

HUNDRED AND THIRTY-FIFTH REPORT

PUBLIC ACCOUNTS COMMITTEE (1987-88)

(EIGHTH LOK SABHA)

**NATIONAL PROJECT
ON
BIOGAS DEVELOPMENT**

**MINISTRY OF ENERGY
(DEPARTMENT OF NON-CONVENTIONAL
ENERGY SOURCES)**

[Action Taken on 96th Report (8th Lok Sabha)]

*Presented to Lok Sabha on 29 April, 1988
Laid in Rajya Sabha on 29 April, 1988*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1988/Vaisakha, 1910 (Saka)

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PUBLIC ACCOUNTS COMMITTEE

(1987-88)

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*Ceased to be a Member of the Committee consequent on his retirement from the Rajya Sabha w.c.f. 2.4.1988.

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee as authorised by the Committee, do present on their behalf this Hundred and Thirty-Fifth Report on action taken by Government on the recommendations of the Public Accounts Committee contained in their 96th Report (Eighth Lok Sabha) on National Project on Biogas Development.

2. The Committee have emphasized that the objective of providing social justice and aiding poor and economically weaker sections of the people especially SC/ST and adivasis, would be better served if rates of subsidy are further enhanced in cases of biogas plants of small size. The Committee have also regretted that even after Directorate of Economic Research had pointed out the discrepancy as early as 1981-82, the Ministry of Energy took more than 7 years to initiate action against the persons found guilty of dereliction of duty. In the opinion of the Committee this is evident of the lackadaisical approach of the Ministry. The Committee have recommended that all cases of fictitious reporting and mis-appropriation of public money should be investigated and immediate penal action taken against those found guilty.

3. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 21 April, 1988. Minutes of the sitting form Part II of the Report.

4. For facility of reference and convenience, the recommendations and conclusions of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix II to the Report.

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

NEW DELHI ;
April 26, 1988
Vaisakha 6, 1910 (S)

AMAL DATTA,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

1.1. This Report of the Committee deals with Action taken by Government on the Committee's recommendations/observations contained in their report* on National Project on Biogas Development (Department of Non-conventional Energy Sources).

1.2. The Committee's Report presented to Lok Sabha on April 30, 1987 contained twenty recommendations. Action taken notes have been received from Government in respect of all the recommendations/observations. The Action Taken Notes received from the Government have been broadly divided into three categories as indicated in Appendix I.

1.3. The National Project on Biogas Development was sanctioned as a Central scheme to provide energy in a clean unpolluted form, produce enriched fertiliser, preserve dwindling fuel wood supplies, check indiscriminated felling of trees and deforestation, and bring improvement in rural life. The Committee noted that the programme had become widely acceptable and very popular with marginal farmers, village women, adivasis and other economically backward people, as it was convenient and economical. It has multiple benefits and was the first step towards improving rural sanitation and environmental hygiene. The setting up of more Biogas Plants would reduce ecological imbalances and deforestation. They pointed out that National Biogas Development programme alone was capable of relieving the miseries and drudgery of village life.

1.4. The Government appreciated the importance of this programme and accepted most of the recommendations contained in Ninety-Sixth Report of Public Accounts Committee. A budget outlay of Rs. 177.00 crores was made available for the National Project for Biogas development for the Seventh Plan period, which according to DNES was enough for achieving a physical target of about 3.5 lakh biogas plants. For 1987-88, the Budget Estimates was Rs. 42 crores with a physical target of 1.2 lakh plants. Similarly it was proposed that a target of 2.50 lakh plants may be repeated for 1988-89 and 1989-90 with an additional budget allocation of Rs. 87 crores for each year. In the succeeding paragraphs the Committee deal with the action taken by Government on some of the recommendations/observations.

*Ninety-sixth Report (Eighth Lok Sabha) on paragraph 27 of the Report of C & AG of India for the year 1984-85 (Civil) Vol. I relating to National Project on Biogas Development.

Small Size Biogas Plants
(Sl. No. 2—Paragraph 49)

1.5. The Committee had found that higher rates of subsidy having been made available to scheduled castes/scheduled tribes and economically weaker sections of the people, more people were going for biogas and during 1984-85 about 59% beneficiaries who installed biogas plants belonged to the weaker sections. In addition a small size biogas plant developed by DNES, capable of being connected to sanitary latrines, which was becoming more popular among the poor as it minimised dependence on cattle and other feed stock. The Committee had recommended that with a view to giving benefit to poor and economically weaker sections of people, building up of small size biogas plants should be taken up on priority basis. The objective of providing social justice and aiding poor and economically weaker sections of the Society, would be better served if biogas plants of small size are installed at the premises of such people at nominal cost/subsidised rates.

1.6. In their Action Taken Notes, which is reproduced, in Chapter IV of the report, the DNES have stated that the State Governments and programme implementing agencies have been instructed to promote small capacity biogas plants on a larger scale so as to cover the poor and economically weaker sections also. The rates of subsidy for smaller size biogas plants i.e. upto 3 cubic metres gas production per day have been retained without any change, while rates of subsidy for higher capacity of plants have been reduced so that smaller capacity plants become more attractive.

1.7. The Committee are of the opinion that the objective of providing social justice and aiding poor and economically weaker sections of the people, especially SC/ST and adivasis, would be better served if rates of subsidy are further enhanced in cases of biogas plants of small size. The Committee would like to be apprised of action taken in this direction.

Incomplete and Uncommissioned Plants
(Sl. No. 12—Paragraph 73)

1.8. The Committee had pointed out that due to various reasons such as technical defects in construction, non-provision of appliances, non-availability of sufficient cattle dung etc., many plants were not functioning in a number of States. A limited survey conducted by Directorate of Economic Research of 13,216 biogas plants installed by KVIC during 1974-75 to 1981-82 in 14 districts of Bihar, Maharashtra and Tamil Nadu revealed that only 9,586 were working, 2804 plants were not working and 826 plants did not exist. The Ministry of Energy (Deptt. of Non Conventional Energy Sources) had stated that principal reasons for non-functioning/

non-commissioning of plants were recurrence of floods and drought, migration of cattle due to drought and such other eventualities. The Committee were informed that suitable action was being taken against the erring officials and instructions had been issued to the Governments directing them to get completion certificate issued by BDOS. The Committee had deprecated this unsatisfactory state of affairs and had desired the Governments to look into these cases of irregularities with greater care.

1.9. In their action taken notes which is reproduced in Chapter IV, the Ministry of Energy (Department of Non-conventional Energy Sources) have stated that the Khadi and Village Industries Commission has conducted resurvey of plants reported non-existent in the original survey. According to this re-survey, the number of non-existent plants in Bihar, Maharashtra and Tamil Nadu are 1777 and 31 respectively. The KVIC has identified four officers in Bihar and three officers in Maharashtra responsible for issuance of completion certificate in respect of some of the above plants and have already issued Memos to four officers in Bihar and one officer in Maharashtra.

1.10. It is regrettable that even after Directorate of Economic Research had pointed out the discrepancy as early as 1981-82, the Ministry of Energy took more than 7 years to initiate action against the persons found guilty of dereliction of duty. This discloses the approach of the Ministry of Energy as lackadaisical. The Committee recommend that all cases of fictitious reporting and mis-appropriation of public money should be investigated and immediate penal action taken against those found guilty. To detect these cases of fictitious reporting and mis-appropriation it is necessary that suitable machinery is set up for continuous monitoring of the programme. The Committee would like to be apprised of the action taken within six months.

CHAPTER-II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

In 1981, the National Project for Biogas Development (NPBD) was sanctioned as a Central Scheme involving an outlay of Rs. 50 crores on account of subsidy, administrative overheads organisational support to State Governments, fee for turn-key jobs and training, with the target of setting up 4 lakh biogas plants during the Sixth Plan period. An amount of Rs. 150 crores was also to be raised through financial institutions for achieving the target. The main objectives of the project are to provide energy in clean unpolluted form, produce enriched fertiliser as by product for supplementing and optimising the use of chemical fertilisers; preserve dwindling fuelwood supplies, arrest indiscriminate felling of trees and deforestation, eliminate smoke filled cooking method and reduce drudgery, eye diseases of women in rural areas and bring improvement in rural sanitation. The programme was implemented through the Ministry of Agriculture (Deptt. of Agriculture and Cooperation) upto September, 1982. Thereafter, it was transferred to the Ministry of Energy, Deptt. of Non-Conventional Energy Sources (DNES).

The Working Group on new and renewable sources of energy constituted for formulation of the Draft Seventh Plan documents recommended a target of 15 lakhs biogas plants for the Seventh Plan with an outlay of Rs. 300 crores. Less than Rs. 200 crores were sanctioned as against an allocation of Rs. 600 crores sought by the DNES for the Seventh Plan.

The Committee note that the programme has become widely acceptable and very popular with marginal farmers, village women, adivasis and other economically, backward people as it is convenient and economical has multiple benefits and is the first major step towards improving rural sanitation and environmental hygiene. The setting of more plants will reduce ecological disturbance and deforestation. Biogas is probably the only programme capable of relieving the miseries and drudgery of village life, especially of village women. Progress of the implementation of the programme is slow due to inadequate finance. The Committee urge the Government to give top priority to this project. The

Government should take measures to motivate people to bring out literature in regional languages on the advantage of biogas.

[Sl. No. 1 (Para 46-48) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

A budget outlay of only Rs. 177.00 crores was made available for the National Project for Biogas Development for the Seventh Plan period, which was enough for a physical target of about 3.5 lakh biogas plants. For 1987-88, the Budget Estimates is Rs. 42 crores with a physical target of 1.2 lakh plants. A proposal has already been formulated for additional allocation of Rs. 45 crores with an enhancement of the target from 1.2 lakh to 2.50 lakh plants for 1987-88. Similarly, it is proposed that a target of 2.50 lakh plants may be repeated for 1988-89 and 1989-90 with an additional budget allocation of Rs. 87 crores for each year. These proposals have been sent to the Planning Commission.

State Government and KVIC have already brought out literature in regional languages on the advantages of biogas plants. The Department of Non-Conventional Energy Sources has also brought out a poster and a brochure, both in Hindi and English. Films on various aspects of biogas technology, including sanitary latrine linked biogas plants, have also been brought out recently. Further the State Governments have been advised to bring out more literature in regional languages by availing funds given to them under "service charges for organisational support."

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4 12.87].

Recommendation

Secretary, DNES, during evidence said that biogas plants were more economical and employment oriented than fertiliser plants. Illustrating this, it was said that while an investment of Rs. 300 crores including Rs. 100 crores in foreign exchange would be required for a coal based fertiliser plant to produce 2.30 lakh tonnes of urea per annum, an investment of only Rs. 261.05 crores would be required for producing an equal quantity of fertilisers. Further, while the former would consume about 35 megawatts of power, the latter would generate energy to the equivalent of 6,35,000 lakh MWh. Again while the former would provide employment to nearly 1000 persons, setting up of 26,150 biogas plants would give employment to 1,30,750 persons. Besides, biogas produces good quality manure from organic waste materials like cattle dung which is rich in

humus and micro-nutrients and provide nitrogen phosphates and potash to crops. The Committee hope that Government especially the Planning Commission, would take note of the economic and employment potential of the biogas projects vis-a-vis chemical based fertiliser plants and earmark suitable funds for development and propagation of biogas projects in the country.

[Sl. No. 3 (Para 50) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The Planning Commission has been informed about this recommendation/observation made by the Public Accounts Committee (1986-87) vide Deptt. of Non-Conventional Energy Sources letter No. 1-5/87-BG dated 15.9.1987. A copy of the letter alongwith enclosure is attached (not enclosed). Comparative analysis of benefit/advantage of investment in biogas development as non-conventional sources of energy vis-a-vis chemical fertiliser industry brings out clearly that investment in biogas plants is advantageous from the point of view of production of enriched manure and has also a direct bearing on improving soil health and increasing crop production.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

Recommendation

Running of community biogas plants by Panchayats will greatly benefit the Panchayat as well as the concerned persons. In the event of running such plants, villagers will have some income by selling their cattle dung to the Panchayat, which in turn will induce them to purchase more cattle. Besides they would get good quality manure.

The Panchayats will augment their income by selling gas and manure. The Secretary, DNES, informed the Committee that institutional biogas is being encouraged by the Government and all dairies in the country having cattle have been asked to instal these plants. The approach of Government towards community biogas is, however, very cautious on the apprehension that villagers all over India had good organisational capability. The Committee note that biogas plants can benefit only those farmers owning more than four heads of cattle. In view of the multiple benefits these plants provide the Committee urge the Government to encourage biogas facilities to all those who need it. There are villagers who collect cow dung as a

part of their profession and can use it for the biogas plants. As such eligibility criteria on the basis of cattle ownership should be changed.

[Sl. No. 4 (Para 51) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The State Governments/Implementing Agencies, have been instructed to conduct a detailed study to determine the potential sites for community and institutional biogas plants and furnish techno-economically viable project proposals to DNES for sanctioning of funds. A copy of the Circular No. 5-10/1/87-BE, dated 24.11.87 issued to all concerned is attached (not enclosed). They have been requested to identify more sites for construction of Community/Institutional type biogas plants. The proposals may be formulated for such plants keeping in view the total feed material available including the cattle dung collected by some villagers.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87.]

Recommendation

The committee were informed that biogas plants upto the capacity of 25 cub. metres are handled by NPBD. Plants above 25 cub. metres are considered for the institutional plants and plants above 45 cub. metres capacity are considered for Community Biogas Plants under Community Biogas Plants/Institutional Biogas Plants Demonstration Scheme. During the Sixth Plan period, against a target of setting up of 100 community biogas plants, 101 plants with institutional Biogas capital outlay of Rs. 3 crores were installed. For the Seventh Plan period, a target of 450 plants with a capital outlay of Rs. 17 crores has been envisaged. During the first year of Seventh Plan, 72 plants, at a cost of Rs. 3.45 crores were installed and by the end of March, 1987, 80 plants at an estimated capital cost of Rs. 4.27 crores are proposed to be installed. The programme has gained momentum in the States of Andhra Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan and Uttar Pradesh, where potential for installation of Biogas plants is the maximum. Keeping in view the constraints on the availability of funds and increase in demand from different States, 90% of the capital cost for community biogas plants and upto 70% of the cost of institutional biogas plants are being financed by DNES. Government have been trying to undertake certain joint ventures by setting up Village Community Biogas under Oorja Gram Scheme involving local engineers and technicians and other public with a view to generating energy for use in cooking, heating, lighting, running television and such other activities. The

Committee consider that setting up of and development of institutional biogas and community biogas plants similar to as those set up at Masudpur near Delhi and Tiruchirapalli would be more economical than individual plants and would benefit a large number of individuals with few livestock and little room around to instal independent plants. Research and Development Wing must be strengthened and should concentrate on evolving technology of determining the quantity of fuel consumption so that the Gram Panchayats may make optimum use of cattle wealth by way of milk and gobar gas. This concept can be built up slowly and surely. In selected villages where organisations have public participation should participate in accelerated development of biogas projects. The targets for setting up such community biogas plants during Sixth and Seventh plans are insignificant in relation to the rural area and huge population of the country. The Government should give more stress on this project and make all out efforts to set up more community and institutional biogas plants in near future.

[Sl. No. 5 (Para 52) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

Setting up of Urja Grams are being accorded priority at the sites where CBP/IBPs are already existing. Gas requirements by individual families is normally determined based on their cooking habits and economic conditions to give it a more realistic basis. A base line survey is also carried out for ascertaining the cooking energy needs of the village families. Voluntary and other agencies who are involved in rural development programmes are increasingly being associated in implementing the programme especially operation and maintenance of these projects. With the State Governments setting up renewable energy development agencies and implementing agencies, the programme of CBP/IBP is expected to cover more villages. The targets for CBP/IBPs have been increasing progressively from year to year based on the infrastructural facilities coming up in different States. Presently this shows a definite rising trend.

[Ministry of Energy (Deptt. of NES) O.M. No. 1-5/87-BG, dated 4.12.87]

Recommendation

The Committee noted the manifold uses of biogas plants besides cooking and lighting namely use in preparation of medicine, irrigation, thrashing of grains, crushing sugarcane, running of flour mills and oil ghanis and similar other uses. Enriched manure produced from biogas is used for soil fertilisation and biogased slurry is free from pathogens capable of causing diseases like typhoid, dysentery, cholera, harmful organism like egg of

hookworm, tapeworm, liver flukes, etc. Biogas have higher thermal efficiency compared to kerosene, firewood, cow dung and charcoal. The term 'brown revolution' used in the context of changes in life-style among the poor and landless agricultural workers brought out by biogas is quite significant. It is heartening that Government are aware of the developments in this regard and are making efforts to put into use all urban refuse, solid wastes of city garbage including urban refuse of Delhi and organic solid wastes of the urban area. It is also considered imperative that special emphasis is laid on the setting up of biogas plants in slum areas so as to avoid smoke which will ultimately result in qualitative improvement in ecological environment and will result in profitable utilisation of human waste. The Municipalities and urban bodies should profit from the experience of Delhi where human waste is being profitably utilised for commercial use. The Committee urge the Government to draw up an all India plan of action in implementing this suggestion which besides improving environmental climate would also augment national finances. The Committee would like to be apprised of further developments.

[Sl. No. 6 (Para 53) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

More projects have been taken up to develop methods for comprehensive utilisation of slurry and multiple uses of biogas. In view of the present drought situation instructions have been given to State Governments implementing agencies to link water pumping with biogas plants. A large number of sites have already been identified in Delhi, Gujarat, A.P., Maharashtra and Bihar etc., to link up biogas digestors with Community toilets being set up in crowded places and slum areas. The gas will be used for water pumping and campus lighting. These projects are likely to contribute significantly towards utilisation of night-soil for energy production and at the same time reducing harmful effects of night soild disposal. More sites have been identified and feasibility studies are underway for recycling urban wastes for energy production, through sanitary landfills and incineration projects. However, more incineration projects will be taken up only after successful demonstration of the technology in respect of the Plant under installation in Delhi.

[Ministry of Energy (Deptt. of NES) O.M. No. 1-5/87-BG, dated 4.12.87]

Recommendation

The Committee note that while the area of operation of National Project for Biogas Development was the entire country, the Ministry of

Agriculture in consultation with the State Governments initially focussed its attention to 100 potential biogas districts and was later extended to 350 potential biogas districts, selected on the basis of norms formulated. Presently the programme is being implemented with equal vigour all over the country. The Ministry have advised State Governments to adopt a cluster approach for better implementation of the programme ; due priority should be given by way of differential rates of subsidy to North-Eastern Regional States, hilly and desert districts. With a view to remove the backwardness of the area, some preferential subsidy may also be paid to North-East and North-West frontier States, hilly and desert districts.

[Sl. No. 7 (Para 54) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The rates of subsidy have been revised w.e.f. 1.4.1987. The present rates of subsidy are given in the Annexure I and the old rates of subsidy are reproduced in Annexure II. The new higher rates of subsidy are given for the States of Arunachal Pradesh, Meghalaya, Manipur and Mizoram.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources) O.M.
No. 1-5/87-BG, dated 4.12.87]

ANNEXURE I

Rates of Central Subsidy for Setting up of Biogas Plants (Applicable with effect from 1.4.1987)

Capacity of plant (cum of gas per day)	For Arunachal Pradesh, Meghalaya, Manipur and Mizoram	For other North Eastern States, Notified Hill areas and desert districts	For other Areas For Scheduled Castes, Scheduled Tribes, Small & Marginal farmers including land-less labourers	For all other (General Categories)
1.	2250	1500	1250	830
2.	4410	2940	2350	1560
3.	5490	3660	2860	1900
4.	6580	4390	2140	2140
6.	8020	5350	2610	2610
8.	8020	5900	2850	2850
10.	8020	5900	2850	2850
15.	8020	6460	3100	3100

ANNEXURE II

Rates of Subsidy for Family Type Biogas Plants given in 1986-87

Capacity of plant (m ³ of gas per day)	<i>Amount of Central Subsidy (in Rs.)</i>		For all others
	For North-Eastern Region States, Sikkim and notified hilly areas and desert districts	Scheduled Castes, Scheduled Tribes, Small & Marginal Farmers, including landless labours	
1.	1500	1250	830
2.	2940	2350	1560
3.	3160	2860	1900
4.	4390	3220	2140
6.	5350	3920	2610
8.	6460	3100	3100
10.	8080	3700	3700
15.	11440	5430	5430
20.	15260	7300	7300
25.	17640	8190	8190

Recommendation

The Committee learn from the representatives of Andhra Pradesh Bihar, Karnataka, MP, Rajasthan, West Bengal and Tamil Nadu and KVIC that the biogas programme had become very popular in their respective states. While some States like AP, Tamilnadu and Karnataka have already developed administrative and infrastructural facilities required to meet the need of individual biogas owners resulting in expansion of the programme, others such as Bihar, MP, Rajasthan and West Bengal are picking up steadily. Mode of selection of beneficiary in different States is similar in nature, viz. availability, of cattle, water, size of the family holdings, etc. Mean while some States like AP, Karnataka and Tamilnadu, Government agencies motivate the people to avail of biogas facilities, in other States like West Bengal, Bihar and Rajasthan State Government agencies have failed to take the desired initiative due to one reason or other some of the difficulties experienced by the State Governments in implementing the programme are stated to be—(i) Andhra Pradesh needs more fund to meet the growing biogas requirements of the people, (ii) in Karnataka implementation of the programme has not been uniform in all the districts, (iii) in Rajasthan drought and poverty resulted in sale of cattle causing setback to the programme, (iv) West Bengal does not have and additional manpower sanctioned for implementation of the programme and only agriculturally advanced districts like Burdwan, Birbhum, and Midinapore took advantage of the programme and whereas others are yet to pick up, (v) in Madhya Pradesh unscrupulous persons taking advantage of 100percent subsidy to weaker section, misused the funds without building any plant, (vi) in Bihar administrative machinery does not appear to have been geared up for implementation of the programme. The Committee were informed by the Secretary, DNES, that the responsibility for detailed implementation of the programme lies with the State Government agencies and other agencies who are implementing the programme at the grass root level. However, at the Central level a close watch is kept on the implementation of the programme. The Committee are of the considered view that suitable methodology should be devised to activate and control participation of State Governments in this programme of importance, magnitude and potential. Development of non-conventional energy sources should be utilised as a measure of improving the rural economy, generation of employment and reducing the ecological disturbance and deforestation. Biogas plants have thus become today syhonymous with village sanitation. The Committee note that the programme is gaining momentum and it is essential at this stage to give a co-ordinated thrust to this programme by involving the corresponding municipalities, Gram panchayats, Dairy Farming Units and Cooperative functioning in the agricultural sector. The Committee urge the Government to chalk out an integrated development programme in consultation with the State Governments and ensure effective control over its implementation.

[S. No. 9 (Para 56) of Appendix II to 96th Report of PAC (8th Lok Sabha.)]

Action Taken

The recommendation of the Committee is accepted. A Committee has been set up to chalk out an integrated development programme for promotion of biogas plants in consultation with State Governments and to ensure effective control over its implementation. A copy of the order is enclosed. (not enclosed)

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

Recommendation

The Committee note that there has been a shortfall in achievements in setting up of biogas plants during Sixth Plan period in a States and one Union Territory and in 9 States, the shortfall ranges between 14 and 33%. Notwithstanding constraints the Government should ensure that targets once fixed are achieved. The Government should also make concrete efforts including payment of increased subsidy for implementation of biogas development projects in the economically backward North-Eastern Region and take effective steps in the removal of constraints noticed in this regard.

[Sl. No. 10 (Para 63) of Appendix II to 96th Report of PAC (8th Lok Sabha)].

Action Taken

During 1986-87, over 2 lakh biogas plants have been completed as against the target of 1.5 lakh plants (Annexure I). State-wise details are given in Annexure I. (not enclosed) All States/UTs have exceeded their target excepts AP, Assam, Jammu & Kashmir, Kerala, Manipur, Meghalaya, Rajasthan, Tripura and Pondicherry. As recommended, rates of Central Subsidy have already been increased for plants set up in the States of Arunachal Pradesh, Manipur, Meghalaya and Mizoram. Action has also been taken to involve voluntary organisations in setting up biogas plants, create more number of Regional Biogas Training and Development Centres (the number has increased from 3 to 8 in 1987-88, organise adequate number of training courses, provide higher repair charges for plants having structural defects, set up Task Forces under the aegis of NABARD for monitoring pendency of loan applications, etc.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

Recommendation

During the period from 1981-82 to 1984-85 13401 plants had been reported to the Central Government in excess of the plants actually installed. Principal reasons for this mis-reporting are stated to be decentralised nature of the programme, lack of trained personnel capable of systematic compilation of statistical data and frequent change of implementing agencies. DNES is stated to have taken a number of steps such as disbursement of subsidy within a prescribed time limit, setting up of a monitoring cell directly under the charge of DNES, field inspection of plants by officers of Regional Project Office of DNES and certain other steps, to prevent over-reporting. The Committee hope that Government would continue to maintain strict vigilance over the reporting agencies to avoid mis-reporting of facts so that future planning is not impugned due to furnishing of incorrect information.

[Sl. No. 11 (Para 67) of Appendix II to 96th Report of PAC (8th Lok Sabha)].

Action Taken

The recommendation is accepted. DNES has established Regional Project Offices and Biogas Monitoring Cells at Chandigarh, Jaipur, Bhopal, Hyderabad, Guwahati, Lucknow (H/q at Delhi). They have been charged with the responsibility to maintain strict vigilance over the reporting agencies to avoid misreporting of facts. Directions have also been issued to State Governments and programme implementing agencies, including KVIC to ensure correct reporting of achievement and reconciliation of figures of achievement on six monthly basis.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

Recommendation

Ministry of Energy/Deptt. of Non-Conventional Energy Sources.

The Committee noted that there were discrepancies in the amounts of assistance as between the books of accounts of recipients and those of Ministries. It is imperative that discrepancies pointed out by Audit are reconciled with due promptitude and care. Delay in settlement of accounts, especially of subsidy amount paid in advance may lead to misuse and misappropriation of public money. The Committee are of the opinion that foolproof procedure should be devised to ensure prompt settlement of all assistance accounts and once the procedure is formulated, it should be strictly adhered to by the Ministry, State Governments and UTs.

[Sl. No. 13 (Para 81) of Appendix II to 96th Report of PAC (8th Lok Sabha)].

Action Taken

The procedure for submission of subsidy claims has been revised. The schedule now prescribed for submission of claims on half-yearly basis will be adhered to strictly.

Against the total subsidy of Rs. 7384.13 lakhs released to the State Governments upto 1984-85, subsidy claims for Rs. 8651,26 lakhs have been received as on 31.8.1987. A statement indicating the position of the funds released and claims received is attached. (not enclosed).

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-Biogas dated 4.12.87]

Recommendation

Name of the Ministry/Deptt. Ministry of Energy/Deptt. of Non-Conventional Energy Sources.

The Committee learn that the assistance amounting to Rs. 79.91 crores was released by the DNES during 1981-82 to 1984-85 to 16 States, 2 Union Territories and KVIC against expenditure Finance Committee approval of Rs. 50 crores only. While the Committee appreciate the anxiety of Government to pay more subsidy to landless labourers/SCs/STs/people of hill and desert areas they are unable to appreciate that the decision was taken in an isolated manner and would urge the Government to chalk out all future development plans with adequate care sufficiently in advance so that targets are fixed on a realistic basis and ad-hoc decisions are avoided.

[Sl. No. 14 (Para 82) of Appendix II to 96th Report of PAC 8th Lok Sabha]]

Action Taken

The recommendation is accepted. State-wise targets are fixed in the beginning of each year in consultation with the State Governments and programme implementing agencies including the KVIC, keeping the financial outlay in view.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87]

Recommendation

The Committee note that subsidy amount to Rs. 57.01 lakhs payable to the beneficiaries after completion of the plants was paid in advance and its recovery/adjustment was not made till March, 1985. The Committee

urge Government to take adequate steps to recover/adjust subsidy paid to the beneficiaries in advance and ensure proper arrangement of adjusting advance in future.

[Sl. No. 15 (Para 89)Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The recommendation has been accepted and the State Governments/ programme Implementing Agencies have already been advised to place funds in advances only at the disposal of the district/block level agencies or concerned banks and release subsidy to beneficiaries only after completion of the plants.

The latest position in respect of the States indicated in the C A G's report is given below :

Governments of Assam, Himachal Pradesh and Karnataka have reported that subsidy was not released to the beneficiaries. So, the question of recovery does not arise. The funds under reference have been accounted for fully.

Government of Maharashtra and Orissa have reported that the funds are released to the beneficiaries only after completion of the plants and no advance payment was made.

Government of Punjab has adjusted the advance subsidy amounting to Rs. 38.60 lakhs against the cost of drums supplied by Punjab Agro- Industries Corporation (PAIC).

Government of Rajasthan and KVIC have taken steps to adjust/recover the amounts under reference. DNES will settle their account after taking into account these amounts.

[Ministry of Energy (Deptt. of NES O.M. No. 1-5/87-BG) dated 4.12.87].

Recommendation

The Project provided subsidy for a portion of the capital cost of the biogas plant and the remaining amount was to be raised by the beneficiaries. The finance to be so raised was estimated at Rs. 150 crores for achieving the target of 3.35 lakh biogas units during the Sixth Plan period. Test-check by Audit revealed that mobilisation of institutional finance had not been encouraging which had retarded the implementation of the programme. They urged upon the Government to review the position and chalk out a workable plan in consultation with RBI, NABARD, AFC and implementing agencies

for providing institutional financial support to ensure timely implementation of the programme.

[Sl. No. 16 (Para 95) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The recommendation is accepted.

RBI, NABARD, AFC, State Governments and programme implementing agencies are involved in working out State-wise/agency-wise targets on annual basis. The plan for 1987-88 was discussed in a review meeting held on 28th and 29th April, 1987 at New Delhi in which representatives of Ministry of Finance (Department of Banking), RBI, NABARD and AFC had also participated, besides State Governments and nodal agencies. NABARD in turn has communicated State-wise targets to different financial institutions.

Biogas plants form a component of the District Credit Plan which is worked out by the lead bank in consultation with district nodal agency concerned. Flow of institutional is being reviewed at the district and State levels. Cases of undue delay brought to the attention of DNES are promptly taken up with Banking Division, Ministry of Finance, RBI, NABARD and necessary remedial measures are resorted to.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1—5/87—BG, dated 4.12.87].

Recommendation

The Committee note that training formed an essential ingredient of National Project for Biogas Development and the cost of the training has to be fully borne by the Central-Government. It was brought to their notice that targets for various training courses were not fully met and some trained masons after receiving training stipends were not available for the construction and maintenance of biogas plants. The DNES had issued instructions to the State Governments and programme implementing agencies to keep a watch on the utilisation of the service of persons trained for construction and maintenance of biogas plants and provide sufficient incentives to the trained personnel to arrest their flight to other trades and vocations.

[Sl. No. 17 (Para 98) of Appendix II to 96th Report of PAC
(8th Lok Sabha)]

Action Taken

The State Governments and programme implementing agencies, including KVIC have again been advised that targets fixed with their consultation for various kinds of training courses under NPBD for 1987-88 should be achieved and the services of persons trained should be utilised for proper construction and maintenance of biogas plants to the maximum extent possible.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

Recommendation

The Committee find that Coordination Committees comprising of representatives of various departments, implementing agencies, KVIC/KVIB, banking institutions, recognised voluntary organisations, etc. were to be constituted at the State and District levels for reviewing and monitoring of the programme. Proceedings of the State level Committees are required to be sent endorsed to the Central Government. Besides, the State Governments are also required to send monthly reports to the Government of India and to prescribe fortnightly reporting schedules for the district block levels so as to monitor of the programme. The Committee find that monitoring of the programme was not effective. The State level Coordination Committees met rarely in most of the States, or did not meet at all and where they met minutes of the meetings were not made available to the Audit. Further, timely action for reviewing the actual achievements against the target fixed, assessment of actual working of the plants and installation and identification of defective plants for rectification was not done in any of the States test checked.

[Sl. No. 18 (Para 103) of Appendix II to 96th Report of PAC
(8th Lok Sabha)]

Action Taken

At the district and State levels, monitoring of the programme has been improving over the period. Inspection reports indicating the number of plants inspected, found non-functional and revived have been prescribed for the State Governments and programme implementing agencies which would help in assessing the actual working of the plants and identification of defective plants for rectification purposes. A review of the actual achievement against the target fixed is being done on quarterly basis. The annual targets have been broken down, month-wise and quarter-wise. The breaking down of targets for monitoring purpose are 15%, 10%, 15% and 60% for the 1st, 2nd, 3rd and 4th quarters, respectively. State Governments have

also been advised to send minutes of the state level review meetings to DNES.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87]

Recommendation

The Committee find it difficult to accept that the programme so vital for the uplift of masses and environmental improvement and involving huge financial outlay should receive so little attention.

Monitoring the progress of the programme at regular intervals is indispensable for successful implementation of the programme. The Committee urge the Government to ensure that the prescribed procedure for monitoring the progress of the programme is translated into action so that shortcoming of the systems are identified and remedial action taken with the due promptitude.

[Sl. No. 19 (Para 104) of Appendix II to 96th Report of PAC
(8th Lok Sabha)]

Action Taken

The recommendation is accepted. The programme is being monitored on monthly basis with regard to State-wise targets and achievements and on quarterly basis with regard to all aspects including actual working of plants, revival of plants, etc.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87.]

Recommendation

The Committee find that implementation of the programme had not been evaluated in any of the States and Union Territories till March, 1985 and as such its impact on the rural population could not be assessed. In October, 1984, Government sanctioned evaluation survey studies of biogas plants by five independent agencies, namely National Council of Applied Economic Research, New Delhi, Operations Research Group, Baroda; Kirloskar Consultants Pvt. Ltd., Pune, Besant Raj Consultant Pvt. Ltd., Madras and Centre for Studies in Decentralised Industries, Bombay. The findings of these studies with reference to saving in terms of firewood and fertiliser and improved sanitation and public hygiene are stated to be quite encouraging. The Committee opine that biogas has not only changed the look of the villagers but also bettered the life style of the villagers. The programme

has also provided numerous benefits to the people *i.e.* provided energy in a clean and unpolluted form, produced fertilisers, reduced lung and eye diseases and mitigated ecological disturbance and deforestation. The Committee hope that the Government would continue to evaluate the programme periodically to remove deficiencies and bottlenecks and to ensure modifications with reference to latest technological advancement, keep constant watch over release of funds, streamline procedure in regard to loan and subsidy, strengthen the inspection procedures, to eliminate non-existent plants from the scope of subsidy and loans and impart trainings for proper maintenance and operation of the plants.

[Sl. No. 20 (Para 114) of Appendix II to 96th Report of PAC
(8th Lok Sabha)]

Action Taken

The recommendation is accepted. Evaluation survey studies are being continued. During 1987-88, evaluation survey studies of biogas plants installed in 1984-85 and 1985-86 have already been entrusted to seven independent agencies and field work has also started.

[Ministry of Energy (Deptt. of Non-Conventional Energy Source)
O.M. No. 1-5/87-BG, dated 4.12.87].

CHAPEER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

Recommendation

The Department of Non-Conventional Energy Sources have undertaken intensified Research and Development Programme in biogas so as to reduce the cost of biogas plant i.e., cost per unit gas production, improve the reliability of biogas plants under different conditions; diversify the feed material for biogas to reduce dependence on cow dung, standardise plant designs and integrated utilisation of biogas slurry. The DNES is stated to have sanctioned 50 R&D projects on different aspects of biogas technology and its utilisation. A sum of Rs. 95 lakhs was released to different R&D institutions during 1985-86 and a budget out lay of Rs. 1.5 crores is available for 1986-87. Keeping in view the limited natural energy resources viz. natural gas, oil, kerosene, coal and wood, generation of energy from biogas will be in consonance with the growing developmental need of the country. The Committee trust that the Government will take up research and development of biogas in a more business like manner and ensure appropriate investment on R&D programme of biogas which can be put to multiple use and had tremendous impact in the rural scene of India.

[Sl. No. 8 (Para 55) Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

As a result of research & development projects taken up by the Deptt. four new models of biogas plants have been introduced for extension. All the R&D projects are time bound and are expected to yield results which have practicable applications. The results emerging from these projects and lab studies are being taken up for field trial and pilot demonstrations. Successful results have already emerged for utilising alternate feed stocks such as distillery effluents, agricultural wastes, aquatic biomass etc. for biogas production. Advanced type reactors have been developed for treating industrial wastes and other biomass for biogas productions. The concerned industries have been closely associated in [these projects for quicker and tangible results.

[Ministry of Energy (Deptt. of NES) O.M. No. 1-5/87-BG, dated 4.12.87]

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

Higher rates of subsidy having been made available to scheduled castes/scheduled tribes and economically weaker sections of the people, more people are going for it and during 1984-85 about 59% beneficiaries who installed biogas plants belonged to the weaker sections. In addition, the DNES has developed small size biogas plants capable of being connected to sanitary latrines. This model is becoming more popular among the poor as it minimises dependence on cattle and other feed stock. The Committee recommended that with a view to giving benefit to poor and economically weaker sections of people, building up of small size biogas plants should be taken up on a priority basis. The objective of providing social justice and aiding poor and economically weaker sections of the people, especially SC/ST and adivasis, would be better served if biogas plants of small size are installed at the premises of such people at nominal cost/subsidised rates.

[Sl. No. 2 (Para 49) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The State Governments and programme implementing agencies have been instructed to promote small capacity biogas plants on a larger scale so as to cover the poor and economically weaker sections also. With this in view, the rates of subsidy for smaller size biogas plants i.e. upto 3 cubic metres gas production per day, have been retained without any change, while rates of subsidy for higher capacity of plants have been reduced so that, smaller capacity plants are more attractive now.

[Ministry of Energy (Deptt. of Non-Conventional Energy Sources)
O.M. No. 1-5/87.BG, dated 4.12.87]

Name of the Ministry/Department. Ministry of Energy/Deptt. of Non-Conventional Energy Sources.

Recommendation

The Committee find that a good number of plants stated to have been completed in the states of Andhra Pradesh, Haryana, Himachal Pradesh, Madhya Pradesh, Orissa, Punjab, Pondicherry, Rajasthan, Tamil Nadu, UP, West Bengal and KVIC were not functioning for various reasons such as, technical defects in construction, non-provision of appliances, non-availability of sufficient cattle dung, etc. A limited survey conducted by Directorate of Economic Research of 13,216 biogas plants installed by KVIC during 1974-75 to 1981-82 in 14 districts of Bihar. Maharashtra and Tamilnadu revealed that only 9586 plants were working, 2804 plants were not working and 826 plants did not exist. Ministry informed that principal reasons for non-functioning/non-commissioning of plants were recurrence of floods and drought, migration of cattle due to drought and such other eventualities. 16 States/UTs informed the DNES that as on 31.12.1986, 9400 plants had already been revived and work was in progress to revive 18,600 non-functional plants, detected till then. A 'Repair Scheme' was introduced in 1985-86 with a view to reviving plants with structural defects by providing a grant up to Rs. 500/- per defunct plants. Users Training Courses are organised in a cluster of villages to educate plant owners, particularly women beneficiaries in the proper operation and maintenance of plants including technical methods to be adopted for mixing of dung with water, removal of water condensate from the pipeline, clearing of burner, checking of gas leakage, etc. Besides, organisational infrastructure has been created at Central and state levels, inspection system has been strengthened by introducing pass books/inspection charts and quarterly reports by States indicating detailed performances of plants. As regards non-existence of certain KVIC plants, it has been reported that suitable action was being taken against the erring officials. Instructions had also been issued to State Government directing them to get completion certificate issued by BDOs. The Committee cannot but strongly deprecate this unsatisfactory state of affairs and are of the considered view that the Government should look into these cases of irregularities with greater care. All cases of fictitious reporting and mis-appropriation of public money should be investigated and penal action taken against those found guilty. The Committee would like to be apprised of further development in this regard.

[Sl. No. 12 (Para 73) of Appendix II to 96th Report of PAC (8th Lok Sabha)]

Action Taken

The Khadi and Village Industries Commission has conducted re-survey of plants reported non-existent in the original survey. The latest position is reported to be as under :

State	No. of non-existent plants as per re-survey.
Bihar	177
Maharashtra	7
Tamilnadu	31

2. The KVIC has identified four officers in Bihar and three officers in Maharashtra responsible for issuance of completion certificate in respect of some of the above plants. Memos have already been issued to four officers in Bihar and one officer in Maharashtra calling for their explanation as to why disciplinary action should not be taken against them.

[Ministry of Energy (Deptt. of Non-conventional Energy Sources)
O.M. No. 1-5/87-BG, dated 4.12.87].

NEW DELHI;
April 26, 1988
Vaisakha 6, 1910 (Saka)

AMAL DATTA
Chairman,
Public Accounts Committee

APPENDIX I

(Vide para 1.2)

Statement showing classification of action taken replies received from Government

- (i) **Recommendations/observations which have been noted or accepted by Government.**

Sl. Nos. 1, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 and 20.

- (ii) **Recommendations/observations which the Committee do not desire to pursue in the light of the replies received from Government :**

Sl. No. 8.

- (iii) **Recommendations/observations replies to which have not been accepted by the Committee and which require reiteration :**

Sl. Nos. 2, 12.

APPENDIX II

Conclusions and Recommendations

Sl.No.	Para No.	Ministry/Deptt. concerned	Conclusion/Recommendation
1	2	3	4
1	1.7	Energy (Deptt. of Non-conventional energy Sources)	The Committee are of the opinion that the objective of providing social justice and aiding poor and economically weaker sections of the people, especially SC/ST and adivasis, would be better served if rates of subsidy are further enhanced in cases of biogas plants of small size. The Committee would like to be apprised of action taken in this direction.
2	1.10	Energy (Deptt. of Non-conventional energy Sources)	It is regrettable that even after Directorate of Economic Research had pointed out the discrepancy as early as 1981-82, the Ministry of Energy took more than 7 years to initiate action against the persons found guilty of dereliction of duty. This discloses the approach of the Ministry of Energy as lackadaisical. The Committee recommend that all cases of fictitious reporting and mis-appropriation of public money should be investigated and immediate penal action taken against those found guilty. To detect these cases of fictitious reporting and mis-appropriation it is necessary that suitable machinery is set up for continuous monitoring of the programme. The Committee would like to be apprised of the action taken within six months.

PART II

MINUTES OF 43RD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 21.4.1988

The Committee sat from 1530 hrs. to 1630 hrs.

PRESENT

Shri Amal Datta—*Chairman*

MEMBERS

2. Shri Mohd. Ayub Khan
3. Shri Y.S. Mahajan
4. Shri Ajay Mushran
5. Shri Chiranjil Lal Sharma
6. Genl. R.S. Sparrow
7. Dr. Chandra Shekhar Tripathi
8. Shri Yogeshwar Prasad Yogesh
9. Shrimati Manorama Pandey
10. Shri T. Chandrasekhar Reddy

SECRETARIAT

1. Shri B.D. Duggal—*Chief Financial Committee Officer*
2. Shri S.M. Mehta—*Senior Financial Committee Officer*
3. Shri R.K. Chatterjee—*Officer on Special Duty*

REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri G.M. Mani—*ADAI (Reports)*
2. Shri R. Parameshwar—*DACWM-I*
3. Shri S.S. Roy Choudhury—*DACR-I*
4. Shri S.B. Krishnan—*Director (Reports)*

2. The Committee considered the following draft Reports and adopted them :

(i) × × ×

(ii) Action Taken on 96th Report (8th Lok Sabha) relating to National Project on Biogas Development.

3. The Committee authorised the Chairman to finalise the above draft Report in the light of verbal and consequential changes arising out of factual verification by the Audit and present them to the Parliament.

The Committee then adjourned.

