the organiser neither sought prior permission of the Board, nor did he inform anyone that he was occupying the shelter. The Committee note that at the last meeting of the Central Social Welfare Board it was decided that the scheme of planning of the night shelter would be opened to other institutions also, since it was found that the Bharat Sevak Samaj could not shoulder the responsibility of running the shelters.

(iii) The Committee agree with the views of the Chairman, C.S.W.B. that the scheme of night shelters is a very good scheme, since it meets the growing need in urban areas. It is, therefore, all the more regrettable that nearly 50% of the Night Shelters run by the B.S.S. had to be closed down, due to inefficient or improper management.

The Committee desire that a review of the position should be made in the case of night shelters which are still being run by the Bharat Sevak Samaj and the decision taken as to whether those shelters should continue to be run by the Bharat Sevak Samaj, in view of the facts that have come to light.

33 43 Works and
 housing

(i) The witness (Secy., Ministry of Works and Housing) promised to check up if the Bharat Sevak Samaj had or had not included in either of the Projects an item which was shown as rent for the floor area occupied by the two Institutes. He also

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promised to find out if this particular accommodation was occupied by any similar organisation earlier; if they were paying rent and if the Ministry asked them to vacate it. The information is awaited.

- (ii) The Committee consider it unfortunate that Government which allotted accommodation at concessional rent or free of rent to B.S.S. were not sure whether all these were being used fully or partly for the purpose for which these were allotted. The Committee consider that periodical investigation is essential in order to ensure that the Government accommodation allotted to private bodies is being utilised for the purpose for which the allotment was made. They hope that this will be done in future in respect of all accommodation allotted to private parties. In view of the continued shortage of accommodation for Government purposes, the Committee are of the view that the practice of giving Government accommodation to private parties should be discontinued. In very special circumstances, where such accommodation is given purely as a temporary measure, full market rate should be invariably realised. The irregular practice of giving hidden subsidy to private organisations by giving Government accommodation free or at concessional rent should be discontinued.

34 44 Works & Housing.

The Committee consider it objectionable that private accommodation is requisitioned by Government and then allotted to a private body. The Committee also understand that there is a judgement of the Supreme Court on a similar issue. They desire that speedy action should be taken to derequisition such buildings and the Committee should be informed of the action taken.

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35	45	Works & Housing	<p>The Committee cannot understand why a voluntary organisation which is mainly financed by Government Grants and which is also given rent free accommodation should have been allowed to go in arrears for the payment of service charges. The Committee feel that necessary action was not taken at any time to recover these public dues.</p> <p>The Committee would like the Ministry to pursue the question of payment of arrears in respect of Janpath Barracks 'A' vigorously with the B.S.S. and to enlist the good offices of the Planning Commission in the matter.</p>
36	46	Do.	<p>The Committee, however, feel perturbed over some disturbing features disclosed in this case, which are as follows :</p> <p>(i) According to the Ministry the Bharat Sevak Samaj, a non-Government body has been treated as a "limb of the Planning Commission" for purposes of Government accommodation by an official order. As a result they have been allotted Government accommodation for residential purposes on payment of rent (at rents lower than market rates in three cases) and office accommodation free of rent. No satisfactory reasons for doing so have been advanced. This concession becomes unjustifiable when it is noted that Government have been and still are very much hard pressed for office accommodation for official purposes as well as for residential accommodation for their own use. To give such concessions to a particular private body, appears to the Committee to be quite irregular. In their view if such a concession, which is unusual, is to be given, it should be done by giving an open grant for renting accommodation and on not this hidden manner. This matter</p>

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should, therefore, be looked into from this angle.

The Committee consider the issue of an official order stating that the Bharat Sevak Samaj should be treated as a "limb of the Planning Commission" as highly misleading and objectionable in principle. Such blurring of the line of demarcation between a private voluntary organisation and a Government Deptt. should be scrupulously avoided. The Committee desire that a formal order cancelling this official order should be issued without further delay.

- (ii) There was change in the occupancy of at least one of the office accommodation for which advance permission of the Ministry was not taken, though Ministry were aware of this change. The Committee learn that the Ministry asked the B.S.S. to vacate the premises when it came to their notice but on representation they made, they were allowed to continue. It is not clear why the terms on which the occupancy should continue were not re considered even at that stage. This practice in the opinion of the Committee is irregular as the accommodation was allotted for a particular purpose rent-free. If there was change in occupancy, the Ministry should have been approached for permission so that they could examine if the allotment was to be continued and if so on what terms and conditions.

The Committee would like the Ministry to review the whole position about grant of this unusual concession of allotment of Government accommodation to B.S.S., a non-Govt. body.

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37	47	Health	<p>(i) The Committee are not convinced with the arguments advanced either in evidence or in the notes now furnished in view of the fact that as late as 13th October, 1964 the Ministry of Health in their D.O. letter No. F. 1-4/64-LSG-I dated the 13th October, 1964 to Chief Accounts Officer, Delhi Development Authority stated as under :</p> <p>“It has, however, been observed from the statement showing the market rates of sand sent with your letter referred to above, that the rates of sand actually did not fall in 1962 and 1963 after the allotment of land to the Bharat Sevak Samaj but went up in the months of March, April and July 1962 and August and November in 1963. It does not, therefore, appear to be correct to say that the rates of sand actually came down after the allotment of land to the Bharat Sevak Samaj. This point may kindly be further examined and elucidated.”</p> <p>It is interesting to note that the Surveyor of Works, C.P.W.D. has now clarified that the statement furnished by him to the D.D.A. related to sand quarried at Okhla. The Surveyor of Works had no similar information about the sand quarried at Bela Road. The Committee do not, therefore, understand how in the absence of properly checked and verified market rates of sand, a claim that allotment of land to the Bharat Sevak Samaj resulted in the falling of price of sand could be made. The Committee find it interesting that it has been observed by Audit from a recorded note of the discussions held in the Ministry of Works & Housing on 30th October</p>

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			<p>1964 that the Samaj was forced to sell sand at cheaper rates and thus incurred losses due to competition from the private contractors working in other areas. The Committee also note that the land was surrendered by the Bharat Sevak Samaj in April, 1964. In the view of the Committee in these circumstances, it cannot be claimed that there was fall in prices of sand and that this was due to low rate of licence fee charged from the Bharat Sevak Samaj.</p> <p>(ii) In a note furnished to the Committee as to whether the Delhi Development Authority had the authority to give a concession in the license fee etc. as was done in the case of land allotted to B.S.S., it has been stated that there is no specific provision for licencing of the land. In the absence of any such provision in the Nazul Agreement of 1937 in regard to the temporary licencing of land, the D.D.A. thought that there was no restriction on its power in this behalf and they leased out the land on a concessional basis without obtaining the sanction of the Government of India. It has been admitted in that note that this aspect of the matter was not examined by the D.D.A. while giving this land. The Committee would like the Ministry of Health to examine whether it was within the competence of the Delhi Development Authority to lease out this land on concessional rate to Bharat Sevak Samaj.</p>
38	52	Works & Housing	The Committee are surprised to note that the Secretary of the Ministry of Works & Housing considers the concessions (granted to Bharat Sevak Samaj) as "very small".
39	53	Planning Commission	The detailed information regarding the number of Labour Co-operative Societies and their members has been called from the State units of the

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			Samaj. The Committee desire that the information may be furnished at an early date.
40	54	Planning Commission	<p>(i) It has been stated in a note that this information (about quality of work done by Labour Co-operatives in 1963-64) had been asked for from the Ministry of Community Development and Cooperation. The Committee would like the submission of this information to be expedited.</p> <p>(ii) From the evidence placed before the Committee by the Secretary, Planning Commission, as also the evidence given by the Secretary, Ministry of Works & Housing, it is clear that by the issue of the letter of the Planning Commission dated the 24th August, 1961 which listed all the unusual facilities to be granted to voluntary Organisations, the Planning Commission had in mind only the Bharat Sevak Samaj as the Voluntary organization to be encouraged.</p>
41	55	Works & Housing	<p>It is clear to the Committee from the evidence given and the facts placed before them that the Construction Service of the B.S.S. has been making profits from the contracts given to them by Government from time to time. Since the main ground for the granting of various concessions to the Samaj was stated to be the fact that it was a non-profit making body, it would follow that these concessions have not been justified.</p>
42	56	Do.	<p>In view of the magnitude of the tasks allotted to the Samaj's Construction Service and the amount of work already done by the Samaj from which they have earned profits, and on which they have paid no tax the Committee find it difficult to understand why the Samaj is yet not in a position to make Security Deposit or deposit</p>

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			earnest money. Since the Secretary, Ministry of Works & Housing stated that the condition regarding security deposit was not the same for Bharat Sevak Samaj as for other contractors, the Committee would like that uniform practice and procedure should be followed in this respect.
43	57	Works & Housing.	The Committee are unable to appreciate the extent and unusual type of the concession granted to the Bharat Sevak Samaj. (re: Earnest Money & Security Deposit) which is not available even to Government organisations dealing with construction activities, especially in view of the fact that Government do not seem to have imposed the financial and other discipline in the case of B.S.S. to which the Government organisations are subject.
44	58	<u>Works & Housing</u> Finance.	The Committee find that loans have been advanced to Bharat Sevak Samaj for different construction works entrusted to them. The loans have been granted in two instalments, half at the time of start of the work and the other half when 25% of the work is completed. The Committee feel that this is an unusual facility as the same is not available to other contractors. They suggest that Government might examine the desirability of continuing this unusual facility especially, in view of the increased ability of the Bharat Sevak Samaj to undertake construction work.
			The Committee also noted that loans have been given to Bharat Sevak Samaj at the rates 3 1/2% to 3 3/4% which are below the normal rates of interest. The charging of low rate of interest is in itself a hidden subsidy, which the Committee feel should be discontinued. In this connection, the Committee would like to invite attention to Government of India's decision No. 2, below Rule 156(2) of General Financial Rules.

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45	59	<u>Works and Housing</u> <u>Home Affairs</u> <u>Finance</u>	<p>(i) The Committee feel that the practice of utilising the services of Government officers exclusively for the work pertaining to a private organisation is improper.</p> <p>(ii) The Committee would like to refer to the decisions taken at the meeting of the Working Group on Construction service of Voluntary Organisations and Labour Contract and Construction Co-operatives held on the 2nd March, 1964 that to meet the needs of technical and accounting personnel for the construction service of voluntary organisations and the public Corporations, suitable increase in the cadres of the C.P.W.D. and other Deptts. of the Centre and States might be made. The Committee do not understand on what basis and under what procedure increase in the staff of Government Departments can be made for meeting the needs of technical personnel of a Voluntary organisation. This means in other words that Government should recruit technical officers for appointment in Government Departments and then make them available to the voluntary organisations. The Committee are unable to appreciate the logic or the desirability of introducing such a procedure. The Committee are of the view that the practice of deputing Government Officers on loan to private bodies who execute works on contracts and earn profits is objectionable in principle, and should be discontinued.</p>
49	60	<u>Works & Housing</u> <u>Planning</u> <u>Commission.</u>	<p>The Committee agree with the Secretary of the Planning Commission that it would be better if one could move away from the basis of negotiations to the open tender rates in the contracts. The Committee, therefore, consider it unfortunate that general instructions should have been issued</p>

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			that contracts to voluntary organisations should be given on negotiated basis. The Committee desire that these instructions should be rescinded and the normal healthy practice of giving contracts after inviting open tenders as laid down by Government should be invariably followed.
47	61	Works & Housing <hr/> Planning Commission	The Committee feel that the argument that 'existence of B.S.S. and other organisations like the N. B. C. C., N.P.C.C. had certainly had the effect of keeping down tender rates, 'which otherwise might have been much higher' is a conjectural one and is not therefore, acceptable. That this conjecture is not necessarily correct, is borne out by the fact that the Committee have come across instances where contracts were given to B.S.S. even though quotations from other contractors were lower. [In this connection para 69 of this report may be referred to].
48	62	Works & Housing <hr/> Planning Commission	The Committee find it difficult to accept this method of calculation which is hypothetical. Moreover, in the tender system there always will be the lowest and the next higher tender. If therefore, this method of calculation is accepted, in all such cases of tender, the lowest tenderer will always claim the difference between his rates and the next higher rate as saving to the Exchequer. It has also to be borne in mind that the Bharat Sevak Samaj enjoy facilities and concessions which are not available to other contractors and contracts are awarded to them mostly on negotiated basis. Further, contracts had also been awarded to Bharat Sevak Samaj even though they had quoted higher rates initially which were brought down to rates equal to those quoted by the lowest contractor. Therefore, normally if the-

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Bharat Sevak Samaj is in the field it would deter other contractors from quoting. Therefore, to calculate saving in the manner disclosed neither rational nor justifiable.

From the evidence placed before the Committee, they are unable to accept the claim that there has been a saving of about Rs. 3 crores to the Exchequer as a result of the work done by the B.S.S.

The Committee suggest that the claim should be carefully examined and assessed by an independent government agency.

As regards the claim that the Bharat Sevak Samaj had been able to bring down the general level of rates, the Committee consider it hardly necessary to make any observations after the Secretary, Planning Commission himself stated that 'it would be too much of a claim for the Bharat Sevak Samaj to sustain'.

49 63 Works & Housing
Planning
Commission.

- (i) The Committee however feel that in the absence of a permanent labour force, such facilities or amenities to labour would be of a very limited duration. Besides, the Committee are not convinced that the B.S.S. were foregoing their profits (as discussed in para 55 of this report).
- (ii) The Committee feel that it is difficult to accept the claim that 95% of the earnings were paid to the labour with no intermediary supervision charges unless the complete accounts of B.S.S. are available.
- (iii) It is not clear from the statement whether the schools, colleges, committees, hostels, etc. were constructed entirely with the money contributed by the B.S.S. The Committee would, therefore, like to be given further details about these welfare institutions showing whether the entire cost was borne by the B.S.S., whether any recurring grant has been given to them or whether any endowment has been started in any particular case.

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50	64 Works & Housing <hr/> Planning Commission		The Committee have in a subsequent paragraph dealt with cases where contracts were awarded to the B.S.S. even though the rates quoted by them in some cases were higher than those quoted by other contractors. Therefore, the Committee feel that they would be justified in holding the view that because of all these concessions and facilities granted to the B.S.S., whenever that organisation would be in the field, it would shut out competition which is not a healthy procedure to be followed in the case of award of Government contracts. In fact, it would defeat the very purpose for which the B.S.S. was encouraged to enter the field of construction, namely, to bring down the cost by providing competition.
51	65 Works & Housing		The Committee are surprised to find that quite a number of defects have been pointed out by the officers of the C.P.W.D. For instance, in the case of the Samadhi at Raj Ghat, it has been stated "what you are filling in earthen mounds is no earth but a type of soil which contains a substantial percentage of sand and a very little percentage of clay", "consolidation done is not at all satisfactory and this can be found also from casual look of the area", "It has been noticed that filling of earth in mounds is going on in a haphazard manner without any reference to C.P.W.D. specifications." In the case of construction of workshop sheds for training-cum-workshop at Arab-ki-Sarai use of defective mortar was objected to and it was also pointed out that the progress of work was very slow. The Committee need hardly emphasize that to award contracts on negotiated basis is itself not desirable and if on top of that the quality of work done is also below standard, it is desirable to consider

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the whole matter afresh. The Committee feel that the wording of the above passage in para 7 of the letter referred to is imprecise and it creates the impression as if it was meant that the substandard works might be accepted."

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66 Planning Commission
Works & Housing

(i) The Committee feel that in construction works, defective or substandard work should invariably be got rectified at the cost of the contractor and in addition suitable penalty imposed, wherever necessary.

The Committee would in these circumstances like the Planning Commission in consultation with the Ministry of Works and Housing and others concerned to review the question of various facilities that are given to Bharat Sevak Samaj in order to see how many of these should still be continued, keeping in view the fact that the construction Service of the Bharat Sevak Samaj has now the experience of more than 7 years, and that it has been making profit in this activity. The instructions contained in the letter of the Planning Commission [No. 19(10)/61-Pub, dated 24-8-61] should be modified accordingly. The Committee have no doubt that the various observations and suggestion made by them in this Report will be borne in mind while making the necessary modifications.

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67 Works & Housing

(i) The Committee desired to know the following information:

"Was any penalty imposed on the Bharat Sevak Samaj or other contractors for late completion of works? Details may be furnished."

The information is awaited.

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			<p>(ii) The Committee do not appreciate this reasoning. (for not invoking the penalty clause) Without invoking the penalty clause, the Committee feel, it is difficult to ensure the proper standard of work. It is therefore, desirable that penalty clause should be applied for defective work in the case of the contracts given to the B.S.S. also as in the case of any other contractors.</p> <p>(iii) The Committee would like to invite attention in this connection to a list of works awarded to Bharat Sevak Samaj upto March 1963 which were inspected by the Chief Technical Examiner's Organisation wherein it has been stated that out of 19 cases examined, in 10 cases no defects were observed whereas in other 9 cases defects of minor and major nature were found. The Committee are, therefore, unable to understand how penalties of Rs. 100 and Rs.1000 could be considered adequate for late execution or defective execution of contracts respectively. As an illustration of the late execution of work the Committee would like to refer to the statement of 45 works allotted to the Bharat Sevak Samaj by the Ministry of Works and Housing from which it will be observed that in most of the cases it took the Bharat Sevak Samaj 2, 3 or 4 years to complete the work although the time allowed as per agreement was less than a year. This would indicate that undue concession has been shown to the Bharat Sevak Samaj in these cases and special relaxation of the terms of the agreement have also been made in their case.</p>
54	68	Planning Commission <hr/> Finance <hr/> C. & A.G.	The Committee would like Government to examine the suggestion of the Secretary, Planning Commission, to associate State Accountants General

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55	69	<u>Works & Housing</u> <u>Health</u>	<p>with the auditing of the Accounts of the State units of the B.S.S., in consultation with the Ministry of Finance and C. & A.G. and take suitable action.</p> <p>The Committee find from the statement showing 45 items of work awarded to the Bharat Sevak Samaj that only items 4, 25, 37, 38, 42, 44 and 45 were on the basis of tenders. (The Committee were however informed in evidence that there was a mistake in the statement supplied as item 35 was also on the basis of the tenders). It also appears from the note furnished by the Ministry of Health showing action taken on the recommendation of the P.A.C. that contract were given to the Bharat Sevak Samaj even though their rates were not lowest or their rates were higher than the estimated rates or rates quoted by other contractors. Therefore, the Committee find that it is clearly established that—</p> <p>(i) Most of the contracts awarded to the Bharat Sevak Samaj were on negotiated basis. (8 out of 45 contracts were on tender basis).</p> <p>(ii) in some of the cases atleast, when the Bharat Sevak Samaj failed to do the work the other contractors did the same work at cheaper rate.</p> <p>(iii) in other cases when tenders were invited, the contracts were given to the Bharat Sevak Samaj even though their rates were not lowest (the lowest tenderer was not awarded the contract) Bharat Sevak Samaj were given the contract at a price higher than the lowest quotations.</p>

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In view of these facts the Committee do not appreciate the justification for awarding contracts to the Bharat Sevak Samaj mostly on negotiated basis, which is not a normal or usual practice. Nor do these facts show that the Exchequer benefitted in any way by the award of these contracts to the Bharat Sevak Samaj. The Committee are constrained to observe that in all these cases the sanctity of the tender system has been violated. Even if an immediate advantage occurs by such violation, it tends to defeat the long term objective.

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Works & Housing
Health.

With regard to the contract for road work in the village Naraina near Delhi, the Committee are intrigued to find that the case is not such as it has been made out to be. It has been argued that the work was given to the Bharat Sevak Samaj not as a favour or concession but as it was thought that without the cost of levelling of the hill area this work could be got done.

The Committee, find however that the acceptance of the work by the Bharat Sevak Samaj was conditional in that they stated in their letter dated the 6th December, 1962 that they proposed to do the work at 40% above the scheduled rates of the C.P.W.D. "*provided the Narayana hill is open for us for quarry.*" The Bharat Sevak Samaj actually wanted to gain an advantage thereby as they would not be required to bring the stone for road building from a distance. But when this hope was not realised as the stone from the hill-ock was found to be too soft, the Bharat Sevak Samaj got the contracts cancelled. Later on the some work was done by others at cheaper rates. This concession of getting the stone from nearby hillock was not extended to any other contractor and inspite of these the Bharat Sevak Samaj quoted

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			<p>rates which were higher. The Committee can find no justification for this special treatment of B.S.S. The Committee would like this matter to be investigated and responsibility fixed.</p> <p>The Committee also find from a note read out by the Secretary, Ministry of Works and Housing that it did not bear out or justify the claim or reasons advanced by the Secretary, of the Ministry in awarding this contract to Bharat Sevak Samaj.</p>
57	71	Works & Housing	<p>The Committee would like to know if the work which was considered necessary to be completed quickly has actually been completed since. If not, they would like to know the present position.</p>
58	72	Do.	<p>The Committee had desired to be furnished with the following information in respect of para 65 of the Audit Report.</p> <p>(1) <i>Para 65 (i)</i> In October, 1962 the Department rescinded the agreements for the six sections. Even at this stage, did the Department enquire into the capacity of the Samaj for taking up the work and enforce penalty <i>e.g.</i>, by recovery of the extra cost of the portion executed departmentally?</p> <p>(2) <i>Para 65 (ii)</i> Is the increase in rates justified in this case considering that the truck-load rate had been converted into rates per hundred <i>c.f.t</i> on the basis of actual observations of 14 truck-loads? Would it not be a case of under-loading of trucks to justify the claim for higher rates?</p> <p>(3) It has since been ascertained that upward revision of rates were allowed in three other contracts also at Rewari, Rampura village and Cantonment. In respect of all these works,</p>

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			<p>sales-tax was also allowed in addition although it was not provided at the time of the award of the contract.</p> <p>What was the justification for allowing sales tax in addition?</p> <p>(4) It appears from the findings of the Chief Technical Examiner, that in as many as 9 cases (out of 19) a large number of defects, in some cases major defects, had been found.</p> <p>(a) How were such works passed by the C.P.W.D. Engineers ?</p> <p>(b) Were the Engineers of Central or State P.W.D. in charge of these works on behalf of the Bharat Sevak Samaj?</p> <p>The Committee regret that the information on the above points is still awaited.</p>
58	73	<p>Planning Commission</p> <hr/> <p>Works & Housing</p>	<p>In view of the facts disclosed, the Committee cannot but come to the conclusion that the task proposed to be allotted to the Bharat Sevak Samaj in the 4th Five Year Plan in the field of construction activities needs to be carefully scrutinised and modified.</p>
59	74	<p>Planning Commission</p> <hr/> <p>Finance (Revenue.)</p>	<p>On an examination of the various materials placed before the Committee relating to the exemption from tax granted in respect of the profits from contracts, executed by the Bharat Sevak Samaj, the Committee cannot escape the feeling that the fact that the Bharat Sevak Samaj was engaged in a commercial activity on a large scale was first lost sight of by the Income Tax Department for more than seven years and that when the Planning Commission was obliged to approach</p>

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the Ministry of Finance for issue of tax clearance certificates on the basis that no tax was payable by the Samaj or any of its agencies, the Ministry had displayed an undue anxiety to declare the Samaj as a charitable institution without calling for and looking into the account books of the Samaj and even without examining properly and adequately the legal implications of the provisions relating to the charitable institutions in the Income-tax Act 1961. The reference made to the Ministry of Law in 1964 was more full of assumptions than a clear examination of the true facts and the Law Ministry guardedly gave the opinion that on the facts stated by the Ministry of Finance, the view could be supported that the Bharat Sevak Samaj was a charitable institution.

60 75 Planning
Commission

Finance
(Revenue)

The question that has troubled the Committee a good deal in the course of discussions was whether the Construction Service has no separate existence and is merely a convenient name to designate that part of the activity of the Bharat Sevak Samaj relating to construction works.

To top it all the Ministry of Finance is its note to the Law Ministry have stated that the Construction Service is a properly held under trust by the Bharat Sevak Samaj for charitable purposes. The Committee are unable to find any material to support this assumption, nor has the Committee been assisted in the course of the evidence given by the Ministries' officials in finding out the true nature of this Construction Service.

However, examining the issue from each of these two positions, the Committee are of the view that the legality of exempting the profits from construction works under the Income-tax Act 1961 is open to doubt. If the Construction Service is merely a part of the activities of the

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Bharat Sevak Samaj pursuant to its objectives, the Samaj will not be eligible for the exemption provided under section 11 of the Income-tax Act 1961 because of the altered definition of "charitable purpose" in the new Act. Under the new Act, it is not every object of general public utility which will be regarded as a charitable purpose but only those objects which do not involve the carrying on of an activity for profit. [(see S.2(15)].

In the opinion given by the Counsel for the Bharat Sevak Samaj it is stated that this qualification in the new Act, did not in any way alter the meaning and content of the definition and merely expressed what was implicit in the definition under the old Act. This view does not appear to the Committee to have been based on a correct appraisal of the intention of the Parliament. When this definition was enacted, Parliament did not mean to bring out what was implicit previously but definitely intended to restrict the scope of the charitable purposes only to those objects which did not involve any activity for profit. This is clear from the following extract of the speech of the Finance Minister while piloting the Income-tax Bill in the Rajya Sabha on 4th September, 1961 :

"I shall now turn to another objection which has been raised questioning the necessity, in order to carry out Government's intention of adding the works 'not involving the carrying on of any activity for profit' in clause 2(15). The definition of charitable purpose in section 4(3)(i) of the existing Act was originally based on the definition given by Lord Macnaghten in what is known as the Pemsel case. He defined 'charitable purpose' as relief of poverty, advancement of education, advancement not falling under any of the preceding heads. But the Indian definition was wider in that the words the advancement of any other object of

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general public utility' took the place of the words 'other purposes beneficial to the community' used by Lord Macnaghton. The effect of these was that trusts which were not in essence charitable and would have been excluded from the purview of charitable objects in England were allowed to be considered as objects of general public utility in India. The process of widening the scope of charitable purpose was aided by another doctrine evolved by the course that it is not a necessary element in a charitable purpose that it should provide something for nothing or less than its cost or for less than the ordinary price, that is, the charitable element is not essential for a charitable purpose. Thus, running a newspaper itself was claimed to be a charitable object of general public utility even though a newspaper charged its readers and advertisers at the ordinary commercial rates. This was the law laid down in the case of Trustees of the 'Tribune' referred to by Shri Pathak. By gradual stages, a trust for the maintenance of a public swimming pool and a Chamber of Commerce deriving income from house property claimed as charitable institutions on the ground that their services are for the advancement of an object of general public utility. A logical extension of this would be for a hotel to argue that it caters to the general public without any distinction of caste or creed and, therefore, it subserves an object of general public utility. It is certainly not the intention that the expression "advancement of any other object of general public utility should cover cases of such commercial activities and should lead to these activities themselves being treated as 'charitable activities'. It was, therefore, necessary to state it clearly in the law that any activity for profit shall not in itself be regarded

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as a charitable purpose." (R. S. Debate dated 4-9-61, Column 2925 2926).

He also stated :—

"Clause 2(15) says that the trust having derived its income from the business or the investment should spend it only on the purposes mentioned in that provision and not on furthering business interest. Thus if a newspaper undertaking is placed under a trust and the income of the undertaking is required to be spent and is actually spent on, say, medical relief, its income is exempt from tax. However, if after earning the income, it does nothing but develop or carries on its business or the income is spent on some other utilitarian purpose, it does not qualify for the exemption." (*ibid* Col. 2925).

From the foregoing it seems clear that if the profits or any portion of it arising from the construction activity are spent on the construction activity itself, the purpose ceases to be charitable. From the facts narrated in the preceding paragraphs it is clear that the construction activity itself is claimed to be a charitable activity pursuant to the objects of the Samaj and therefore the money spent on this activity has been claimed to be money spent for charitable purposes. This claim does not appear to be sustained by the definition of charitable purpose as set out above.

Apart from this, even as regards that portion of the earnings which is placed in the general fund for being spent on purposes other than the construction work, such amounts will qualify for exemption only if the income is derived from property held under trust or a business undertaking held under trust for charitable purposes. Whatever may be the position of Construction Service under the old Act, under the new Act a distinct classification is made between property held under trust and a business undertaking

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held under trust. The Construction Service may, more appropriately, be regarded as a business undertaking.

Even assuming that the income derived from this business undertaking is under the legal obligation implied from the registration of the Bharat Sevak Samaj under the Societies Registration Act to be spent on charitable purposes, no exemption can be given unless:

- (i) there is a claim for such an exemption; and (ii) the Income-tax Officer determines the income of such undertakings in accordance with the provisions of the Income-tax Act (by calling for accounts etc.) and where the income so determined is in excess of what is shown in the accounts, such excess shall be chargeable to tax.

It is implied in these conditions that such a claim has to be made and such an examination has to be conducted every year so that if in any particular year either the income is not applied to charitable purpose or the income determined is in excess of income shown in account, necessary action to bring such amounts to tax is taken.

In this case, these conditions have not been complied with and yet the exemption was given not only for the year in respect of which the Bharat Sevak Samaj asked for the tax clearance certificates but also in respect of the earlier years as well.

If the Construction Service is held to be a separate entity which because of its separate constitution, objects and powers it appears to be, not all the objects set out by it in clause 4 of its objectives come within the legal meaning of charitable purpose *vide* for example objects (iii) and (v). Even if one object is non-charitable and if the income of the institution or trust can be spent on any one of the objects at the discretion of the persons managing the institution or the trustees as the

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case may be, if the institution ceases to be a charitable institution under the law. In this connection the Committee would like to invite attention to the following decision taken by the Planning Commission in its meeting held on 27th August, 1963 about loan assistance to voluntary organisation for the construction of commercial buildings:

“The main object of the scheme was to assist the voluntary organisations to have an independent permanent recurring source of income and thus reducing their dependence on Government Grants.”

Apart from this, Construction Service itself has not been registered under the Societies Registration Act and hence there is no legal obligation on its part to spend all its income on the charitable objects.

Thirdly, the Construction Service has to place its funds at the disposal of the Administrative Committee of the Bharat Sevak Samaj after allocating the money to its own reserves for purposes of being spent on the expansion of its activities. The Construction Service has, thus, no control over the funds which it hands over to the Administrative Committee and thus is not in a position to ensure whether the money is spent on charitable purposes as known to law.

All these would disentitle the Construction Service to be regarded as charitable institution.

Although the Construction Service was started in 1955, the Income-tax Department did not take any steps to ascertain the nature of the activities of the Construction Service for the purpose of finding out the assessability or otherwise of the income till 1962 when the Planning Commission and the Bharat Sevak Samaj were obliged to approach the Department for a tax clearance certificate. The actual certificate was issued somewhere after August

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1964. In each of these years from 1955 to 1964, the Income-tax Officer should have called for the account books of the Construction Service. The reason for the failure to do so is not clear to the Committee.

Further, the whole procedure adopted in this case for issue of a tax clearance certificate appears to the Committee to be rather extraordinary. Normally, when any person requires a tax clearance certificate he has to approach the Income-tax Officer having jurisdiction over the area in which that person resides or carries on business for the issue of the certificate. The Income-tax Officer issues such a certificate after verifying whether all taxes that are due from the tax payer have been paid or whether satisfactory arrangements have been made for the payment of such taxes. If the assessee is not borne on the file, the Income-tax Officer calls for the accounts, scrutinises them to find out whether any tax is payable on the income earned by the assessee. If it is found that the assessee has earned chargeable income, the assessment proceedings are immediately started and only on completion of such assessment proceedings or on the assessee furnishing adequate security for the payment of tax likely to arise as a result of the completion of the assessment proceedings, the tax clearance certificate is issued. In this particular case, admittedly the Bharat Sevak Samaj or the Construction Service were unable to produce the accounts and they adopted the rather extraordinary procedure of writing to the Central Board of Revenue seeking its intervention for issuing instructions to the Commissioner of Income-tax to grant the tax clearance certificate on the ground that the Samaj would not be liable to pay income tax for the profits accruing to it from the Construction Service. When the Commissioner of Income-tax was asked by the Central Board of Revenue to report on this request, the Commissioner of Income-tax informed the

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Board in September, 1963 that it cannot be said with certainty that the Construction work itself is held under "Trust" simply because the Construction Service has been sponsored by the Bharat Sevak Samaj. However, he was directing the issue of the tax clearance certificate pending final decision in the issue raised by him. In October, 1963, the Board asked the Commissioner of Income-tax to give a further report and his specific finding on the facts of the case. In reply to this he informed the Board in January, 1964 that he was satisfied that the Bharat Sevak Samaj was a charitable institution.

On the basis of this report from the Commissioner and on the basis of an incomplete statement of receipts and expenses which did not reflect all the transactions of the Construction Service, and which were unaudited, the Board came to the decision that the Construction Service was a property held under trust. The Committee cannot but express surprise at the way the normal procedure had been deviated from in this case and a decision arrived at based on incomplete and inadequate data.

61 76 Planning
 Commission
 Finance
 (Revenue.)

What the Committee are unable to understand is how tax clearance certificate could be directed to issued in September, 1963 when the audited accounts had not been submitted and when the question whether the Samaj was liable to tax on such surplus as might accrue from construction works had not yet been decided. Moreover, the Ministry of Finance (Department of Revenue) in their note have stated that "the Income-tax Officer will now verify whether the requirements of law in other respects are satisfied or not. Accordingly, steps are already being taken to obtain the audited accounts of the Samaj for ascertaining the application of its income." The Committee do not appreciate this departure from normal procedure, in issuing tax clearance certificate, even

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			<p>before satisfying whether the requirements of law are satisfied or not.</p> <p>In these circumstances the Committee suggest that the Board should immediately call for the accounts and satisfy itself that on the facts emerging from the examination of such accounts, all the requirements of the law are, in fact, fully and completely satisfied to earn the exemption in respect of every one of the assessment years involved.</p> <p>As the Bharat Sevak Samaj has not so far produced the accounts, the Committee would suggest that pending production of the accounts the tax clearance certificates may be withdrawn. If on an examination of the accounts it is found that no tax is recoverable from the Samaj, the tax clearance certificates may be re-issued.</p>
62	77 Planning Commission		<p>The Committee are not convinced with the arguments given by the Secretary, Planning Commission that it was within the scope and functions of the Planning Commission (a) to have set up an agency like the Bharat Sevak Samaj, and (b) to have given grants loans other facilities to that body from year to year. They feel that work of this nature should more appropriately have been entrusted to one of the Ministries of the Government of India.</p>
63	78 Planning Commission		<p>(a) The idea about setting up the Bharat Sevak Samaj took shape and was sponsored in the Commission; it derived strength from the Commission at whose instance facilities, concessions and financial assistance in the shape of grants and loans have been allowed to it till that body has developed into a huge organisation which is sustained mainly by the loans and grants given from the public exchequer.</p> <p>The Planning Commission, being a Government Organisation whose accounts and finances are subject to proper scrutiny, is subject to normal rules and procedures and financial discipline and is finally</p>

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accountable to Parliament. But the Bharat Sevak Samaj has not so far been subjected to the control required to be exercised by the Ministries and Departments of Government which give it large grants and loans and unusual concessions; its consolidated accounts which alone could give a complete and overall financial position are not prepared; the complete accounts are not brought under the audit scrutiny of the Comptroller and Auditor General of India though the transactions run into crores of rupees. According to present indications the transactions of the Construction Service itself may run into Rs. 90 crores by the end of the Fourth Plan.

The Committee have not, inspite of their best efforts, been able to place the Bharat Sevak Samaj in any known category of organisations. It is stated to be a private society registered under the Societies Registration Act, but its most important office-bearers have been Ministers of the Union Government and several of Government officers have been sent on deputation to that Organisation. It is not a Government Organisation and yet it is considered under Government orders as "a limb of the Planning Commission"; it is given facilities in constructional activities which are not available to Government Corporations like the N.B.C.C. and N.P.C.C. and Hindustan Housing Factory Ltd.; the case for exempting it from the payment of income-tax is sponsored by the Government itself ; it earns profits which are exempt from tax and which are claimed to be spent for the benefit of the Community.

While the Committee are in entire agreement with the philosophy and economics behind the scheme for voluntary co-operative organisations for public co-operation, they cannot view with equanimity the dimensions to which the Bharat Sevak Samaj is dependent on Government assistance in the shape of loans and grants

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and other facilities. In this connection the Committee would again invite attention to the following decisions taken by the Planning Commission themselves in their meeting held on the 27th August, 1963 :—

“The main object of the scheme was to assist the voluntary organisations to have an independent permanent recurring source of income and thus reducing their dependence on Government grants.”

The Committee would also like in this connection to quote *in extenso* from the observations made by the Chairman at the meeting of the National Advisory Committee on Public Co-operation held on 27th and 28th August, 1960 :—

“Chairman said that the question of enabling voluntary organisations to have an adequate administrative structure was very important. It was good that Finance Minister was also there when they were discussing this question. They should not approach this question from the point of view of doing something for the sake of voluntary agencies. Instead they should realise that in our country voluntary activity, service and public participation had to be mobilised on a scale which was incomparable to what was now obtaining, for the overall purpose of implementing the programme of national development. The paramount question was how this could be accomplished? If giving grants to voluntary agencies was likely to have a depressing effect, then the very object would be defeated. But, on the other hand, meeting a certain proportion of the expenditure by way of grants or some help, for a temporary period, was considered to be

useful in securing the overall objective, then, that could be considered favourably. His own experience in trying to raise contributions for the Bharat Sevak Samaj was that small contributions could be raised by these were insufficient to keep pace with the expansion of the activities and the growing needs to have some full-time workers. Most of the voluntary workers developed a feeling that all their time was being utilised in raising contributions. The result was that their work of mobilising the people suffered. They should, therefore, approach this question from the point of view of how far and to what period, some kind of assistance might be extended to voluntary organisations to tide over the initial difficulties, without in any way creating in them a feeling of dependence on government grants. Whatever might be the quantum of assistance, it should be only for a period and the proportion also should not be large."

The Committee are in agreement with the above views expressed by the Chairman of the National Advisory Committee on Public Co-operation that whatever might be the quantum of assistance given to a voluntary organisation, it should be only for a limited period and the proportion also should not be large. The Committee are doubtful whether these two criteria have been made applicable to the Bharat Sevak Samaj. The history of that organisation during the last 12 years would indicate that its dependence on governments grants loans other facilities has been increasing instead of diminishing. The character of that organisation has also somewhat changed since it started undertaking construction activity with the object of 'making profit'.

Several witnesses deposed before the Committee that the Bharat Sevak Samaj has

several achievements to its credit in the field of enlisting public co-operation in various activities. The Committee have no intention of under estimating these achievements. They have however, found that several claims made on behalf of the Bharat Sevak Samaj could not be fully justified by facts and figures.

The Committee cannot overlook the anomalous situation created by the continued assistance given to the Bharat Sevak Samaj from the various government sources *viz.* that on the one hand, it is given year after year (i) assistance from the public exchequer in the shape of huge grants loans (ii) government accommodation, either free of rent or at concessional rent (even when there is continued shortage of accommodation for government requirements) (iii) loan of technical government personnel on deputation, and (iv) several other facilities which are not available to government corporations like the N.B.C.C. etc. On the other hand, this organisation is not under any financial discipline; (i) it has not prepared consolidated accounts for any year since its inception, with the result that a clear picture of its overall financial position is not available; (ii) its annual accounts are not subject to scrutiny by the C. & A.G.; (iii) its activities are not subject to overall review by any government machinery; and (iv) parliamentary control over the huge funds placed at its disposal from the Consolidated Fund of India is feeble. In order to resolve this anomalous situation and in view of the task proposed to be allotted to the Construction Service of the Bharat Sevak Samaj in Fourth Plan, the Committee are of the view that it is desirable to convert the Bharat Sevak Samaj into an organisation set up under a separate legislation with clearly defined objectives with the required flexibility in its day to day working, and obligation to prepare consolidated annual accounts and their audit by C. & A. G.

(b) The Committee would, however, like that in the meanwhile, the following suggestions should be implemented :

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- (1) In view of the large transactions and the amounts of Government funds made available to the Bharat Sevak Samaj, preparation of consolidated annual accounts duly audited by C. & A.G., giving an overall financial position of the organisation should be insisted upon.
- (2) Here, the Committee would like to reiterate the following observations made in para 51 of their 8th Report (3rd Lok Sabha) :

“It would be advisable for the Government to lay down certain broad and healthy conventions and formalities to be observed by persons holding high official position when they are either participants or patrons of non-official organisations which have any financial dealings with the Government.”

In this connection the Committee are of the view that in order to set up healthy conventions and traditions in administrative and financial matters, it is desirable to lay down that :

- (i) No Minister of the Central Government should be associated with a private organisation which enters into contracts with Departments of Central Government.
- (ii) Same principle should normally apply in the case of private organisations receiving grants. If any, exceptions are to be made they should be made only with the approval of the Cabinet in very special cases.

The Committee suggest that these points may be suitably incorporated in the Code of Conduct for the Ministers.

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- (3) Now that the work relating to Bharat Sevak Samaj and other non-official organisations relating to public co-operation has increased considerably it should be considered if the work should not be dealt with by an Executive Ministry of the Government instead of by the Planning Commission.
- (4) The Public Accounts Committee had recommended in para 69 of their 34th Report (2nd Lok Sabha) that an early decision should be taken on the question of channelising all the grants given by Government to the Bharat Sevak Samaj through a single Ministry. Details showing action taken in the matter have been furnished in reply to questionnaire, para X. The Committee, however, feel that in view of the facts disclosed and the opinion expressed by the Secretary, Ministry of Information and Broadcasting, the question needs to be re-examined.
- (5) An annual review containing an independent evaluation on behalf of Government of the work done by voluntary organisations which receive substantial grants-in-aid from Government should be made in future and included in the Annual Reports of the Ministries presented to Parliament.
- (6) The fact that the National Advisory Committee did not meet after 22nd November, 1961, would seem to indicate that two specific functions allotted to it *viz.*
- (i) to receive reports from the Central Board of the Bharat Sevak Samaj and consider such specific matters as may be referred to it for advice by the Central Board ; and

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			(ii) to make suggestions and recommendations to the Central Board of the Bharat Sevak Samaj on matters of policy and on programmes relating to public co-operation, were not carried out adequately.

