

**PUBLIC ACCOUNTS COMMITTEE
(1969-70)**

(FOURTH LOK SABHA)

HUNDRED AND EIGHTEENTH REPORT

[Appropriation Accounts (Civil) 1967-68 and Audit Reports (Civil) 1969 relating to the Ministry of Labour, Employment and Rehabilitation (Department of Rehabilitation)]



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1970/Vaisakha, 1892 (S)

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PART II*

Minutes of the sitting of the Public Accounts Committee held on :

1st November, 1969 (FN)

3rd November, 1969 (AN)

27th April, 1970 (AN)

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

PUBLIC ACCOUNTS COMMITTEE
(1969-70)

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Shri A. L. Rai, *Deputy Secretary.*

Shri K. Seshadri, *Under Secretary.*

*Ceased to be members of the Committee w.e.f. 3-4-1970.

INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, do present this Hundred and Eighteenth Report (Fourth Lok Sabha), on Appropriation Accounts (Civil), 1967-68 and Audit Report (Civil), 1969, relating to the Ministry of Labour, Employment and Rehabilitation (Department of Rehabilitation).

2. The Appropriation Accounts (Civil) 1967-68 and Audit Report (Civil), 1969 were laid on the Table of the House on the 18th April, 1969. The Committee examined the paragraphs relating to the Department of Rehabilitation at their sittings held on the 1st and 3rd November, 1969. The Committee considered and finalised this Report at their sitting held on the 27th April, 1970. Minutes of these sittings of the Committee form Part II* of the Report.

3. A statement showing the summary of the main conclusion/recommendations of the Committee is appended to this Report. For facility of reference these have been printed in thick type in the body of the Report.

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

5. The Committee would also like to express their thanks to the officers of the Ministry of Labour, Employment and Rehabilitation (Department of Rehabilitation) for the co-operation extended by them in giving information to the Committee during the course of their evidence.

NEW DELHI;

April 27, 1970.

Vaisakha 7, 1892 (S).

ATAL BIHARI VAJPAYEE,

Chairman,

Public Accounts Committee.

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

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION
(DEPARTMENT OF REHABILITATION)

Dandakaranya Project

Audit Paragraph

Review—The Dandakaranya Project was started in 1958 with the twin objectives of resettlement of displaced persons from East Pakistan and integrated development of the area with particular regard to the interest of the area's population.

1.2. The preliminary project report envisaged resettlement of 7,000 agriculturist and 5,000 non-agriculturist families by end of March, 1961 at a cost of Rs. 6,000 per family. For the period beyond March, 1961, no further project report setting out the aims, targets and estimated expenditure has been prepared or approved by Government. The actual expenditure per displaced family (numbering 12,418) upto June 1968 in the Project was 12,760.* This would increase further when all the families moved to the project are fully resettled. Against the estimated expenditure of Rs. 5,74.00 lakhs on general development of the area and for resettlement of local tribal families on 17,650 acres of reclaimed land (25 per cent of the reclaimed lands was proposed for resettlement of tribal families). Rs. 11,25.90 lakhs were spent upto June, 1968 on general development and on resettlement of 2,431 tribal families on 17,525 acres of reclaimed land. The points noticed in audit of the accounts of Dandakaranya Project are given in the succeeding paragraphs.

[Paragraph 49 of Audit Report (Civil) 1969].

1.3. During evidence, the Committee enquired about the scope of the project as originally envisaged. The representative of Department of Rehabilitation stated that in the preliminary project report the planning was for 35,000 (displaced) families which were expected to come from West Bengal to Dandakaranya. Asked how many families had been so far settled the witness stated that the number was 13,300. In reply to a question whether settlement was in any way hampered by dearth of families, the representative of Department of Rehabilitation stated, "at the moment we have a slight difficulty." He added that "last year" also there was difficulty in moving families, because, both in Bengal and in Assam, the families which were programmed to be moved "were not willing to move. In Assam we have 2,000 families. We are trying to persuade them.

*This also includes expenditure incurred on families who deserted the camps.

Unfortunately we have failed to bring them on to this side." Asking what was the position in regard to families who were in holding camps as in Mana, the witness stated that "after the end of this year we will have settled all the families in camps."

1.4. The Committee enquired on what basis the programme for reclamation of lands for purpose of settlement of families was planned. The witness replied: "Every year at the beginning of the year we form an estimate as to the total number of families whom we have to resettle in Dandakarnaya and on that basis we work out the area of land which is needed and we also take stock of the area of land which has already been indicated by the State Government for being cleared by us and what other areas of land will be required by us and we negotiate with the State Government on that basis." Asked what was the estimate of reclamation in the project report, the information was given: "About 70,600 acres and 12,000 families." In reply to a further question as to the amount of land actually reclaimed, the witness stated: "We have reached a figure of 125,089 acres." The Committee pointed out that Government had gone far beyond the scope of the approved project report and enquired whether this was because the project report was not considered reliable enough. The Secretary, Department of Rehabilitation replied: "I would not say that. That was for 7,000 agriculturists. Now, we have got about 12,600 agriculturists. Originally for about 7,000 families the estimated area was about 70,600 acres as in the project report. But we have now got 12,600 agriculturist families and so we have to reclaim as much land as is required. . . . These project reports were prepared in 1959-60-1961-62. I do not remember the exact date. But in 1964, we had a very big wave of migration from East Pakistan and we had a serious problem and almost an emergency and we have had to provide for those people. So, from year to year, we went on making annual plans." The Committee enquired on what basis the expansion in scope was allowed and whether this was done on some kind of long range perspective planning or "more or less hand to mouth" on a year-to-year basis. The Secretary, Department of Rehabilitation stated: "From year to year. . . . Every year, based on experience we make a provision for the next year. . . . We include it in the annual budget and get it approved by the Planning Commission and by all the authorities concerned. We used to take stock of our experience." The Committee enquired about Government's plans in regard to the future and asked whether more land would need to be reclaimed. The Secretary, Department of Rehabilitation stated: "In the Fourth Plan we are estimating at present that about 6,000 families may be settled there. . . . We have. . . families in Assam and if they are willing to come, and if we are able to persuade them successfully then we would require more land. . . . For the Fourth Plan, we are trying to have a master plan. The whole thing depended on the movement of the migrants and we have to make plans from year to year also. But just now we are trying

to have some kind of perspective planning. But the whole point is this. Suppose there is some difficulty in East Pakistan and suddenly large number of people cross over to our country, then we have to provide for it."

1.5. In reply to a questionnaire, the Department of Rehabilitation have furnished in a note the following information about the original estimates, the allocations subsequently made and the expenditure incurred.

1.6. "The preliminary estimates for the period covered by the Second Plan ending on 31st March, 1961 (as provided for in the project report) were for Rs. 17.70 crores with the following broad break-up:—

On displaced families	Rs. 712.30 lakhs
General Development	Rs. 574.80 lakhs
Residual value of assets	Rs. 482.90 lakhs
TOTAL	<u>Rs. 1770.00 lakhs</u>

1.7. Following table shows the allocations of funds for the Third Plan period and the subsequent years:

(i) *Estimates*

Year	108-Capital Outlay on Dnk. Dev. Scheme	Loans to displaced persons	Total (Gross)
(Rupees in lakhs)			
1961-62	514.00	30.00	544.00
1962-63	521.00	24.00	545.00
1963-64	538.00	30.00	568.00
1964-65	475.00	30.00	505.00
1965-66	431.21	28.00	459.21
Total (during 3rd Five Year Plan period)	2479.21	142.00	2621.21
1966-67	417.65	25.00	442.65
1967-68	450.00	30.00	480.00
Total (1961-62 to 1967-68)	<u>3346.86</u>	<u>197.00</u>	<u>3543.86</u>
Rupees in crores	33.47	1.97	35.44"

(ii) Expenditure incurred (upto June, 1968).

"The expenditure upto 30-6-1968 was Rs. 32.21 crores with the following break-up:—

On displaced persons	Rs. 1566 lakhs
*General Development	Rs. 696 lakhs
*Tribal Welfare	Rs. 454 lakhs
Residual value of assets	Rs. 505 lakhs
TOTAL	Rs. 3221 lakhs"

*The Audit calculation of expenditure on development of Rs. 1126 lakhs comprises of both general development and tribal welfare expenditure.

(iii) Break-up of expenditure year-wise (upto March, 1968).

Year	Gross	Net
	(in lakhs of rupees)	
II Plan	778.85	727.67
{ 1961-62	506.71	474.10
{ 1962-63	519.25	445.09
III Plan	537.91	481.24
{ 1963-64	474.97	340.77
{ 1964-65	431.09	364.18
{ 1965-66	417.60	315.33
{ 1966-67	449.72	331.77
{ 1967-68		
TOTAL	4116.10	3480.15
Deduct other recoveries (value of assets transferred to Rehabilitation Reclamation Organisation etc.)		292.13
Total net scheme-wise expenditure upto March, 1968.		Rs. 3188.02 lakhs (or Rs. 31.88 crores.)

1.8. The Committee pointed out that there had been a substantial departure from the project report and enquired why as soon as it became clear that a fresh approach to the scheme was necessary, a comprehensive plan was not drawn up. In this connection they drew attention to the

following observations made by the Estimates Committee in their 72nd Report (1965) :

“The Committee are distressed to note that even after a lapse of nearly five years of the recommendations for preparation of a master plan for Dandakaranya, Government have not yet been able to finalise a master plan for the area. . . . Government pleaded lack of suitable personnel and machinery; at any rate, two years were allowed to lapse when it was thought fit to take up a revision of the project which was supposed to furnish a basis for a master plan.”

1.9. The Committee enquired whether the need for a plan as suggested by the Estimates Committee was not felt. The representatives of the Department of Rehabilitation and Dandakaranya Development Authority explained the following position to the Committee in this regard:

“We certainly feel the need, but I would humbly suggest that mere feeling does not enable us to obtain the lands.”

1.10. “Land belongs to the State Government. Mostly, the land is under forest. The State Government has its own difficulties about people who are without lands. Landless people are in abundance practically in every State. Therefore, when people from outside are proposed to be settled, naturally the State Governments find some difficulty in entertaining the requests from the Government of India for more release of lands.”

1.11. “The development of the area involved clearing of lands on which landless Tribals who were residents of these forests were also to be settled. In addition to clearing lands for the settlement of these landless Tribals we also made available grants at the rate of Rs. 2,600 per family so that the Tribals could build houses and water supply and agricultural implements could be supplied to them. We cleared land for the Tribals, by and large, at the rate of 25 acres as against 100 acres in which we settled the DPs. But then a situation developed in which there came about some political changes also. I do not say that there had been coldness on the part of those State Governments due to that. The migrants posed a national problem about which everybody was aware but in the course of three or four years the sense of urgency and the fact that we were living in an emergency tended to be forgotten which is only human. We have now come to a stage in which the State Governments have to think twice or probably 200 times before they part with a suitable plot of land where not merely our DPs., but the local landless Tribals are also settled for which we bear the expenditure fully.”

1.12. “You will find that the object of the Dandakaranya project is two-fold. One is rehabilitation of the displaced persons and the other is integrated, development of that area. Now, we have been constrained to stick

to the aspect of rehabilitation of displaced persons. We have not been able to go ahead with the integrated development of that area. For integrated development, quite rightly, a master plan is necessary. We did take up the question of preparing the master plan. It was then found that there was the Town and Country Planning Organisation of the Government of India. That organisation has been entrusted with this job of preparing a master plan. . . . Now, they have set up a number of committees and sub-committees on which our DDA is also fully represented, and meetings have been taking place off and on and they have made some progress. In the meantime, the Town and Country Planning Organisation has set up a joint planning board on which the State Government is also represented."

1.13. "We tried to prepare a revised project report. That was in the year 1962. The revised project report was cleared by the DDA and submitted to Government. The project report was under consideration of the Government. At that stage, the idea of a Master Plan also came in. The scope of the Master Plan is perhaps much wider as compared to the ordinary planning of the villages: that is, where the village road and the link roads should be laid, where the township or the village colony should come and so on. That type of planning is being done in very great detail at the present moment. But perhaps the scope of the Master Plan was much wider, as to which area should be colonised, which area should be set apart for cultivation, for industry and so forth. It was a much bigger problem which could not be tackled by the Dandakaranya project planning. It was submitted earlier that the Dandakaranya plan had to be adapted to the State plan in which the area is set apart and later on, that has to be co-ordinated with the national Plan. That idea was taken up with the Town Planning Organisation and it is being processed. As the Committee has found, the progress is perhaps not very satisfactory."

1.14. The Committee asked for a detailed note about the position of availability of land for the project. This has been furnished. The following position in regard to programme for release of land, actual releases and further proposals emerges from the note:

(1) Orissa State

(a) Releases promised

1.15. "When the proposal of releasing some land to the Dandakaranya Development Authority was mooted, there was a high power meeting held at Malkangiri on 15th June, 1959 in which the Chief Secretary, Orissa; Member, Board of Revenue; Commissioner, Southern Division, Berhampur; Collector, Koratput, and Settlement Officer, Jeypore from the State Government side were present. From the Project side, Land Officer was present In this meeting it had been indicated by the Chief

Secretary, Orissa that sufficient land would be available to the Project and to ensure availability a time schedule was prepared as detailed below:—

Umerkote	..	8000 acres by 31-10-1959
Umerkote	..	31000 acres by 28-2-1960
Raigarh	..	60000 acres by October 1960
Balimela	..	<u>50000</u> acres by October, 1960.
Total	..	<u>149000</u> acres

It was also recorded that out of the gross area mentioned approximately 60 per cent expected to become available for cultivation.”

(v) *Actual releases made.*

1.16. “In Umerkote Zone the State Government have released upto 30th June, 1969, an area of 49,351 acres. Out of this 38,669 acres have been found suitable; as such, 37,989 acres of land have been reclaimed in this zone. Much of the area on soil survey has been found to be unsuitable for reclamation. Out of the rejected areas 5,756 acres have already been returned to the State Authorities.

“In the Malkangiri zone the State Government have, upto 30th June, 1969, released 95,978 acres, out of which 41,537 acres are suitable. So far 41,271 acres have been reclaimed in this zone. :—

“Thus, in the district of Koratput, 1,45,329 acres of land have been released upto 30th June, 1969. Out of which 79,260 acres have been reclaimed. Out of this 17,371 acres of land have been de-released towards tribal quota and handed over to the concerned State Authorities. As such the Project have utilised 61,889 acres of land for resettlement of DPs including roads, tanks, Administrative colony etc. Thus, it may be seen that, against an expected recovery of 60 per cent as recorded in the minutes of August, 1959 the actual recovery for agricultural purposes comes to 54 per cent.”

(c) *Further proposals*

1.17. “In the year 1960-61, 33,191 acres were released in the Umerkote Zone, out of which 5,756 acres were dereleased on the ground of unsuitability. Although physical possession has not been handed over to the State authorities, the Collector, Koratput, has accepted the de-release as mentioned in his letter No. 1492/B-8/60/Dev., dated 12th June, 1964 to the Revenue Divisional Commissioner, Southern Division, Berhampur. During the current field season, on preliminary reconnaissance, it is found

that out of the said area 3,348 acres of suitable land are likely to become available. Advance soil survey of these villages will be taken up during the current field season and on the basis of advance soil survey State authorities will be further moved to reconsider the proposal of release of further lands in this Zone.

1.18. "The State Government sent a proposal to take up irrigation scheme known as Balimela Tail Race Scheme at a cost of Rs. 8 crores to be taken up by the D.D.A. and in turn, they offered to release 30,000 acres of land over and above the earlier commitment of the State Government within the command of the above irrigation scheme. To explore the feasibility of land during this field season a programme for advance soil survey has been taken up and as soon as soil survey is over a firm picture can emerge."

(2) Madhya Pradesh State

(a) Releases promised

1.19. Discussions were held on 18th August, 1959 at Calcutta, presided over by the Minister of Rehabilitation, Government of India (Shri Mehr Chand Khanna) and participated in by the Chief Minister of West Bengal (Dr. B. C. Roy), the Chief Minister of Madhya Pradesh (Dr. K. N. Katju), the Finance Minister of the Government of Orissa (Shri R. N. Singh Deo, the present Chief Minister) and others.

"In this meeting, it had been indicated that sufficient land was available in the Bastar district for the work of the Dandakaranya Development Authority and that by 1st October, of the same year, the following areas would be available:

Paralakote	50,000 acres
Bheji	11,000 acres
Mingachal	6,000 acres
	<hr/>
	67,000 acres
	<hr/>

It was also recorded that out of the gross area mentioned, approximately 60 per cent was expected to become available for cultivation."

(b) Actual releases made

1.20. "In the Paralkote area, the State Government have, upto the end of June, 1969, released a total of 90,155 acres. Out of this total

28,457 acres have been fully reclaimed so far, 9,067 acres partially reclaimed (for roads, administrative buildings, schools, hospitals, irrigation works including the Paralkote Dam). Much of the area has been found, on soil survey, to be unfit for reclamation. Out of such rejected areas, 10,413 acres have already been returned to the State Government; more acres will be handed back once the alignment of roads and particularly that of canals and minors of the Paralkote Dam, now under construction, is finalised.

“As against an expected recovery of 60 per cent as recorded in the minutes of the meeting of August, 1959, the actual recovery of agricultural purposes has been only about 47 per cent”.

“In the Bastar district, the State Government have, apart from the Paralkote Zone, also released lands in the Narainpur, Kondagaon and Jagdalpur areas falling within what is described as the Kondagaon Zone. Here the total release upto the end of June, 1969 is 8,796 acres out of which 6,735 acres had been fully reclaimed and 322 acres partially; the fully reclaimed area being already utilised for displaced persons and tribal settlement. Very recently the Collector has released a further area of 2,327 acres in the Kondagaon and Jagdalpur Tehsils. The soil survey of this area has been done and 1,825 acres of land have been found suitable. During the last field season, 1,248 acres of land have been reclaimed in Kondagaon Tehsil. The remaining areas of Kondagaon Tehsil as well as areas of Jagdalpur Tehsil are being taken for reclamation during the current field season.

“In the Bastar district, therefore, the total area released by the State Government so far is 1,01,278 acres, of which 36,440 acres have been fully reclaimed. 9,389 acres have been partially reclaimed for village sites, irrigation works, roads, administrative buildings etc. 7,264 acres have been handed over to the State Government after full reclamation for settlement of tribals, while 10,413 acres have been handed back to the State Government as unfit for reclamation; more such areas may be handed back before long.”

(c) *Further proposals:*

1.21. “. release proposal has been forwarded to the Collector, Bastar, in 14 villages for an area of 3,742 acres in the month of March, 1969. The release orders are awaited. Subsequently, a further proposal for release of 1,158 acres of land was also submitted to the Collector, Bastar, in August, 1969. The release orders are awaited. Further availability in Paralkote is likely to be very limited—the residual survey is expected to be completed soon”.

1.22. "With this in view, a preliminary re-connaissance was conducted in Kolibeda area (adjoining to Paralkote Zone) towards the end of the last field season. It appeared that we may locate about 7 to 10 thousand acres of suitable land in that area. The Commissioner, Raipur, was requested in May, 1969 to permit the Project to carry out survey of the area. Subsequently, Chief Administrator had a discussion with him in 2nd week of December, 1969, to which the latter has agreed to see that permission is issued soon. A clear picture will, however, emerge after actual soil survey of the area is completed".

1.23. "The Collector, Bastar, has further selected 751 acres in Abhuj-Marh area for reclamation towards tribal quota. The reclamation of this area will be taken up in the current field season as soon as advance soil survey is completed".

"...reconnaissance survey was carried out by the Agriculture and Land Organisations of the Project in the Dantewara and Bijapur Tehsils in West Bastar during the field seasons of 1967 and 1968. In the Dantewara Tehsil, out of approximately 77,000 acres surveyed, an area of only 5,000 acres of agriculturally suitable and unoccupied land could be found. In the Bijapur Tehsil, however, out of a little over 1 lakh acres surveyed, an area of nearly 25,000 acres of unoccupied and agriculturally suitable land could be located; the area seemed to have scope of extensive irrigation also from rivers, notably the Indravati, flowing through or along the area.....the Minister of State, Rehabilitation took up the matter of the release of land in Bijapur area with the Chief Minister, Madhya Pradesh, in May, 1969.....The Chief Administrator has further discussed with the Commissioner, Raipur on 10th December, 1969. The Commissioner has kindly assured that necessary orders will be passed soon".

1.24. **The Committee feel that the Dandakaranya Project has gone far beyond the scope originally envisaged for it. The preliminary project report contemplated an outlay of Rs. 17.70 crores for the resettlement of 12,000 agriculturist and non-agriculturist families by the end of March, 1961. For this purpose, it envisaged the reclamation of 70,600 acres. However, in actual implementation, the project has been allowed to grow, year after year, without any kind of long-range planning. The actual (gross) expenditure on the project to the end of March, 1968 amounted to Rs. 41.16 crores, of which as much as Rs. 33.37 was incurred during the period 1961—68, which fell outside the scope of the project report. As against 70,600 acres which were to be reclaimed for resettling 12,000 families, an area of 125,089 acres has been reclaimed for the settlement of 13,300 families. The data furnished to the Committee indicates that substantial reclamation is still under contemplation of the Project authorities, who are**

moving the concerned State Governments for release of more land for this purpose.

1.25. The Committee are not in favour of the project being allowed to develop in this ad hoc fashion. The absence of a long-term perspective plan entails the risk of Government being committed to expenditure on the scheme, without any estimation of its magnitude or of the necessity for expenditure on that scale in the light of an over-all plan. It could be that the developments undertaken so far may not fit in or fall in with the requirements of the place. As early as 1965, the Estimates Committee had drawn attention to the need for a Master Plan for the project. This is yet to be drawn up; a revised project report prepared in 1962 is still awaiting Government's approval, pending formulation of the Master Plan. It is regrettable that Government have so far shelved action on the preparation of a long-term plan for the project. In the Committee's opinion, this does not brook further delay. The Committee would like immediate action to be taken by Government to draw up such a plan, in the light of objectives which should be clearly spelled out. The Plan should also assess the estimated outlay for the completion of the project, on the basis of definite targets, and should be placed before Parliament along with the demands for grants when next presented. While drawing up the Plan, Government may take note of two factors which have a bearing on the scope of the scheme :

- (i) the extent to which further reclamation is necessary, based on a careful assessment of families now awaiting resettlement and the prospects of these families being persuaded to move to the project site;**
- (ii) the extent to which land suitable for reclamation is likely to be available, taking into account the unwillingness of the States to part with such lands and the fact that a good proportion of land made available in the past has been found after survey to be unsuitable for reclamation.**

1.26. The Committee pointed out that as against the cost of Rs. 6,000 for settlement per family, the actual cost amounted to Rs. 12,760. They desired to know whether any review was made of the working of the Project with a view to ascertaining the reasons for the cost of resettlement going up and what necessary steps were taken to attract more families for resettlement. In a note, the Department of Rehabilitation have stated :

"The review was conducted :

- (a) In December, 1961, financial implications of the first phase of the Dandakaranya Development Scheme were reviewed**

by the Ministry and a note submitted to the Rehabilitation Committee of the Cabinet.

- (b) At the instance of D.D.A., F.A. & C.A.O. prepared a note analysing the reasons for the increase in the per family rehabilitation (by approximately Rs. 2,457 over and above Rs. 10,000) expenditure. This review was considered by D.D.A. in its 37th meeting held in May, 1967. The Department and the associated Ministry of Finance were represented in the D.D.A.
- (c) At the time of the formulation of the Fourth Five Year Plan, a working group was constituted to formulate the proposals for the Fourth Five Year Plan, keeping in mind the past working of the scheme.
- (d) Apart from the above, the F.A. & C.A.O. brings out an Annual Financial Review which is also made available to the Ministry.

The reasons for the cost of resettlement going up are :

- (i) Price level in 1958-59 when the preliminary project was prepared was 112.9 and it became 205.6 in 1968-69 an increase of 92.7 nearly doubling itself.
- (ii) Against 5,000 non-agriculturist families out of a total of 12,000 visualised, their number is slightly over 600. The per family expenditure on a non-agriculturist family (Rs. 9,931) is less than that of an agriculturist family (Rs. 12,963).
- (iii) The activities of the Project were visualised for a period of two years in the Preliminary Report and in reality the Project has already completed a decade of its life.
- (iv) The nature and content of the Project's Programme have undergone considerable change and expansion.

During the last two or three years, families who had deserted earlier have been applying for re-admission for settlement in the Project area and from this it can be inferred that the conditions in the Project are sufficiently attractive."

1.27. The Committee asked for item-wise break-up of the expenditure incurred on resettlement per family which has been indicated in a note as follows :

“Average expenditure on each displaced person’s family for its rehabilitation upto the end of June, 1968 was Rs. 12,610. Item-wise break-up thereof was as under :

Item	Estimated per capita figures on the basis of 12,000 families	Per capita figures based on 12,418 DPS moved into area project as per actuals as on 30-6-1968
<i>Land</i>		
Reclamation	1917	3152
Worksite Camps	354	697
Villages	1333	1543
Project buildings	63	161
Irrigation . . . . .	..	277
Health Services	33	541
Education	42	192
Tech. & Voc. Training	13	41
Truck Operation	42	468
Dairy Units & Agril	3	429
Bricks & Tile Production	13	..
Industries	109	241
Project Vehicles	63	192
Workshop	21	..
Tools and Plant	210	252
Publicity & Recruitment	58	158
Project Headquarters	420	663
	4694	9007
TOTAL.—‘land’ I	4694	9007
II Grants to DPs	540	1808
III Loans to DPs	850	1795
TOTAL	6084	12610

1.28. The Committee drew attention to the observations in the Audit paragraph that the actual expenditure per family settled would go up

further, when all the families moved to the project are finally settled. The representative of the Dandakaranya Project explaining the position in this regard stated : "It only means that the families which have moved to the village sites before May of this year have been supplied with bullocks, and they have done their cultivation, but their process of resettlement is not complete. They will start constructing their village houses only in the next off season and may be the houses will be completed in the following season." In reply to a further question whether this would mean that the expenditure incurred on resettlement "was only for resettlement and not for full resettlement", the witness replied : "That is right."

1.29. The Committee were given to understand by Audit that the cost of resettlement per family included the expenditure on families who deserted the camps. The number of such families was 5,010 and the increase in the cost of rehabilitation per family due to desertion was Rs. 3,625.

The Committee wanted to know the expenditure on the establishment of the entire project since 1960—68 as compared to the expenditure incurred on the project. The Department of Rehabilitation furnished the following statement :

Year	Gross expenditure under 108-Capital Outlay (in lakhs of rupees)	Establishment expenditure (in lakhs of rupees)	Percentage of Estt. expenditure over gross expenditure
1957—61	778·85	145·83	
Total expenditure during 2nd Plan period	778·85	145·83	(18·72)
<i>Expenditure during 3rd Plan period :</i>			
1961-62	506·71	100·16	19·76
1962-63	519·25	115·22	22·18
1963-64	537·91	109·83	20·41
1964-65	474·97	118·96	25·04
1965-66	431·09	112·95	28·52
Total Third Plan	2469·93	567·12	
1966-67	417·60	128·49	30·76
1967-68	449·72	135·23	30·06
Progressive expenditure upto March, 1968	4116·10	976·67	

As regards the reasons for the increase, the Department of Rehabilitation had stated that "increase in the rate of dearness allowance was mainly responsible in the increase in the establishment expenditure. Some increase has also taken place due to unavoidable increase of operational field staff on account of establishment of more villages and expansion of the area of Zone."

1.30. The Committee observe that against an expenditure of Rs. 6,000 which was contemplated for resettlement per family, the actual expenditure has amounted to more than double, i.e., Rs. 12,610 per family. Even this does not represent the final expenditure as it has been indicated that it is likely to go up further, when some of the families at the project are fully resettled.

1.31. While Government have stated that the increase in expenditure was inevitable due to the rise in prices that occurred since 1958-59, the Committee would like to point out that no systematic effort was made to control the expenditure on the various schemes for resettlement. On land reclamation, for instance, the per capita expenditure amounted to Rs. 3,152 as against Rs. 1,917 originally contemplated. Elsewhere in this Report, mention had been made of large areas of land given up as unsuitable for reclamation after surveys and to the fact that a substantial part of land reclaimed remained un-allotted. It is obvious that both these factors substantially pushed up costs. Other schemes, where expenditure substantially over-shot estimates, were those connected with provision of industries in the project area and operation of trucks. The Committee have referred later in this Report to substantial losses incurred on both these schemes and to the fact that even proper proforma accounts were not maintained by the Administration. It is evident, therefore, that systematic attempts were not made to evaluate the working of these schemes. It would also appear that no control was maintained on loans and grants to displaced persons. These two components of cost pushed up the expenditure on resettlement by as much as Rs. 2,213 per capita.

1.32. One particular aspect of the working of the project has been the increasing burden of the cost of establishment employed in the project. Out of the total expenditure of Rs. 41.16 crores incurred upto the end of March, 1968, as much as Rs. 9.77 crores represented outlay on establishment. The establishment expenditure, on a percentage of the gross expenditure of the project increased progressively (except for a marginal drop in 1963-64 and 1967-68), from 18.72 per cent in 1957-61 to 30.06 per cent in 1967-68. These figures leave little doubt in the Committee's mind that the project has been and continues to be burdened with large and unnecessary establishment. The Committee would like the matter to be at

once subjected to study by the Staff Inspection Unit of the Ministry of Finance, so that the situation can be remedied.

1.33. Another material factor that pushed up the cost of resettlement was the fact that a substantial number of families deserted the rehabilitation camps. The data furnished to the Committee by Audit shows that this factor alone increased the cost of resettlement per capita by Rs. 3,625. This gives rise to grave doubts whether the objective of the project is being fulfilled. The Committee would like the causes of this phenomenon to be closely studied and suitable remedial measures taken.

1.34. The Committee were given to undertake that certain families which had earlier deserted were applying for readmission to the project. The Committee hope that their cost of resettlement will correspondingly be reduced in accordance with the benefits enjoyed by them earlier.

1.35. *Delay in allotment of reclaimed land.*—Each displaced agriculturist family, according to the rules in force, is entitled to full subsidy at the prescribed rates till the end of the first two agricultural seasons immediately following the allotment of land. The agricultural season for the Project commences from the middle of June every year. The extent of land actually reclaimed from year to year was such that during 1960—68, 8,129 more agriculturist families could have been resettled but that was not done. (Those families were awaiting resettlement at village sites and transit camps). The expenditure on payment of subsidy to these agriculturist families, as a consequence of non-allotment of land to them in time, was Rs. 48.77 lakhs.

1.36. The Project Administration have stated that 29,550 acres (25 per cent quota) out of the reclaimed 1.18 lakh acres of land were set apart for release to State Government. It was however noticed that, as a result of non-releasing of full quota to the State Government immediately after reclamation the Project had to incur expenditure every year on reharrowing the lands already reclaimed. The Project authorities further stated that delay in allotment of reclaimed land occurred because by when the land was reclaimed it had not been possible to provide other facilities like tubewells, tentage accommodation, approach roads, plotting and demarcation of homestead plots bullocks and agricultural implements etc. which are necessary for resettlement.

[Paragraph 50 of Audit Report (Civil) 1969.]

1.37 During evidence, the Committee drew attention to the observations in the Audit paragraph that an avoidable payment of subsidy to the

extent of Rs. 48.77 lakhs took place as a result of delay in settlement of families on reclaimed land which was available for allotment. The witness submitted: " I think there is some misunderstanding here. It is not so easy to say that so many families could have been settled. There are so many other difficulties. After reclamation of land houses have to be built, drinking water supply has to be provided and the families are then inducted upto a particular period, i.e., upto January-February or March. The families had to come to the project sites, but reclamation goes on throughout the season till monsoon, i.e., till about May or middle of June even, if the weather is good. There is always a little more reclaimed land . . . The entire land reclaimed is not for agriculture. Some other items are: tribal quota, village site, site of village tank, schools, community centre, project administrative building, main and link roads, medical institutions, etc. Some land is to be reserved for future exchange. A settler has to be given 7 crores. Sometimes he comes and says he is unable to grow crops in spite of best efforts, soil depth is not enough, and so on and so forth. We keep 10 per cent reserve for such future adjustments." After further discussion of this point, the representatives of the Department agreed to discuss this case with Audit, after which, the following position was brought to the notice of the Committee:

"Audit has calculated the expenditure on payment of subsidy to agriculturist families as a consequence of non-allotment of land in time as Rs. 48.77 lakhs on the basis that 20 per cent of the land reclaimed for settlement of displaced agriculturist families is to be reserved for general development purposes etc. This 20 per cent is made up of (i) 5.6 per cent for future development (provided in the preliminary project report approved by Government), (ii) 10 per cent for land to be given in exchange where individual settlers complain about the quality of land allotted to them and demand allotment of better land and also for possible expansion of settler villages and (iii) 4.4 per cent for unsuitable land. Government agrees that in that basis the expenditure on payment of subsidy to agriculturist families, as a consequence of non-allotment of land to them in time, would be of the order of Rs. 48 lakhs.

1.38 Government's reply to the points raised by Audit is as follows:

- (a) In the preliminary project report it is not indicated specifically what the anticipated requirements of land were for general purposes. It only indicates the total area to be reclaimed, the area earmarked for cultivation and the area to be earmarked for release to the Tribal population. In the revised project report submitted in November, 1962, the requirement for general purpose is specifically spelt out and on this basis of the requirement the percentage for general development works

out to 22.5 per cent. But in the initial stages it was not possible to adhere to this percentage and the administrative authority found it necessary to retain temporarily for that purposes a larger percentage of land in view of the uncertainty in the alignment of roads, irrigation channels, location of Community Centres and the like, and also cushion for substitution of land likely to be found unsuitable for cultivation. The lands retained for general development have been since brought down to less than 20 per cent.

- (b) Whereas in the two earlier zones of Umerkote and Paralkote the average time in sinking a tubewells was about ten days, the time taken in the third resettlement zone, established by the Project, viz., Malkangiri, was on the average 4 to 6 weeks owing to the existence of sheet rock only 6 ft. below the surface. Further, whereas out of three trials in the first two zones of Umerkote and Paralkote success was usually achieved in two, in Malkangiri normally 4 to 5 trial bores were necessary in order to obtain one successful tubewell. As three reclamation units had already been deployed in Malakangiri zone, reclamation of land had proceeded apace but establishment of villages was delayed seriously owing to these difficulties in sinking of tubewells. This was responsible for larger percentage of reclaimed land remaining unallotted in 1963 and 1964.
- (c) Besides, in order to establish a refugee family in agriculture it was necessary to move the family to the site of rehabilitation well before the monsoon started; generally speaking, therefore, a family was allotted land not later than early May. Reclamation of land, however, proceeded till the actual outbreak of monsoon; hence some land necessarily remained unallotted till the next agricultural season.

“If due allowances are made for three factors explained above, payment of subsidy to agriculturist families as a consequence of non-allotment of land to them in time would be very much less.”

1.39. When the Committee resumed evidence on this point, the representative of the Department of Rehabilitation stated: “We have prepared a statement. It is in the nature of things not very precise. It gives us a figure of 1200 additional families which could have been settled. The amount of avoidable subsidy would work out to Rs. 7.2 lakhs.”

1.40. The basis underlying the Department's calculation of avoidable expenditure on Rs. 7.2 lakhs was explained in the following statement submitted to the Committee.

Year	Shortfall in the No. of families allotted agricultural land for agriculture computed with reference to availability of land by end of June from out of that reclaimed by the month of May	No. of agriculturist families awaiting resettlement in village sites or work centres by end of June from out of those received by end of May (worked out by deducting the arrivals during June from out of agriculturist in position by end of June)	Additional number of families that could have been resettled on agricultural land (Lesser of the previous two columns)	Avoidable extra expenditure in the shape of avoidable subsidy @ Rs. 600/- per annum per family mentioned in previous columns
Upto—				
June, 1960	442	1586	442	2,65,000
June, 1961	..	334	..	..
June, 1962	359	863	359	2,15,400
June, 1963	672	392	392	2,35,200
June, 1964	919	..	..
June, 1965	67	..	..
June, 1966	..	351	..	
June, 1967	..	340	..	
June, 1968	..	645	..	
			1193	7,15,800

The Committee enquired to what extent land remained unallotted every year during 1961—68 due to families not turning up. In a note on this point, the Department have stated :

"Area that remained unallotted at the end of June each year is given below:

Year	Reclaimed area remained un- allotted
	acres
1960	4,190
1961	2,231
1962	5,538
1963	11,058
1964	10,503
1965	14,683
1966	10,283
1967	12,532
1968	8,288

Though the major reason for non-allotment of the reclaimed land at the initial stages of the Project was non-arrival of the displaced persons in expected numbers, there were certain other prerequisites, which also hampered the allotment and utilisation of reclaimed land. They were:

- (i) provision of drinking water resources;
- (ii) erection of temporary accommodation;
- (iii) construction of approach roads including bridging of nullahs and rivers;
- (iv) plotting and marking of homestead plots;
- (v) parcelling of land; and
- (vi) posting of village staff and arrangements for foodgrains.

"It is not possible to segregate the area that remained unallotted due to each of these reasons."

1.41. The Committee were also informed during evidence that land allotted to the settlers had to be exchanged in some cases. The Secretary, Department of Rehabilitation stated on this point: ". Certain percentage of area is to be kept reserved for future adjustments. There is sometimes random sampling of soil which is being tested. Every field may have to be soil tested before allotment is made. Even after the allotment is made we find that in many cases the land is not suitable. And so, some people had to be given new lands. If the soil of the land is not good that

has to be taken back." The witness added: "from the past experience we find that almost 30 per cent had been reserved for this purpose....." At the instance of the Committee, the Department of Rehabilitation furnished statements showing the number of cases in which land allotted was found unsuitable area of the land and the number of cases in which new allotment was made during the last ten years. These statements bring out the following position:

(i) *Paralkote Zone :*

No. of people who complained of unsuitability of land	314
No. of people given exchange	240
Total area given in exchange	317.34 acres

When given: Between 1966-67 and 1968-69

(ii) *Umerkote and Malkangiri Zones:*

No. of cases in which land allotted was found unsuitable	1533
Area of land found unsuitable and given in exchange in these cases	2568.14 acres

When given : Between 1962 and 1969.

1.42. The Committee regret to observe that the Project Authorities incurred an avoidable expenditure of Rs. 7.2 lakhs on payment of subsidy to certain families pending their settlement on land, when reclaimed land was available for allotment to them. It should be investigated how this situation arose and the Committee apprised of the results of the investigation. Adequate procedures should also be evolved to ensure that in future reclaimed land which is fit for allotment is promptly allotted.

1.43. The Committee also observe that year after year from 1960 onwards substantial areas of land ranging from 2,231 acres to 12,532 acres have remained unallotted to the settlers. In the initial stages of the project this is stated to have occurred because of settlers not turning up in expected numbers, but it would appear that other factors like non-provision of drinking water, absence of accommodation, roads and other living amenities have lately contributed to this situation. In the opinion of the Committee, this indicates that the implementation of the project is not proceeding in a co-ordinated manner. Suitable remedial measures to avoid this situation should be taken.

1.44. The Committee also note that in a number of cases lands initially allotted to the settlers were found unsuitable and that the allottees had to be given other lands in exchange. The data furnished to the Committee shows that as many as 1847 families complained about the quality

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of land allotted and that new lands were allotted to 1773 out of them. This constitutes more than a tenth of the number of families settled in the project. It is obvious that the reclamation work in all these cases was not satisfactory.

Follow-up cultivation

Audit Paragraph

1.45. The project had started follow-up cultivation of reclaimed lands awaiting allotment to the settlers with a view to—

- (i) minimising soil erosion;
- (ii) preventing recurrence of forest growth;
- (iii) avoiding reharrowing in the subsequent season;
- (iv) keeping the reclaimed lands in cultivable conditions; and
- (v) deriving returns out of the produce.

12,316 acres of lands which were reclaimed at a cost of Rs. 57.76 lakhs but could not be allotted to settlers immediately after reclamation were brought under such cultivation during the years 1960—67 at a cost of Rs. 11.68 lakhs. Even though it was expected that there would be substantial income out of the produce and the need for purchasing much of the seeds for distribution to settlers for sowing might not be felt there was actually no substantial yield in any of the years except during 1961-62 and 1962-63 in Umerkote; even during those two years most of the seeds produced were of inferior quality with the result that the Project could not distribute those seeds and had to go in for new purchases for distribution in all the years.

1.46. Even the lands so cultivated were actually reharrowed in later years along with the lands not so cultivated. During 1960—68, 19,484 acres of reclaimed and unallotted lands were actually reharrowed at a cost of Rs. 10.72 lakhs before they were allotted to the settlers. A large portion of the total expenditure of Rs. 22.40 lakhs incurred on follow-up cultivation and on reharrowing could have been avoided had it been possible to allot the lands without delay to the settlers awaiting allotment of land.

[Paragraph 51 of Audit Report (Civil.) 1969.]

1.47. During evidence the representative of the Dandakaranya Project explained the objectives of the follow-up cultivation scheme as follows:

“The objectives of the follow up cultivation scheme have been very accurately put down and in the correct sequence in the audit paragraph itself. The primary object was to prevent the top soil from getting washed away. If 6” or 12” of land

get washed, we shall never be able to replace it. That is the primary objective.

“The second factor in taking up follow-up cultivation by and large was, we used to grow green manure crop. In Dandakaranya there is no alluvial soil. In Pakistan, with alluvial soil these farmers were not using Dhaincha. We had to teach them. In this area too they have to replenish the soil they cultivate and that can be done by green manure. In supplying paddy seed, we used to mix Dhaincha seed with it. That is the reason why economic return was minimum. In 1965, Malkagiri was the worst affected area of drought in Dandakaranya and the crops had failed.”

1.48. The Committee wanted to know the acreage of land brought under departmental cultivation out of 19,484 acres of reclaimed and unallotted land during 1960—68 and why it was necessary to have re-harrowed them again at a cost of Rs. 10.72 lakhs. In a note the Department of Rehabilitation have stated, “approximately 12,316 acres were brought under departmental cultivation during 1960—66. By and large areas under follow-up cultivation were not re-harrowed. . . . there might be some marginal lands only that were under departmental cultivation and were required to be re-harrowed.” To a query made by the Committee with regard to the total area of reclaimed land at the end of March, 1969 which remained unallotted to the settlers and the area re-harrowed during the years 1967-68 and 1968-69, the Department of Rehabilitation have stated, “the review of the utilisation of land is generally done in June every year. . . . such area at the end of June, 1969 was 58.91 acres (figures at the end of March, 1969 not available). . . . there has been no re-harrowing during 1967-68 and 1968-69. It is hoped that in future there would be no occasion to do re-harrowing.”

1.49. The Committee pointed out that no proforma accounts for departmental cultivation of different zones were prepared and wanted to know the present position in this regard. The representative of the Dandakaranya Project stated, “proforma reports are available. The year-wise value of seeds produced under the follow-up cultivation scheme has been compiled.” To another question the witness replied, “that was compiled after the audit para was made available to us.” The witness added, “now there is no follow-up cultivation. This is stopped now from 1966.”

1.50. The Committee desired to know the performance of departmental cultivation in different zones for the period 1960—66 and the expenditure on and the value of the produce grown and utilised in the pro-

ject. The Department of Rehabilitation have furnished the following statement showing the performance of departmental cultivation :

Years	Malkangiri Zone		Umarkote Zone		Parakote Zone	
	Expendi- ture	Value of Produce	Expendi- ture	Value of Produce	Expendi- ture	Produce*
1960-61	Not ava- lable.	Not available.	4,580	884 Mds.
1961-62	63,143	26,261	1,585	165 Mds.
1962-63	42,273	23,521	14,783	1334 Mds.
1963-64	..	5,700	560	..	..	..
1964-65	..	42,752	17,284	..	..	..
1965-66	..	81,426	5,706	..	..	..

*Value not known.

1.51. While the objectives of the follow-up cultivation scheme was unexceptionable, the Committee feel that the scheme was not efficiently executed. Between 1960 and 1966, 12,316 acres of reclaimed land were brought under the scheme. Complete data is not available about the produce obtained, but from such information as Government have furnished on this point (which is reproduced above of this Report) it is obvious that the yield from land was negligible. The scheme was intended to maintain the reclaimed lands in a cultivable condition pending allotment to the settlers. This it largely failed to achieve, as in a number of cases (precise data not available with project authorities) land brought under the scheme had to be re-harrowed again at the time of allotment to the settlers.

1.52. It is also regrettable that the Project authorities did not maintain any systematic account of the expenditure incurred on the scheme. In fact, the accounts were drawn up for a period of six years after Audit reported the matter to the Committee. In the Committee's opinion, this indicates to what extent the authorities in charge of the project lacked cost consciousness.

1.53. The Committee note that the scheme has now been discontinued. It had to be undertaken all these years because the Project authorities were not able to allot land soon after reclamation. The Committee hope that, with better coordination, the project will be able to avoid a situation where reclaimed lands remain unallotted to settlers.

*Loss on working of mechanised cultivation scheme.***Audit Paragraph**

1.54. The Project purchased 50 agricultural tractors for Rs. 5.20 lakhs during 1960 and 1961 for departmental mechanical follow-up cultivation and for hiring the tractors to the settlers for cultivating their lands. Out of the 50 tractors, 10 were handed over to the Construction Organisation. It was expected that from these activities profits would be earned. *Pro-forma* accounts, required to be prepared according to the instructions issued by the Ministry of Rehabilitation in June, 1967, have not so far been prepared (December, 1968); even the relevant basic records were not maintained by the Agricultural Organisation. During 1960-61 to 1967-68 more than Rs. 21.00 lakhs were spent on the running of the scheme against which Rs. 2.57 lakhs had become recoverable upto end of 1966-67 as hire charges for the tractors (mainly from settlers and departmental farms); the actual recoveries have not been intimated by the department. There was excess revenue expenditure of about Rs. 18 lakhs over the revenue receipts from the scheme.

[Paragraph 52 of Audit Report (Civil) 1969.]

1.55. During evidence, the representative of the Dandakaranya Development Authority explained that the use of tractors in the project area had become necessary due to local conditions. He added, "The rainy season in Dandak is very short. We can be sure of rains for only about 90 days. From out of this short period we have to allow some period which will be taken up by bullock ploughing to get the land ready for sowing. If rains in a season are insufficient during September or October then the paddy crop will fail. So, we are anxious to increase the length of the agricultural operations by allowing some sort of mechanical aid so as to get the soil ready in the pre or early monsoon period. When the rains set in fully, the bullocks can take over but for another 15 to 20 days the ploughing itself may have to go on. It is to reduce this pre-sowing period we allow the settlers to use the tractors, so as to get the soil ready quickly. It is in this pre or early monsoon period that there is an increasing demand for getting tractors on hire, but that period being very limited, the use of them is not very much. Whole day the soil is usually too hard to be dug by agriculture tractors, and we have to wait for one or two showers before we can deploy the agricultural tractors for ploughing or harrowing. It is only when enough rainfalls becomes available that the bullocks can take over."

1.56. The Committee enquired why *proforma* accounts for the scheme were not maintained in spite of instructions from Government to that effect. The Financial Adviser of the project stated that these instructions were issued only in 1967, "much after the scheme was implemented." The Committee pointed out that though the instructions were issued by Gov-

ernment in June, 1967, proforma accounts were not prepared even by December, 1968. The witness stated, "There are so many difficulties in preparing proforma accounts at a later stage if we have not kept the initial accounts from the beginning in that form. It is very difficult to recast the accounts from the very inception." The Secretary, Department of Rehabilitation added: "We have decided to have a meeting with the representative of C.A.G. and our Financial Adviser. We will try to resolve the difficulties and arrive at an accepted formula." The Committee asked whether it was not a fact that in February, 1961 the Department of Rehabilitation had informed the project authorities that it was "considered necessary that (the) results (of the scheme) should be ascertained through maintainance of simple proforma accounts." The Financial Adviser replied that the accounts that the project was called upon to maintain "was not in the same form which the Audit later insisted (upon)." When the Committee enquired why, even then some form of proforma accounts had not been kept, the Secretary, Department of Rehabilitation replied, "The Difficulty was perhaps that at that time they insisted on a certain proforma. There was difference of opinion between the Accounts people and the Audit. The DDA has referred the matter to us recently. We are trying to resolve it by having a meeting with the C & AG and the Accountant General."

1.57. The Committee pointed out that the duration of the agricultural season in the project area is only about 2 months. They asked whether the tractors purchased did not therefore largely remain idle. The Financial Adviser stated, "The tractors are not kept idle. After the season is over they are utilised for other purposes like extension services. We have computed the value of work done by the tractors for such purposes and we find that as against the running expenditure of Rs. 11.66 lakhs the value of work done comes to about Rs. 11 lakhs." The Committee asked about the extent of ploughing and harrowing done by the tractors. It was stated that the Messrs Furguson Tractors could normally "do 3 to 4 acres a day or 240 to 250 acres in a season. However, in the local conditions that prevailed, the Director of Agriculture of the project had expressed the view that the output of the tractors could be "only about 100 acres." During the last monsoon season they (40 tractors) ploughed and harrowed about 3,700 acres. The Committee asked how that expenditure had been incurred on the operation of these tractors and the amount of recovery on account of hire charges. The Financial Adviser stated that "the capital cost of the tractors utilised was Rs. 8.60 lakhs and the running expenses Rs. 11.60 lakhs—As against this, we evaluated the work done by the tractors—harrowing and other extension jobs; that comes to roughly Rs. 12 lakhs." As regards recoveries it was stated "the exact figure of recovery is not available just now." The Committee drew attention in this connection to the observations in the Audit paragraph that only Rs. 2.57 lakhs was recoverable. The witness explaining the position stated, "That

figure of Rs. 2.57 lakhs has increased considerably. The total amount for which bills have already been issued by the Transport organisation which is controlling the tractors now is Rs. 10.76 lakhs. Further bills are being sent out for Rs. 86,000. The total work done for which bills are being issued or have been issued would be Rs. 11.44 lakhs. Out of that bills have already been accepted by various departments for Rs. 1.91 lakhs. Recovery pending from settlers is a very small amount because for these settlers who come forward to get their lands ploughed or harrowed, we insist on advance deposit of money. The only exception is where the settler's bullocks might have died just at the beginning of the agricultural season and his condition is such that he is not able to pay for the deployment of tractors. In those cases the recovery is made at a later date. Otherwise, there is no recovery pending from any settler.

1.58. In reply to a questionnaire sent by the Committee, the following position regarding the expenditure and increase under the schemes, realisation and pending demands has been stated by the Department:

(i) Prior to April 1967

Running expenditure incurred on tractors to the end of March, 1967 (Year-wise break-up not available)	Rs. 11,34,375
Value of work done during this period	10,45,362
Amount recovered from settlers for work done	26,237
Dues for work done for other Departments awaiting realisation	8,61,857

(ii) April 1967 and thereafter

	1967-68	1968-69	1969-70 (Figures upto 11/69)
	Rs.	Rs.	Rs.
Running expenses	2,76,512	2,60,988	1,90,672
Value of work done	2,10,658	1,95,645	1,73,736
Dues awaiting realisation from other departments	1,23,132	1,39,645	..

1.59. The Committee are dissatisfied with the way the mechanised cultivation scheme has been implemented.

1.60. The scheme has been in operation since 1960-61. In February 1961 Government had issued instructions that "simple proforma accounts" should be maintained by the project authorities so as to keep a watch on the working results of the scheme. The instructions for the maintenance of accounts were also reiterated in June, 1967, but the project authorities are yet to finalise the form of the accounts in consultation with Audit. The Committee deprecate the delay in this regard and would like it to be examined why Government's instructions were not complied with by the project authorities.

1.61. In the absence of any contemporaneous accounting records, the data about the scheme that has been furnished to the Committee cannot be taken as very reliable indicator of the working of the scheme. But even this data shows that the working expenses of tractors employed under the scheme have consistently exceeded the value of their outturn. It seems to the Committee that the tractors are underutilised. The representatives of the Project stated during evidence that in the conditions obtaining in the project areas, the output of the tractors could be "only 100 acres" per tractor in a working season, as against 240 to 250 acres which constitutes the normal output of the tractors.

1.62. A significant factor emerging from the data given by the project authorities is that the bulk of the work has been done for other departments. In fact during a period of seven years ending March, 1967, out of the value of work amounting to about Rs. 11 lakh done by the tractors, over Rs. 9 lakhs worth of output was for other departments. It is quite evident that very little use was made of the tractors by the settlers for purpose of cultivation.

1.63. The Committee would like a review to be conducted to ascertain whether the existing fleet of tractors retained for mechanised cultivation are being put to the best possible use. Norms for output should also be evolved and ways and means found to optimise the output from these tractors, so that the scheme could 'break even.' It should also be ensured that the tractors are used to the maximum possible extent by the settlers for whose facility these are mainly intended.

1.64. The Committee would also like expeditious action to be taken for recovery of dues aggregating Rs. 11.25 lakhs awaiting recovery from various departments which used the tractors.

1.65. The Committee drew the attention of the representative of the Department of Rehabilitation to the observations made by Audit in their previous Audit Report [para 46 of Audit Report (Civil), 1968] that in 13 out of 15 reclamation units of the Project, the tractors (including the 2 lots of Komatsu tractors) worked for 5.30 lakh hours (47 per cent) during the period 1958 to 1964 (upto October, 1964) as against 11.21 lakh of potential hours thus remaining idle for 5.91 lakh hours (53 per cent) as against the normal admissible period of 2.64 lakh hours (15 to 40 per cent according to the type of tractors). During the period 1964-65 to 1966-67, they similarly remained idle for 1.07 lakh hours over and above normal permissible idle time. Explaining the position, the witness stated that it is "correct" that the tractors remained idle. To a question put by the Committee with regard to the cost per idle hour of the tractors, the witness replied: "According to the calculations which we have made on the basis of the present figures, it comes to roughly Rs. 18 per idle hour." The witness added: ".this paragraph refers to the

earlier years of the Project. At that time, things had not come clear. For example, now the cost of idle hours has been reduced to a negligible figure. But at that time there was difficulty in co-ordinating the utilisation of our capacity.there was difficulty in planning exactly as to how much land would be available and how much reclamation capacity would be needed for this.because none of the States were anxious to spare land for this work and efforts had to be made at the top level to secure more land.Therefore, we had to have a bigger fleet than we were eventually able to utilise during these earlier years. Secondly we have difficulty about a particular type of tractors (Komatsu) which were supplied by the Director General of Ordnance Factories. I understand that was also the early period of their production of that type of tractors.”

1.66. The Committee wanted to know the basis on which the cost per idle hour of tractors has been worked out by Government as Rs. 18 per idle hour as against Rs. 30 per idle hour as indicated by Audit. In a note, the Department of Rehabilitation have stated:

“The rate of Rs. 30/- per idle hour of tractors for want of provision of work by the State Government was the rate which was adopted by the erstwhile Central Tractor Organisation of the Ministry of Food and Agriculture and this rate has since been continuing. The basis on which this rate of Rs. 30/- per idle hour was adopted by the Central Tractor Organisation is not available at this distant date. The actual expenditure which is incurred by the Rehabilitation Reclamation Organisation due to idle hours of tractors for want of work consists of (a) establishment charges paid to the regular staff and officers of the Unit (b) proportionate charges of expenditure of the Division (c) proportionate charges of the expenditure of Headquarters. When a tractor remains idle, the question of consumption of POL, spare parts and depreciation of the machinery does not arise. Therefore, expenditure on operational cost is nil. In other words operational cost is not to be included while calculating the actual loss to Government on account of idleness of tractors. The rate of Rs. 18/- per idle tractor hour represents the average expenditure on establishment and therefore reflects the actual loss to the organisation. The basis of charging the State Governments for the idle hours of tractors continues to be Rs. 30/-.”

1.67. To a query by the Committee with regard to number of idle hours (year-wise) since 1961-62, the Department of Rehabilitation have furnished the following statement:

St. No.	Details	SEASON							
		1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69
1	Net mechanical breakdowns over and above the permissible norm	..	..	..	..	17,972	11,930	16,372	4,445
2	Want of land	1,073	42,485	28,137	31,821	21,184	5,540	20,894	5,428
3	Want of POL	..	..	..	1,719	582	2,953	95	12
4	Runs (Strictly speaking, these are not idle hours, but amount to reduce potential hours)	1,378	3,828	..	2,927	2,247	5,848	7,800	2,154
5	On account of shifting	..	6,844	..	..	..	5,591	..	..
6	Other causes	3,600	2,448	1,316	891	1,509	1,038	2,169	3,331
	TOTAL	6,141	55,665	29,453	37,358	43,594	32,900	47,420	15,371

1.68. The Committee enquired whether all the tractors (208) were working. The representative of the Department of Rehabilitation stated: "Yes, they are working. 2½ units are not working for the last 2 years because we have not got spare parts." A unit comprised 14 to 15 tractors. Thus, out of a total number of 208 tractors, 36 were "grounded" for "the last two years".

1.69. Elaborating the reasons for which the tractors remained idle, the Department of Rehabilitation, in their note have given the following reasons:

- “(i) loss due to mechanical breakdowns, over and above the permissible norm;
- (ii) loss due to want of land;
- (iii) loss due to want of POL;
- (iv) loss due to rains;
- (v) loss of potential on account of shifting from one zone to another in the middle of operational season;
- (vi) miscellaneous reasons.

.....items (i), (ii) and (iii) are of the nature which can be controlled, if not eliminated. Of those, items (i) and (ii) viz., loss due to mechanical breakdowns over and above the permissible norm and loss on account of want of land are the two reasons which are responsible for substantial idleness in some operational seasons.

(i) *Due to want of land.*

1.70. Upto the end of 1963-64 Rehabilitation Reclamation Organisation was a wing of Dandakaranya Development Authority and as such its activities were confined only to DNK Project area. On 1st November, 1964, Rehabilitation Reclamation Organisation was separated and set up as an independent organisation directly under the Ministry of Labour, Employment and Rehabilitation (Department of Rehabilitation) in view of the enlarged resettlement programme in various States of Indian Union. The idleness on account of want of land occurred mainly in the Units deployed in Dandakaranya Project. Since the reclamation work was to be done as per the programme of Dandakaranya Development Authority, some units had to be allocated to it and there was idleness whenever the land could not be arranged by the Project from the State Governments for reclamation, in the time anticipated even though the matter was vigorously pursued with Dandakaranya Development Authority as required.

(ii) *Due to Mechanical breakdowns.*

1.71. 17,972 hours and 11,930 hours were lost respectively over and above the permissible limit on this account during 1965-66 and 1966-67 seasons. This was mainly due to heavy breakdowns on Komatsu and HD21P tractors. Rehabilitation Reclamation Organisation is in possession of Komatsu tractors of the 'very first lot of manufacture', namely: 42 Nos. D-120 and 16 Nos. D-80 tractors. Out of 42 D-120 tractors, 36 Nos. are fitted with Mitsubishi engines and D-80 tractors are having certain inherent manufacturing defects and are, therefore, constantly going under breakdowns. In fact, this is the only civil organisation which is having tractors fitted with Mitsubishi engines.

1.72. The areas released for reclamation in certain States such as in Madhya Pradesh, were full of stumps of less than 4' height left on the ground at the time of extraction of timber manually by the contractors of the Forest Department of the concerned State. The Heavy incidence of stumps in the areas and the necessity to tackle them individually in contrast to the conventional technique of reclamation of forest lands by chain had put a great strain on the limited stumper equipments. This led to breakdowns on the machinery. Due to hazardous nature of work, sometimes radiators of the tractors got damaged by the stumps or the trees coming into contact. Even though great care is taken, there were instances where the stumps or the branches of trees struck with the radiators and damaged the core resulting in loss of productive hours. Productive hours were also lost due to non-completion of repairs in time for want of spare parts".

1.73. The Committee referred to the recommendations made by the Estimates Committee in their 72nd Report (1964-65), paragraph 97— as also to the recommendations of the Public Accounts Committee in this regard and enquired what precautions have been taken to see that the tractors do not remain idle for want of spare parts. The representative of the Department of Rehabilitation stated: "We held a meeting with the Defence Ministry. DGOF were formerly manufacturing them. Then it was taken over by the BEML. BEML has taken over our requirements and placed orders on their principal in Japan and we hope to obtain them in the course of the next year." To another question by the Committee regarding keeping of a reasonable buffer stock of spares, the Secretary, Department of Rehabilitation stated: "We have reasonable buffer stock". The representative of the Department added: "We plan our spares well in advance. When we complete our repairs at that time, we make an estimate as to what we will need in the next off-season when the time for fresh repairs will come. That again has to be started well in time and that enables us to keep a control on quality of repairs and

also to see that no tractor will lie idle and there will be no break-down in the next season."

1.74. The Committee enquired whether the question of transferring the tractors to other organisations had been considered. The representative of the Department of Rehabilitation stated: "We have given considerable thought to it. We wrote to all the State Governments year before last offering these tractors by way of transfer to the State Governments on payment of the residual value or in the alternative to work for them on a no-profit-no-loss basis. No State Government and no other authority has shown interest in taking them over, but they have shown interest in taking them over, but they have shown interest in utilising the units on a no profit no loss basis. We have been doing work for the Orissa Government, and we have been working for the Maharashtra and Jammu and Kashmir Governments also. We have secured work in Mysore to the extent of nearly three lakh acres. We are negotiating with the Rajasthan Government for one or two or three projects and we hope to succeed. That way we have ensured that our tractor organisation does not remain idle". The Committee pointed out that the project authorities were undertaking reclamation work which was outside their scope. The witness stated that these tractors were originally with the Central Tractor Organisation. For reclamation in Dandakaranya for refugee rehabilitation they were taken over. "The tractors are looked after by a separate organisation, namely, the Rehabilitation Reclamation Organisation. It used to be under the Dandakaranya Development Authority when most of the work was with the Dandakaranya Development Authority, but now we have got work elsewhere, and so it has been decided to transfer its control to Government".

1.75. The Committee observe that the tractors acquired by the Projects for the purpose of reclamation work are grossly under utilised. During the period 1961-62 to 1968-69, these tractors remained idle for 2.68 lakh hours over and above the permissible idling time, The loss on this account computed at the rate of Rs. 18 per idle hour worked out by the Department amounts to Rs. 48.24 lakhs.

1.76. The Committee note the fact that these tractors were idle due to factors like mechanical breakdown (50,720 hours), want of land (1.57 lakh hours), rains (25,982 hours) etc. It would be observed that want of adequate land for reclamation was the major factor. As this was a recurring difficulty, year after year, the Committee consider that the project authorities should have in all prudence taken steps to transfer at least part of the fleet to other organisations like the C.P.W.D. where they could have been put to better use. The Committee would like an assessment to be made to ascertain, in the light of long-term requirements of the project,

what would be the number of tractors the project would really need and to transfer the balance to other needy organisations.

1.77. The data furnished to the Committee indicates that some of the Komatsu tractors supplied by the Director General, Ordnance Factories to the project have been constantly breaking down. The view has been expressed that these have "certain inherent manufacturing defects." The matter call for closer investigation, since as many as 36 of these tractors (out of the total fleet strength of 208 tractors with the project) have been grounded for "the last two years". The Committee would like to be apprised of the results of this investigation and the steps taken to rectify these defects.

Purchase of power tillers

Audit Paragraph

1.78. Despite unfavourable reports received from the Indian Agricultural Research Institute in January, 1966, about the suitability of prototype Japanese power tillers (which were similar to Krishi power tillers manufactured in Hyderabad) for operations in newly reclaimed lands, the Project authorities decided (on 6th April, 1966) to purchase Krishi tillers; reasons for which decision have not been kept on record. Use of these power tillers in Dandakaranya Project as supplement to bullock power was sanctioned by the Chief Administrator at a cost of Rs. 3.94 lakhs. Order was placed on a firm in Hyderabad (through the Director General of Supplies and Disposals) on 23rd April, 1966 for supply of 62 power tillers with all accessories by end of June, 1966 at a cost of Rs. 3.29 lakhs. The power tillers were received in October, 1966 and the accessories in May, 1967. The Director of Agriculture of the Project observed (December, 1966) in his report on the power tillers that while the quality of ploughing and quality and output of harrowing work by power tillers are not comparable to that of tractors their operational cost would be more than that of tractors and as such they might not prove economical and adaptable in the Project unless "sufficient experience is gained in maintenance and operation of these machinery". The Superintendent, Transport and Workshops, after technical inspection of the power tillers pointed out in January, 1967 that it would be inconvenient and uneconomical for the settlers to operate the machines which also suffered from a considerable number of inherent defects and shortcomings. Of the accessories received after inspection, 62 dry blades were not accepted (July, 1967) by the Superintendent, Transport and Workshops, as the material used for the blades and the workmanship were "very poor".

1.79. Out of the 62 Krishi power tillers received by the Project, 16 were taken to various zones for use, 3 were transferred to an outside authority and 43 were lying at the supply base at Mana (February, 1968). The

16 power tillers taken to the zones were not utilised for ploughing and harrowing but were utilised for supplying water for irrigation to settlers' fields and bailing out water in the construction works. The Project estimated the annual running and maintenance expenditure of the 16 power tillers at Rs. 39,000 (excluding depreciation, repairs and establishment charges). No hire charges were recovered from the settlers for supply of water for irrigation. The Dandakaranya Development Authority decided in October, 1968 to recover hire charges based on cost of propulsion excluding the indirect charges and sought approval of Government and authorised the Project Administration to effect recoveries likewise. Approval of Government and actual recoveries are awaited (January, 1969).

1.80. The use of the 16 power tillers for supplying water for irrigation seems to be unnecessary as 21 pumping sets acquired by the Project during 1965-66 and 1966-67 were maintained and the response from the settlers for utilisation of water for irrigation of their lands was very poor. The pumping sets were utilised only for 0.19 lakh hours against their potential capacity of 0.62 lakh hours; the expenditure on the wages paid for the idle time of the pumping sets was Rs. 61,685.

1.81. The control of the power tillers has been transferred from the Agricultural Organisation to the Construction Organisation of the Project in December 1967 for use in the latter organisation. Purchase of the 62 power tillers at a cost of Rs. 3.29 lakhs did not thus fulfil the purpose for which they were acquired.

1.82. The Project authorities explained (in January, 1969) that non-utilisation of the tillers was mainly due to defects in them.

1.83. Apart from the above, 2 Japanese power tillers were tentatively allotted by the Ministry in November, 1965 for group farming in compact blocks of 250 acres or more. Against this, 6 were supplied in August 1966 at a cost of Rs. 30,142. Of these, one was transferred to an outside authority in March 1967 and the other 5 were lying idle since the time of receipt.

[Paragraph 53 of Audit Report (Civil), 1969.]

1.84. The Committee desired to know the reasons for purchasing 62 power tillers with all accessories at a cost of Rs. 3.29 lakhs despite unfavourable reports by the I.A.R.I. about their suitability and when it was initially decided to try 3 or 4 tillers before these were purchased. In a note, the Department of Rehabilitation have stated: "in June 1965, the Department of Rehabilitation requested the Dandakaranya Project to communicate their requirement of power tillers to replace bullocks for ploughing and cultivation as an experiment. The Project Administration indicated its requirements as for 30 power tillers. In March, 1966, the Agriculture Adviser of this Department prepared an outline scheme for a pilot project

on the use of Japanese power tillers on the basis of group or individual farming. The scheme was discussed with the Project officers including Director of Agriculture and Animal Husbandry, Dandakaranya Project on 6-4-1966. As a result of the discussions.....scheme was prepared which provided for the following number of power tillers for various zones:

	Malkingiri	Umerkote	Paralkote	Pharasgaon
Number of power tillers	18	24	15	5

This included reserves against repairs and break-down. Thus a total of 62 power tillers were asked for.....”

1.85. “It was agreed that power tillers could be used as supplement to bullock power in villages already established and as exclusive means of draught power for all tillage operations in new villages. It was recorded that the power tillers could also be used for:—

- (a) Pumping water for irrigation;
- (b) transport;
- (c) threshing; and
- (d) husking etc.

Further it was expected that they would not only enable the tillage operations to be completed in time for sowing but the tillage operations itself would be more efficient.”

1.86. As regards the question why the report about these tillers made by the I.A.R.I. was not brought to the notice of the Government by the Project Administration immediately after the decision to purchase these tillers was taken by the Ministry, the Department of Rehabilitation have stated, “IARI’s adverse remarks were not brought to the notice of the Government. The Chief Administrator, Dandakaranya Project has been asked to look into the circumstances under which the unfavourable report received from the IARI in January, 1966 about the non-suitability of proto-type Japanese power tillers was not brought to the notice of Government.”

1.87. The Committee enquired whether these tillers had been utilised before elsewhere and any report was obtained by the Project Authorities as to their suitability for the virgin reclaimed soil in Dandakaranya. The Department have stated, “No such report was obtained. Agriculture

Adviser who had seen the power tillers was satisfied that power tillers could operate effectively the loam and sandy loam soil and in the terraced plots of Dandakaranya."

1.88. The Committee enquired whether any inspection of the tillers by the firm's representative and the Project Engineer to ascertain the defects in the tillers has been carried out. In a note the Department of Rehabilitation have stated, "Joint inspection of the power tillers was conducted initially in 1967 by the firm's representative and the Project Engineer. Subsequently, two more joint inspections—one in November, 1969 and the second in January, 1970, have been conducted associating the DGS&D's representative and the Agriculture Adviser Report of the same is under scrutiny and final decision is yet to be taken.

1.89. The Committee enquired about the payments actually made to the firm. The Department have stated. "The conditions prescribed in DGS&D order mentioned that the stores will be complete in every respect assembly after sales service, would be provided and full responsibility would be owned by the manufacturers in respect of the design quality and workmanship of their machines for a period of 12 months from the date of their acceptance at the destination site. Terms of payment included 95 per cent payment on proof of despatch to the consignee after final inspection and the balance 5 per cent on receipt and acceptance of stores in good condition. The actual payment has been made for Rs. 3,18,514 *i.e.* 90 per cent of the value of the order. The DGS&D has further intimated that the firm's security deposit amounting to Rs. 16,435 has not been released to the firm."

1.90. The Committee wanted to know whether any review was made after acquiring the tillers in regard to the extent those were used or could be used and to what extent alternative uses could be made. In their note the Department of Rehabilitation have stated that the tillers "could not be fully utilised for ploughing purposes because of certain defects in the accessories found at the time of inspection. The firm was asked to replace these defective parts with good ones. Alternative uses to which they could be put were, therefore, tried and it was decided to deploy 16 of them for haulage and irrigation purposes. On enquiry from D.O.R. the project agreed to spare 30 power tillers to be used in the Rehabilitation Schemes in Andamans. No such transfer could, however, materialise. A Committee consisting of Agriculture Adviser, Department of Rehabilitation, Deputy Chief Administrator, Financial Adviser, D.D.A. and Superintendent Transport and workshop, has been constituted to go into the question of utilisation of these power tillers afresh. The Director (Agriculture and Animal Husbandry) is also being coopted. The Committee has not yet finalised its report."

1.91. In reply to a question whether recovery of hire charges had been made, the Department have informed the Committee, "In accordance with the directive of the D.D.A. in its 42nd meeting held in October, 1968, a proposal was sent to the Department of Rehabilitation to approve of the hiring of the power tillers by settlers at hire charges based on propulsion cost alone. After further examination of the matter, Department of Rehabilitation have suggested that attempts might be made to dispose of the power tillers with pumps to interested settlers on outright sale basis.

"In the meantime, a few power tillers with pumps were utilised for irrigation purposes in the zones."

1.92. Explaining the present position in regard to the utilisation of these tillers, the Department have stated, "Out of the 62 Krishi Power tillers, 16 were sent into the Project operational areas, 5 were transferred to the I.T.I., Mana and the remaining 41 are lying in the Mana Supply Base. Attempts were made to transfer these power tillers to the Andaman Rehabilitation area and also to the Ministry of Food and Agriculture. Some modifications suggested in the engines were also taken up with the manufacturers. As already stated a Committee has been constituted to examine this matter. The recommendations of the Committee constituted to suggest measures for full utilisation/disposal of surplus of these machines is awaited."

1.93. The Committee feel that a thorough investigation into this transaction is called for. 62 power-tillers costing Rs. 3.29 lakhs purchased for the project have been found defective. The orders were placed despite an unfavourable report on the performance of these tillers received from the Indian Agricultural Research Institute which was not taken notice of. Government have stated that the matter is being looked into. The Committee would like the investigation to be speedily completed and the findings intimated to them.

1.94. The question of rectification of defects which is stated to be under examination in consultation with the D.G.S.&D. and the firm's representative should also be energetically pursued.

Non-preparation of Proforma Accounts

Audit Paragraph

1.95. Proforma accounts showing the working results of 5 schemes upto the year 1965-66 and for one scheme up to the year 1966-67 were prepared by the Project authorities without reconciling the departmental figures with the account figures. According to the orders issued by Government in June 1967, the Project authorities are required to maintain proforma accounts of all the schemes where there was income. Such accounts of some

other schemes, viz. some industrial centres, follow-up cultivation, mechanised cultivation, fertiliser distribution etc. which cannot be termed as service schemes, were not maintained. The working of some of the schemes for which proforma accounts are maintained is mentioned below:

(i) *Truck operation.*—Mention was made in Audit Report (Civil) 1966 about the loss sustained in this scheme upto 31st March, 1964; the cumulative loss upto 31st March, 1966 was Rs. 66.53 lakhs, Rs. 60.57 lakhs as hire charges for the period upto March, 1966 have not so far been recovered (August 1968).

All the 156 trucks and 10 passenger buses purchased upto 1963-64 were due for scrapping by 1968-69. The residual value of these vehicles at the end of September 1967 was Rs. 10.96 lakhs. The expenditure on purchase of spare parts along for repairs of these vehicles from October, 1967 to September, 1968 was estimated to be Rs. 5.85 lakhs (53 per cent of residual value of the vehicles).

The performance reports of these trucks for the period from November, 1966 to October, 1967 showed that

- (a) 31 trucks did not perform any duty for 372 months in all;
- (b) 84 trucks remained idle for 346 months (out of 1,008 months) in all for want of work; and
- (c) 33 trucks remained under repair for 131 months (out of 396 months).

Loss of Rs. 35,300 in 19 cases of accidents to trucks was yet to be regularised (August 1968); in 5 other cases the loss has not been assessed.

The other departments of the Project which requisitioned the trucks had to incur heavy expenditure on transport as the cost of plying empty vehicles for the return journey had to be borne by those departments. The departmental records indicate that private operators were forthcoming to transport at rates cheaper than the departmental rates. The departmental rates were higher by 52 per cent during February to December 1967 and by 89 per cent during March-April 1968. In view of this and also in view of the heavy repair and maintenance charges of the vehicles, further continuance of truck operation calls for review.

(ii) *Consumer Goods scheme*—

Mention was made in paragraph 65 (ii) of the Audit Report (Civil) 1966 of the loss of Rs. 6 lakhs sustained from the inception of the scheme in January 1959 upto the end of March 1964. The Public Accounts Committee (1966-67) in paragraph 5.57 of their Sixty-Second Report (Third Lok Sabha) recommended that efforts should be made to run the scheme:

on a "no profit no loss" basis. The cumulative loss upto March 1967 was Rs. 18.09 lakhs.

The following points have been noticed:—

- (1) The value of total shortages (godown, handling and transit) during 1966-67 was Rs. 93,900 which was 2.63 per cent of the total value of foodgrains handled during 1966-67.
- (2) Credit sales upto March 1967 were Rs. 6.34 lakhs; details of these credit sales were not available with the department.

(iii) *Industrial Scheme*—

Mention was made in paragraph 65(v) of the Audit Report (Civil) 1966 of the loss of Rs. 6.22 lakhs sustained in the working of industrial schemes from September 1959 to March 1964. The Public Accounts Committee (1966-67) expressed its regret over this in paragraph 5.74 of its Sixty-Second Report (Third Lok Sabha). The cumulative loss upto March 1967 was Rs. 35.60 lakhs (over 40 per cent of the mean capital of Rs. 87.40 lakhs). The following points have been noticed:—

- (1) Although in the proforma accounts Rs. 61.44 lakhs have been shown as total value of finished products, details for Rs. 37.14 lakhs only were available.
- (2) 2,490 ammunition boxes along with 2,457 crates (value Rs. 1.05 lakhs) manufactured between October 1964 and June 1968 and offered by an industrial centre were rejected (in batches from 1965) by the Director General, Ordnance Factories, due to defects and bad workmanship. These boxes were lying in the centre undisposed of (August 1968).
- (3) Wood preservative (value Rs. 0.53 lakh) was purchased in 1964-65. Rs. 0.40 lakh worth of that preservative is still lying unutilised (August 1968).
- (4) Brass hinges (value Rs. 0.16 lakh) were purchased in 1964-65 although they were not required for use in any job/trade. Consequently, these hinges were lying unutilised (August 1968).
- (5) Bamboo chicks (value Rs. 0.11 lakh) manufactured in excess upto March 1967 were lying undisposed (August 1968).
- (6) Machinery (value Rs. 0.35 lakh) remained idle for about two years (August 1968) after closure of one centre.
- (7) Due to long storage timber (value Rs. 5.03 lakhs) has become unserviceable.

(B) Two new schemes, one for lime burning and brick manufacturing and the other for manufacturing tiles and ceramics, were started from October 1965. The working of these schemes showed a cumulative loss of Rs. 0.35 lakh upto the end of March 1968 (against the total investment of Rs. 0.75 lakhs). During October 1965 to March 1968 the value of production was Rs. 7,400 while the direct charges were Rs. 36,000.

(iv) *Forest Organization Scheme—*

Mention was made in paragraph 65(iv) of the Audit Report (Civil) 1966 of the accumulated loss of Rs. 9.59 lakhs for the period from June 1959 to March 1964. The Public Accounts Committee (1966-67) in paragraph 5.46 of their Sixty-Second Report (Third Lok Sabha) recommended that proper assessment of the working of the scheme should be undertaken and steps taken to avoid such loss in future. The scheme sustained a cumulative loss of Rs. 16.23 lakhs upto the end of 31st March, 1966. A difference of Rs. 2.25 lakhs (in the figure of the closing stock) between the departmental accounts and the subsidiary records was not reconciled (August 1968). The loss would increase further if this difference is not reconciled.

1.96. A review of the departmental records disclosed the following:—

- (1) The outstanding debit of Rs. 21.10 lakhs on 31st March, 1964 for supplies made to other organizations of the Project increased to Rs. 25.86 lakhs on 31st March, 1966.
- (2) Out of 6.28 lakh ballies procured between 1959 and 1966 for Rs. 4.41 lakhs for utilisation in Project works 30,146 ballies (procured between May 1962 and September 1966) costing Rs. 16,881 became unserviceable and 15,000 ballies (procured upto 1962) costing Rs. 12,600 which were sold by auction fetched Rs. 1,700 only.

[Paragraph 54 of Audit Report Civil) 1969]

1.97. In reply to a question by the Committee regarding non-preparation of proforma accounts, the Department of Rehabilitation in a note have stated:

“Dandakaranya Development Authority is a rehabilitation project. In the year 1961, the Government clarified that it is not a commercial scheme. In June, 1967, however, the Government decided that in such schemes, where there is income the proforma accounts should be kept. Later, in September, 1967, the Comptroller and Auditor General observed that the proforma accounts should be prepared in commercial form *i.e.*, in proper Profit and Loss Account and Balance sheet forms. There were certain differences of opinion between the Finan-

cial Adviser and Chief Accounts Officer, Dandakaranya Development Authority and the Deputy Accountant General, Dandakaranya Project, regarding the schemes for which proforma accounts should be prepared, the manner in which they should be so prepared and the date thereof. The matter was discussed with the Accountant General (Orissa) on the 12th and 13th January, 1970. The result of the discussion has been communicated by the Project authorities to this Department. Accountant General, Orissa, has been requested to confirm the record of discussion. Action is also being taken to examine the points raised by the Financial Adviser and Chief Accounts Officer of the Project."

It is understood from Audit that Accountant General, Orissa has since confirmed the record of discussion.

1.98. The Committee have earlier in this Report referred to laxity in financial control in the Project. The fact that proforma accounts have not been drawn up for a number of commercial schemes in operation since 1960-61 indicates how unsatisfactory the position is. The Committee would like the project authorities without further delay to finalise the form of accounts and have them prepared. The Committee have already emphasised the necessity for the expeditious preparation of these accounts in paragraphs 1.21 and 1.30 of their Sixty-Sixth Report (Fourth Lok Sabha) The matter does not brook further delay.

Truck operations scheme:

1.99. The Committee have been apprised of the following position in regard to this scheme by Audit:

"The cumulative loss sustained by the scheme upto 31st March, 1966 was Rs. 66.53 lakhs. Hire charges of Rs. 60.57 lakhs for the period upto March, 1966 had also not been recovered upto August, 1968.

"The Project Administration contended (January, 1969) that the loss of Rs. 66.53 lakhs as brought out in the Audit paragraph could not be accepted for the following reasons:

- (a) Bulk purchases of petrol, oil and lubricants is made against 2 sanctions, one for truck operations and the other for project vehicles and that the total expenditure on petrol, oil and lubricants should be allocated between trucks and other vehicles in the ratio of 40 : 60 (on the basis of mileages done in 1965-66 and 1966-67). (Separate records showing the consumption of petrol, oil and lubricants by trucks and project vehicles have not however been maintained).

(b) The total expenditure under the minor heads of accounts B-2-Establishment and B-5-Miscellaneous had been apportioned by Audit in the ratio of 60 : 40 between truck operations and other project vehicles. Since the number of vehicles on road on 31st March, 1966 (149) was more than 1½ times that of trucks (95) the running establishment should, according to the project authorities, be apportioned in the ratio of 40 : 60.

(But Audit considered that the trucks are supposed to do heavy duty jobs and the incidence of repairs, replacements and servicing will be much more than lighter vehicles. In the proforma accounts for the period ending March, 1963 a ratio of 45 : 55 was adopted by the Administration. In the subsequent year's proforma accounts, the ratio was 50 : 50).

(c) Interest should be charged on the direct capital outlay for the fixed assets acquired for the scheme. But for levying interest in accordance with the normal procedure, Audit has taken into account the net drawals during the year.

(d) The vehicles might have depreciated in the books theoretically but most of the trucks are in good condition and would run for several more years. Their present market value would not be less than Rs. 25 lakhs.

All the 156 trucks and 10 passenger buses purchased upto 1963-64 were due for scrapping by 1968-69. The residual value of those vehicles at the end of September, 1967 was Rs. 10.96 lakhs. The expenditure on purchase of spare parts alone for repair of those vehicles from October, 1967 to September, 1968 was estimated to be Rs. 5.85 lakhs (53 per cent of residual value of the vehicles).

"The performance reports of the trucks for the period from November, 1966 to October, 1967 showed that:

- (a) 31 trucks did not perform any duty for 372 truck months in all;
- (b) 84 trucks remained idle for 346 truck months (out of 1,008 truck months) in all for want of work; and
- (c) 33 trucks remained under repair for 131 truck months (out of 396 truck months)."

1.100. The Department of Rehabilitation, in a note to the Committee, have on the other hand stated as follows:

"The Project operates its trucks particularly in zones which are remote and which do not have developed communications.

The private operators are virtually absent from the area and it becomes obligatory to run the scheme of Project trucks. In fact, the running costs are more in the operational areas because of heavier wear and tear. Moreover, the runs consist of mostly of goods and materials like cement, oil, CGI sheets, consumer goods etc., imported into the zones with little counter-balancing export materials, thus making the operations less viable. So *prima facie*, taking into account the conditions in which the Project Administration is placed, there seems to be no case for comparison with Private operators. Efforts are, however, being made to keep the operational costs as low as possible. Use of private transport wherever and whenever possible has been permitted especially from the railheads to zonal headquarters."

1.101. "The Project purchased 156 trucks in various stages upto 1963-64 and these are being run continuously for various project works. The truck operation scheme was first reviewed in September, 1965 with reference to the past and programmed work load, actual utilisation and the condition of the vehicles just prior to the amalgamation of mechanical divisions. On the basis of this review, it was decided to make available on an average 80 trucks daily, during the working seasons, against which a total of 108 vehicles were made available. It was also decided that the 25 trucks which had become beyond economical repairs either due to accidents or having become obsolete would be put up for condemnation after finalising rules for condemnation. During the working season of 1965-66, in the peak period, on an average 85 trucks were being utilised. The position of trucks with reference to the past work-load and actual utilisation was again reviewed in September, 1966. Due to the improved facilities available in the Central Workshop and through the Zonal Workshops, it was possible to increase the number of vehicles on road. Due also to the increase in the over-all workload in the Project, it was decided to make available 100 trucks daily on an average, during the working season 1966-67. Similarly, for the working season 1967-68 also it was decided to make available 100 trucks on an average after a thorough review in September, 1967. However, during the review conducted in September, 1968 it was decided that for the working season 1968-69, only 80 trucks would be made available on an average in view of the fact that certain important scheme like consumer goods etc. had tapered down. It was also decided that apart from the vehicles earmarked for condemnation, 15 working trucks would be declared surplus and the Ministry would be requested to explore the possibility of transferring these trucks either in the unrepaired or repaired condition to other rehabilitation centres of the Ministry. Out of these 15 trucks, two trucks have already been transferred to the Industrial Training Institute, Ambaguda, for being utilised for

demonstration purposes. It has also been decided that 5 out of the remaining 13 trucks, would be converted into Medical Vans to be utilised as replacement for the ones that are due for condemnation. Subsequently during the programme planning for the working season 1969-70, it has been decided that we should not resort to conversions of these old and obsolete to model truck and hence these trucks would be available for being declared surplus and for being used in other rehabilitation centres if there be any such need.

1.102. "During all the reviews conducted, specific care was taken to see that vehicles which had become uneconomical for repairs either due to accidents or obsolescence are withdrawn from the effective fleet strength and earmarked for being put up for condemnation. The latest review conducted in September, 1969 has revealed that in all 30 trucks have become due for condemnation. Taking into consideration the 15 working trucks which have already been earmarked for being declared surplus the effective fleet strength out of the total of 156 as on date would be 111 trucks. During the working season 1968-69, though we had made available upto 80 trucks daily during the peak period, the demand from the Construction Organisation and Dam Divisions were very heavy during the last three months of the season. In fact, they could have utilised as much as 100 trucks daily during that period, which we were not in a position to supply. For the working season 1969-70 we have a demand for more than 100 trucks to be made available daily."

1.103. "For the working season 1968-69, a selective relaxation was given for using private transport in respect of schemes which were working on commercial basis after obtaining specific approval of the Project Head Quarters. In view of the fact that transport contractors have come forward for transportation on National and State Highways at competitive rates, a further relaxation has been allowed for the coming working season where the Departments have been allowed to hire private transport for project work, in the interest of economy. It is relevant to mention here that from the inception, all the Departmental works and transportation are being handled by departmental trucks. In those days, no private transporter was over available for transporting the materials since there were practically no roads and the vehicles had to ply almost cross-country. With the improvement in the roads and opening out of the zones, the Commercial Transporters have started quoting competitive rates after 1965 and we have also started reviewing our truck operation scheme simultaneously. Even now, in spite of good road conditions upto the Zonal Headquarters, no private contractor is quoting competitive rates for internal distribution and for this purpose we have to depend purely on departmental transportation."

1.104. "For the last three working seasons, more than 60 per cent of the load on trucks is from the Construction Department who are undertaking the works through settler group leader system. The resources of the group leaders being very limited for transportation of construction materials from the quarries to the worksites, unless the department makes available the necessary transportation, it is feared that the entire system may collapse. For this purpose, no contractor worth the name will ever risk his vehicle in the far interior on cross-country roads and hence as long as we continue to do these works in the interior of the Zones and continue settler-group leader system, the department will have to provide transportation."

1.105. "It may be relevant to mention here that apart from reviewing the utilisation aspect of the trucks, we are constantly reviewing the planning, expenditure and procurement of spare parts and other items keeping in view only the effective fleet strength. Even the available stores is reviewed keeping in view this fleet strength."

1.106. "As regards establishment expenditure also, we are constantly reviewing the position and taking suitable action to keep it as low a level as possible. The Staff Inspection Unit of the Government of India who visited the Project in 1967-68 reviewed the whole staff pattern of the Transport and Workshops organisation and taking into account the actual work-load handled in the Trucks side also have fixed the strength of drivers, cleaners, mechanics and other staff. The further reviews conducted departmentally also indicate that the existing staff strength is the absolute minimum for the organisation."

1.107. "Summing up, it may be stated that after taking into consideration all these factors stated above, we have to continue running at least 80 trucks on an average daily, which would be the maximum that we can provide out of the effective fleet strength of 111 trucks."

1.108. "There are differences in the accounts prepared by Audit and the one that had been prepared by the Project. Certain allocation of expenditure between the truck operation scheme and the other activities of the Organisation had been done by Audit in arriving at the working results for the period ending with 31st March, 1966. It may be seen from the proforma account prepared by the Financial Adviser that the loss to the end of March, 1966 would be Rs. 4.26 lakhs only. Debits amounting to Rs. 7.19 lakhs (pertaining to the same period) could be raised against the Departments concerned only after 31st March, 1966, after tracing some of the missing Log Books. In effect, there was no loss during the period pointed out by Audit."

1.109. As to the question of recovery of hire charges, the Department have apprised the Committee of the following position:

"The latest position of outstandings in respect of debit bills of hire charges is that a total amount of Rs. 53 lakhs is still due for recovery from other Organisations. Vigorous efforts have led to some improvement in the position of acceptances, however, greater improvement is being aimed at".

1.110. "Recently the Financial Adviser and Chief Accounts Officer has prescribed a new procedure as per which the Transport and Workshop Organisation will send debit bills in triplicate to the accepting authorities who will record their acceptances on 2 copies and send one each to the Transport and Workshop Organisation and the Financial Adviser and Chief Accounts Officer for adjustment by the latter straightaway. Careful watch over the acceptance and adjustments of the debits raised would be kept by Superintendent, Transport and Workshop, to ensure that it does not go into arrears".

1.111. In regard to the data furnished by Audit regarding idleness of trucks, the department have explained to the Committee that "the Audit observations are that:

- (a) 31 trucks did not perform any duty for 372 months.
- (b) 84 trucks remained idle for 346 months out of 1008 months for want of work and 33 trucks remained under repairs for 131 months out of 396 months.

The above, in fact, means that during twelve months 31 trucks did not perform any duty, 84 trucks remained idle for four months and out of the several trucks repaired in the workshop in 33 cases the time taken was four months or so.

1.112. Following basic facts will facilitate proper appreciation of the issue. Those trucks that have outlived their life are withdrawn from the operational fleet for condemnation and disposal and hence perform no duty whatsoever thereafter. That explains non-performance of duty by 31 trucks in the entire year. During monsoon, the field activity due to heavy monsoon ebbs down and hence trucks do not have enough work in four months period, which is utilised for major repair of the vehicles where necessary. This explains the idleness of 84 trucks for 346 months. Major overhauls of trucks is a time-taking job and where spare parts are not readily available some trucks remain in the workshop for four or five months. Out of the several trucks repaired, repair of 33 trucks took on an average four months due to obvious reason of major overhauls and time involved in procurement of spare parts.

1.113. Thus, there is no question of low utilisation of trucks or delay in their repairs. It is, however, understood from Audit that out of 346 months when 84 trucks remained idle, only 143 months pertain to monsoon period, i.e., 1st July to 31st October. The idleness was not confined to monsoon period as claimed, but it covered other period also almost evenly. As regards condemnation of trucks, the Department have stated:

“A total of 30 trucks are being condemned and another 15 are being declared surplus.

No staff is employed against the surplus and condemned vehicles.

1.114. Proposals for the write off of the value of these trucks after recommendation by the Condemnation Committee are processed from time to time. Disposal will be arranged according to the Government instructions.”

1.115. The Committee are not convinced by the view expressed by the Department that there was no loss on the Truck Operation Scheme. As pointed out by Audit, a consistent principle has not been adopted by the Project Administration in apportioning the expenditure on repairs, replacement and servicing between trucks and other lighter project vehicles. Systematic records of Petrol, Oil and Lubricants consumption have also not been kept. Besides, adequate allowance does not also appear to have been made for depreciation of the trucks.

1.116. The Committee would like the project authorities to settle in consultation with Audit the principles which should govern the allocation of common items of expenditure and the basis for determination of depreciation, interest charges, etc. Based on these, correct proforma accounts for truck operations should be drawn up expeditiously.

1.117. Four other points emerging from the data furnished to the Committee need attention:

- (i) Out of 346 months when 84 trucks remained idle only 143 months pertained to monsoon period. The idleness was thus not confined to monsoon period as claimed by the Department but it covered other period also.
- (ii) According to the departmental accounts out of Rs. 96 lakhs for hire charges due from other departments upto 31st March, 1966, Rs. 53 lakhs were outstanding as at the end of December, 1969. This is yet to be reconciled with the figures booked by F.A. & C.A.O. The outstandings in respect of subsequent years are not known as debits have not been raised in full in respect of any of these years. These, along with

other dues, which might be disclosed when accounts are re-cast should be expeditiously realised.

- (iii) 30 trucks have been condemned and another 15 declared surplus (out of the total fleet of 156 trucks). These should be immediately disposed of.
- (iv) The trucks are used for transport operations in project areas for which truck operators are stated to be offering very competitive rates. The scope for the maximum use of private transport should be examined and on that basis the necessity for the present fleet strength reviewed.

Consumer Goods Scheme:

1.118. The Committee enquired whether any permissible limits for shortages have been prescribed for godown handling and during transit and if so, what are the limits. In a note, the Department of Rehabilitation had stated: "With a view to fixing some norm about losses in godown handling, the matter was taken up with the Ministry of Food and Agriculture (Department of Agriculture) and also the Food Corporation of India. They have intimated that no norms have been fixed and each case has to be considered on its merits. Under the circumstances, no limit could be prescribed. For handling of seeds, however, we have prescribed 3 per cent. limit for handling and transit losses."

1.119. In regard to the extent of shortages during 1966-67 and 1967-68, the Department of Rehabilitation had furnished the following statement:

Item	Qty of transit shortage	Percentage	Qty. of godown handling shortage	Percentage
Paddy	1-99-000	0.96%	120-86-075	1.01%
Rice	7-09-040	0.90%	333-97-000	1.03%
Wheat	4-71-140	0.07%	504-94-000	1.59%
Atta	20-72-044	0.12%	608-82-123	3.10%

1.120. Since proforma accounts for 1967-68 has not been finalised as yet, the shortage for that year cannot be pointed out at this stage.

1.121. The Committee wanted to know the extent of credit sales during 1966-67 and 1967-68, the amount realised and how the balance is proposed to be realised in the absence of details of credit sales. In their note, the Department of Rehabilitation have furnished the following information:

1.122. "The total credit sales during 1966-67 comes to Rs. 1,85,031. During 1967-68, the amount so far available is Rs. 63,585. This figure is likely to change after the information is received from two zones (Malkangiri and Umerkote). The recovery on account of credit sales on foodgrains, etc., comes about Rs. 3,94,156.... As regards balance to be realised, a fair percentage (Rs. 2,25,941) was on account of sales to distressed families and P.L. families upto 1966 during drought years. The case has already been referred to the Ministry for regularisation."

1.123. The Committee note from the information furnished by Audit that credit sales to the extent of Rs. 6.34 lakhs were made under the consumer goods scheme and that full details of these are not available. It has been stated that the case has been referred to Government for regularisation. It should be examined on what authority these sales were permitted and whether there have been leakages. Appropriate action should be taken thereafter.

1.124. Action should also be taken to control the shortages of foodgrains during transit and storage which in some cases have been as high as 3.10 per cent. For this purpose some norms for godown and handling losses should be fixed so that the project authorities might be able to ascertain whether losses at these stages are more than what should be normal.

1.125. The Committee have already pointed out in paragraph 1.16 of their Sixty-sixth Report (Fourth Lok Sabha) that high cost of transporting commodities to the interior is one major reason for the losses under the scheme. Steps should be taken to bring down this element of cost, by engaging private transport, where it is more economical and through other measures.

Industrial Scheme:

1.126. The Committee wanted to know whether the cumulative loss of Rs. 35.60 lakhs upto March, 1967, pointed out by Audit has been verified. In their note, the Department of Rehabilitation have stated that "as a result of preliminary verification of the figures and proforma accounts prepared by Audit, certain discrepancies have come to light. Pending the verification of the figures, the amount of loss as worked out by Audit cannot be accepted."

1.127. At the instance of the Committee, the Department of Rehabilitation have furnished the following statement showing the industries opened and closed during the period from 1960—65:

Sl. No.	Name of the Industrial Centres	Date of opening	Date of closure	Remarks
1	2	3	4	5
1	Industrial Centre, Umerkote	20-12-61	April, 1967	
2	Weaving Centre, Murtuma	18-12-62	31-10-67	
3	Weaving Centre, Gobri	18-12-62	31-3-68	
4	Chattabeda Weaving Centre	18-12-64	31-3-68	
5	Weaving Centre, Turudihi	9-9-65	31-3-68	
6	Industrial Centre, Boregaon	1-9-59	..	Continuing
7	Weaving Centre, Boregaon	April, 1960	..	Merged with I/C, Boregaon continuing
8	Weaving Centre, Jugani	July, 1963	April, 1968	
9	Weaving Centre, Narainpur	March, 1965	1-8-66	
10	Oil Extraction Centre, Ambaguda	May, 1962	January, 1965	Transferred to R.I.C.
11	Industrial Centre, Ambaguda	August, 1964	..	Continuing
12	Industrial Centre, PV. 32	December, 1963	..	Continuing
13	Weaving Centre, PV. 32	December, 1963	October, 1969	
14	Industrial Centre, Malkangiri (Govindapalli, MV. 7, MV 17)	November, 1962	October, 1968	
15	Industrial Centre, MV. 19 (Weaving)	September, 1965	October, 1968	
16	Semi-Urban Industrial Centre Jagdalpur	27-9-62	30-5-65	Transferred to R.I.C.
17	Industrial Centre, Jagdalpur	September, 1967	..	Continuing
18	Industrial Centre, Kangoli	April 1966	..	Continuing

1	2	3	4	5
19	Bamboo Matting Scheme	April, 60	May' 62	
20	Biri Making	13-8-61	Jan., 63'	
21	Sisal Fibre	Dec. 60		
22	Sales Emporium, Jaypore	30-5-63		Transferred to Sunabeda on 9/66
23	Sales Emporium, Jagdalpur	23-9-65	..	Continuing
24	Paddy Husking	Jan.'60	10-5-61	

1.128. It has been stated that year-wise expenditure on the various schemes which were given up is not available. The following data about over-all year-wise expenditure of industries including Mana Camp has been furnished:

Year	B.1. Works	B.2 Esttl.	B.5 Misc.
	Rs.	Rs.	Rs.
1958-59 . . . . .	..	7,126	..
1959-60 . . . . .	..	10,355	1,82,594
1960-61	33,682	8,975	1,75,335
1961-62	43,325	17,798	1,24,277
1962-63	69,154	94,623	11,91,213
1963-64	1,85,148	1,46,725	17,84,235
1964-65	36,597	2,10,775	14,98,070
1965-66	78,348	2,90,250	15,29,207
1966-67	98,460	3,25,988	10,24,820
TOTAL	5,44,715	11,12,615	75,09,751

1.129. As regards the reasons for closing down the industries and the steps taken to remove these difficulties, the Department of Rehabilitation have stated:

“Industrial Centres were started with a view to provide employment facilities to Displaced Persons pending their rehabilitation in

the Zones, to impart training in useful trades and to settle some of the small trade families, wherever possible. There are many reasons why some of the Industrial Centres had to close down. Due to remoteness of the area, the procurement of raw materials and sale of finished products becomes costly. As the Displaced Persons who were to work in the Industrial Centres, were unskilled, their productivity was comparatively small. Many schemes were pilot schemes and after being found unworkable had to be closed down.

“Some Centres were opened to relieve the distress by way of giving them some employment and had to be discontinued after the emergency was over.”

1.130. The Committee observe that no details are available with the project authorities in respect of goods worth Rs. 24.30 lakhs shown in the accounts as manufactured under the Industrial Scheme. This amounts to more than a third of the total value of goods manufactured under the scheme according to the accounts, i.e., Rs. 61.44 lakhs. The matter needs thorough investigation and the Committee would like to be apprised of the results thereof.

1.131. The data compiled by Audit shows that this scheme incurred a cumulative loss of Rs. 35.60 lakhs upto end of March, 1967. The project authorities have, however, not accepted these figures, which are stated to be under verification. It is regrettable that the Project authorities did not keep any systematic record of the receipts and outgo under the scheme in which substantial investment took place year after year. The Committee would like the accounts to be overhauled within a period of six months and the correct picture of the working of the scheme to be presented to them.

1.132. It is obvious, however, that the scheme has been operating at a substantial loss. The data furnished to the Committee by the Department shows that as many as 15 industrial centres out of 24 were opened at different places in the project site between 1959 and 1967 were closed down. The Department have not been able to furnish data about the expenditure incurred on these centres, but it is obvious that a substantial part of the total expenditure of Rs. 91.67 lakhs incurred on ‘industries’ (upto 1966-67) has been largely infructuous. While some of them might have been intended as pilot projects and served some purpose by imparting skills to the resettled persons, the large number of centres closed down would suggest that they were not planned with care. The Committee would like to impress on the Department that these centres should hereafter be opened only after their necessity and the scope for running them successfully have been adequately examined.

Forest Organisation Scheme

1.133. The Committee have been apprised of the following position in regard to this scheme:

"The accumulated loss sustained by the scheme was Rs. 9.59 lakhs. from the inception in June, 1959 upto March, 1964. The cumulative loss upto 31st March, 1966 was Rs. 16.23 lakhs."

The Department have, however, stated that "the working results of the earlier years upto 1965-66 have not yet been worked out due to various discrepancies which are under reconciliation." They have also stated that "it is not possible to finalise the working results of 1966-67 and 1967-68 at this stage."

1.134. As to the necessity for continuance of the scheme, the Committee have been informed of the following position by the Department.

"At the time of Programme Content discussion, the working is reviewed each year. As quite a large number of houses are yet to be constructed and procurement of building materials and timber requirement is necessary for other Departments in the remote areas where the Departments are working, it is not possible to do away with the procurement by Forestry Organisation."

1.135. The Committee wanted to know the extent of the outstanding debits for supplies made to other organisations of the Project from the scheme as on 31st March, 1968. In a note, the Department of Rehabilitation have stated: "The total outstanding debit as on 28th February, 1970 for the supplies made to other organisations of the Project upto 31st March, 1968 amounts to Rs. 10,82,807." As regards the difficulties in getting the debits accepted and adjusted in time, the Department had stated: "In the initial stages due to all round rush and lack of experienced staff the debits could not be raised and accepted. Later on when they were raised, their linking with the departments, which had received the supply, became a time consuming process. As a result it is taking time. Instructions have been issued to the organisations to give top priority to this work." According to Audit, out of 6.28 lakh ballies procured under the scheme between 1959 and 1966, 30,146 (cost Rs. 16,881) became unserviceable and 15,000 ballies (cost Rs. 12,600) were sold by auction for Rs. 1,700. Explaining the position, the Department have stated: "The procurement was made earlier on the basis of the anticipated induction as per programme. The actual arrivals of displaced persons were erratic. As a result, some ballies could not be utilised during the year of extraction. These ballies being perishable, in some cases, they became unserviceable. The overall position in respect of unserviceable ballies is that the figure compared with entire

procurement comes to hardly 6% as against the permissible margin of 10%."

1.136. The Forest Organisation Scheme is another of a number of schemes the working results of which are not susceptible of verification in the absence of any systematic accounts. The data furnished by Audit would indicate that, upto March, 1966, the scheme ran up a loss of Rs. 16.23 lakhs. The Committee would like the accounts to be speedily drawn up and measures taken to arrest the losses.

1.137. The scheme was started in the context of large scale construction of houses undertaken by the project for the purpose of resettlement. A careful appraisal of the future scope for the scheme is called for, in the light of the plans for resettlement to be evolved on the basis of an over-all perspective plan earlier suggested by the Committee.

Newly purchased machinery declared surplus without use.

Certain machinery, equipment and accessories purchased by the Industries Organisation of the Project for Rs. 1.63 lakhs during June, 1965 to March, 1966 were not utilised (January, 1969); they were declared surplus even before installation. The details are given below:—

Machinery/equipment purchased	Remarks
1	2
(Amount)	
(i) (a) <u>Seasoning kilns</u> (Rs. 65,200)	Against the indent placed by the Project authorities in December, 1964 the Director General, Supplies and Disposals, placed orders on a firm in May 1965 for two timber seasoning kilns. The kilns were supplied by the firm in October 1965 but the equipment received in 230 packages have neither been checked nor installed by the Project authorities; even packages have not been opened. As there was no work to feed the kilns, these were declared surplus in March 1967 but have not been disposed of so far (January, 1969)
(b) <u>Boiler</u> (Rs. 23,200)	The Project purchased these between June 1965 and March, 1966 for use along with the seasoning kilns. These were declared surplus due to non-commissioning of the kilns.
(c) <u>Wood preservative</u> (Rs. 40,200)	

(ii) Drop hammer

(Rs. 17,600)

In January, 1966 the Project purchased a drop hammer for the Industrial Training Institute, Ambaguda, from Alipore Mint (where it was surplus) through the Director General, Supplies and Disposals, although the electric energy required for the equipment was not available in the Institute. Subsequently, the institute obtained (March, 1967) a spring hammer suited to the power available locally. The drop hammer was declared surplus in November, 1967 even without opening the packages; it has not so far been disposed of (January, 1969)

(iii) Bamboosplitting machines

(Rs. 16,500)

On an indent placed by the Project in July, 1960 the Director General, Supplies and Disposals, placed orders (on a Calcutta firm) in July 1961 for a set of bamboo splitting machines which were to be imported from Japan. Initial inspection of the machines was to be made at the firm's premises by the Director of Inspection, Tokyo before despatch and final inspection by the Director of Inspection, Calcutta. The machines were rejected by the Director of Inspection, Tokyo, after inspecting three times, the last rejection having been made in May, 1964. The Project wanted to cancel the order (December, 1964) on the consideration that the machines were not suitable, but could not do so as in the meanwhile, the Director of Inspection, Tokyo, had inspected it in October, 1964 and had also given a certificate of inspection. The machines despatched by the firm were received in the Project between June, 1965 and October, 1965. The machines were not installed and were declared surplus July 1967 they have not been disposed of so far (January, 1969).

(Paragraph 55 of Audit Report (Civil 1969))

1.139. The Committee have been informed in a note that orders for seasoning kilns, boiler and wood preservatives were placed as follows:

	Month of Indent	Month of Supply
Kilns	December 1964	October, 1965
Boiler and wood preservatives	May, 1965— June, 1965	Between June, 1965 and March 1966

It has been stated that the indents for the foregoing items were placed in the context of orders received from Director General, Ordnance Factories for supply of ammunition boxes and crates. "The initial supply order for ammunition boxes and crates was placed on the Project by the Director General of Ordnance Factories in April, 1963. The Project Administration was assured thereafter that further orders would follow. It was on the basis of this assurance that arrangements to buy the kilns, boiler and wood preservative were made." As to the actual orders received, it has been stated that two orders were received from the Director General, Ordnance Factories, one in April, 1963 for supply of 10,000 ammunition boxes and another in October, 1964 for 600 crates every month upto December, 1964. Against the first order, 9,216 boxes were supplied (8,200 by September, 1964) and the order for the balance surrendered against the second order for crates, 3,400 numbers were supplied by April, 1966. A third order for 35,000 Nos. of ammunition boxes was also placed by the Director General, Ordnance Factories in April, 1965, but this order was surrendered.

1.140. The Committee enquired when it became known that the Project Administration could not manufacture ammunition boxes according to defence requirements. In a note, it has been stated:

"The initial supply order for ammunition boxes and crates was placed on the Project by Director General, Ordnance Factories in April, 1963. . . . Subsequently, the rates in the tenders submitted by the Project Administration for supply of ammunition boxes and crates of different types were found to be higher than the lowest quotations. During negotiation with the Director General, Ordnance Factories, the Project Administration undertook to manufacture 1,000 prototype boxes and worked out the revised rates on the basis of their cost of manufacture. The Director General, Ordnance Factories promised to reconsider the rates of the supply order on the basis of our revised figures of costing for manufacture of the 1,000 prototype boxes. However, as in subsequent discussions the acceptance of higher rates according to our calculations were not agreed upon, the Project Administration was obliged to surrender orders for the remaining boxes in January, 1966, as the rates offered were not found economic. One of the reasons for the increase in the rates was the increase in the cost of raw materials and labour. It will be seen, therefore, that the deal fell through only because of the difference in the rates. . . . As the balance order was surrendered to the Director General, Ordnance Factories in January, 1966, by when contractual obligation had gone very far, orders for supply of boiler and preservative could not be cancelled."

1.141. In reply to a question whether the boiler, kiln and preservatives had been disposed of, it has been stated: "The kilns were twice put to

auction by the Director General of Supplies and Disposals but so far they have not been able to dispose them of. Now the Director General, Supplies and Disposals have proposed that the machines should be shifted to Raipur or nearabouts. . . . The boiler and the wood preservatives have not yet been disposed by the Director General, Supplies and Disposals. These will be again put to auction fixed for March, 1970 by Director General, Supplies and Disposals."

1.142. The Committee pointed out that even the packages containing the kilns were not opened and asked how the project authorities could be sure that there were no shortages in or damages to the equipment. The Department have replied: "Contract with the supplier was both for the supply as well as installation. Full payment for the supply was not made. Thus, in view of the security and the fact that the firm itself would be installing the kiln, it was not thought fit to open the packages."

1.143. The Committee have been informed by Audit that "2,490 ammunition boxes along with 2,457 crates (value Rs. 1.05 lakhs) manufactured between October, 1964 and June, 1968. . . . were rejected (in batches from 1965) by the Director General, Ordnance Factories, due to defects and bad workmanship." Explaining the further developments in this regard, the Department have stated: "Out of the order for 10,000 boxes C-251 from the Director General, Ordnance Factories, 9,216 numbers were manufactured and offered for inspection and acceptance. 8,260 numbers have been accepted by the Inspectors of the G.S.I.D. and supplies to the consignee. The balance 956 numbers were rejected in bulk pointing out some minor deficiencies. Extension of time for delivery has been applied for and the defects are being attended to. Will be put up for inspection of delivery after rectification."

1.144. The Committee note that equipment costing Rs. 1.29 lakhs purchased by the project for the manufacture of wooden boxes and crates became surplus even before it was installed.

1.145. It has been stated that the equipment was purchased when the project had certain orders from the Directorate of Ordnance Factories for manufacture of boxes and crates and that further orders were expected to flow in regularly. However, the scheme had to be given up, as manufacture on terms stipulated by the Directorate was found uneconomic. The Committee do not find these arguments convincing. By the time the orders for the equipment were placed the project had virtually completed supplies against two orders that it had then. The project authorities should have, therefore, known what standards were expected of them and whether it was an economic proposition for the project to manufacture boxes and crates conforming to those standards. There was also no definite prospect of more orders on a continuing basis, particularly as the Directorate of Ordnance Factories was following the tender procedure for selecting the suppliers. Besides, it would appear that boxes and crates supplied against

the orders already placed were rejected in a number of cases due to defects and bad workmanship. It was therefore imprudent for the project authorities to have gone in for the purchase of new equipment for the scheme in the optimistic expectation that there would be a continuing flow of orders in the face of competition from trade.

1.146. One aspect of the case calls for particular comment. Certain packages containing seasoning kilns (which was part of the equipment) were not even opened by the Project authorities after they were received from the supplier. The explanation given is that as full payment for the supply had not been made and the firm itself had to instal the qin "it was not thought fit to open the packages." The Committee consider this an extraordinary explanation. The Committee trust that Government will impress on the project authorities the need to safeguard public interest in transactions involving purchase of costly equipment by devising appropriate procedures for check of incoming stores.

1.147. The Committee wanted to know the basis on which drop hammer for the Industrial Training Institute, Ambaguda, was purchased in January, 1966 notwithstanding the fact that the electricity required for operating the equipment was not available in the Institute. In their note, the Department of Rehabilitation have stated that "the Orissa State Electricity Board had already connected the Central workshop in 1965 temporarily and it was expected that the permanent connection would be available in 1966. Actually 20 KW. of power was connected to the Central workshop by the Electricity Board in June, 1966 and our anticipation was that power would be available for the printing press also." To another query with regard to the disposal of the drop hammer, the Department of Rehabilitation have stated that "the drop hammer though put to auction by the Director General, Supplies and Disposals could not be disposed of. It will again be put to auction by the Director General, Supplies and Disposals in March, 1970."

1.148. In reply to a question whether the Institute could not have managed without the drop hammer, as four spring hammers were reported by then to be available the Department have stated: "Out of four spring hammers, one was meant for Industrial Centre at Umarkote, one for Industrial Centre at Ambaguda and two for Industrial Centre at Boregaon. In February, 1965, procurement action was initiated by Industries Organisation for acquisition of pneumatic hammer and the drop hammer was received in January, 1966. In February, 1965, at the time of initiating procurement action" none of the spring hammers were considered to be surplus to our requirements."

1.149. The Committee feel that the purchase of the drop hammer (cost Rs. 17,600) was avoidable. It has been stated that the hammer could not be used because power connection had not been made available. If this

was so and there was need for the hammer, it need not have been declared surplus.

1.150. This is yet another case where the project authorities did not even open the packages containing the supplies.

1.151. The Committee enquired why the bamboo splitting machine was purchased. They were informed in a note that it was purchased for making bambo mattings required for Basha type quarters. Asked why the orders for the machine which was sought to be cancelled in December, 1964, was not cancelled earlier, the Department have stated: "The machine had been placed for inspection by the Director of Inspection, Tokyo, in March, 1962 itself. Construction of Basha type quarters for staff continued till 1964. As such, before 1964, there was no question of cancelling the orders; and after inspection within the period of delivery, it was not possible to back out from the contractual obligation."

1.152. The Committee pointed out that another bamboo splitting machine taken by the project from the Assam Government in December, 1960 had not been used at all (even the packages had not been opened). The Department have stated: "The Bamboo Splitting Machine was required to be used for preparing bamboo mats for walling of houses. The bamboo mat walls were actually provided in some houses, but it was later found that such walls would not be useful for village houses for settlers. Secondly, the machine was planned to be installed at Ambaguda as it was anticipated that these power driven machines could be operated with the help of power that would become available from the Orissa State Electricity Board from Jeypore a town about six miles distant from Ambaguda. The expectation was belied as it took a long time for power to become available. Thirdly, the Bamboo Splitting Machine was also planned to be used in Paraikote Zone as bamboos were available in the forests in that area, but again the absence of electricity did not permit the scheme to go through."

1.153. With regard to the payment of the cost of machinery to the firm concerned and its disposal, the Department of Rehabilitation have stated: "90 per cent payment has been made. The rest 10 per cent is proposed to be forfeited as defects pointed out have not been rectified. The machinery was declared surplus and put to auction on two occasions by the Director General, Supplies and Disposals. A part of the machine has been sold off. The Director General, Supplies and Disposals has proposed to put it to auction in March, 1970 again."

1.154. The Committee feel that it was unnecessary for the project authorities to have proceeded with the purchase of the bamboo splitting machine, when an identical machine obtained by them meantime had not been put to use. The latter was received by the project authorities in December, 1960 and by that time orders had not been placed by the

Director General, Supplies and Disposals against the indent for the former. The indent could have therefore well been cancelled. In any case, the project authorities could have waited to see whether bamboo mats (for the production of which these machines were purchased) were suitable for walling of houses, before burdening themselves with two machines. Ultimately the mats were not found useful for the houses constructed for settlers nor could the machines be operated, as power was not available. Thus the purchase was not a well-considered one.

1.155. The Committee enquired whether any review had been made by the Project Authorities to ascertain to what extent there was surplus machinery in the project. The following position has been explained in a note:

“Review conducted by the Project Administration in December, 1967 disclosed that machinery worth Rs. 5.25 lakhs was surplus to the requirement of the Project. The figure works out to less than 1 per cent of the total cost of machinery purchased by the Project. Out of these, machinery worth Rs. 4.07 lakhs have since been declared to the Director General, Supplies and Disposals for disposal and action has been initiated for declaring the balance items.” It has been added: “A Committee has been appointed in July, 1968 to examine the utilisation and disposal of machinery in the Dandakaranaya Project. The terms of reference of the Committee are:

- (a) to make review of the utilisation of the machinery in the project with a view to locate the machinery as is surplus to requirement.
- (b) suggest transfer from one organisation to another in the Project of machinery as feasible.
- (c) accelerate the pace of the disposal of machinery and equipment found surplus.
- (d) going into proposals for future purchases and to give views in connection therewith.

The Committee is collecting the information and its report is awaited.”

1.156. The Committee note that a review carried out has disclosed surplus machinery with the Project to the extent of Rs. 5.25 lakhs. Expeditious action for its disposal should be taken.

1.157. Earlier in this Report, the Committee have referred to under-utilisation of costly equipment, like tractors employed in the project. Later, a mention has been made of similar underutilisation of equipment deployed for the construction of the Bhaskal Dam and of certain tempo vans. The Committee are, therefore, left with the impression that the Project carries a heavy inventory of equipment, which is not being put

to the best possible use. This results in substantial sums of money getting avoidably blocked up. The Committee would like Government to undertake an investigation to determine the extent to which machinery with the project is underutilised/unutilised and the avenues for maximising their use by transfer to other Departments/organisations. It will also be necessary to evolve adequate procedures to ensure that purchase of equipment is resorted to only when absolutely essential. The Project Administration are stated to be undertaking a survey for this purpose, but the Committee feel that this survey should be made by Government itself, as the investment in inventories in the project is quite substantial.

Construction of Bhaskal Dam

Audit Paragraph

1.158. Construction of the dam across Bhaskal nallah in Umerkote Zone was sanctioned in May, 1960 at an estimated cost of Rs. 99.92 lakhs. Construction was to be completed by the end of June 1964 (revised to June 1965 subsequently). Construction was actually completed by June, 1968 (except 24 per cent of water courses/field channels). The total expenditure was about Rs. 150 lakhs which was 50 per cent in excess of the estimated cost. The revised estimate has not so far been sanctioned (October, 1968).

1.159. Earthwork on the dam was to be done partly by manual labour and partly by machine. Against the estimated requirement of machinery worth Rs. 10.35 lakhs for construction of the dam, machinery worth Rs. 55.92 lakhs were purchased and used for the work on the dam. According to the approved technical estimate, a fleet of three scrapers with one pushing dozer and one shovel with eight dumpers were required for doing all the earthwork (4.10 lakh crft.) in 1.04 lakh hours and complete the dam in two and a half working season by working on double shift. Actually, however, eight scrapers, three dozers, two shovels and seventeen dumpers with a total capacity of 2.86 lakh potential hours were deployed for construction of the dam (between May 1961 and June 1966). Between November, 1962 and June 1966 some of those machines were worked single shift, some double shift and some triple shift. Out of 1.31 lakh potential hours (on the basis of number of shifts actually worked) of machines available for work between November, 1962 and June 1966 they worked actually for 0.42 lakh hours only and remained idle for 0.89 lakh hours. The pay and allowances of the machine staff for the idle period were Rs. 3.80 lakhs.

1.160. According to the original estimate, the dam is to irrigate annually 16,500 acres of land and yield a net annual revenue of Rs. 1.61 lakhs. During the agricultural season 1966-67, 855 acres were irrigated and during 1967-68 (upto June 1968) 1,750 acres were irrigated. No action has so far been taken for recovery of water charges. The

Project administration explained (January 1969) that they were not empowered to levy water charges under the law and a proposal to transfer the dam to the Government of Orissa was under consideration; decision is awaited (January 1969).

[Paragraph 56 of Audit Report (Civil), 1969.]

1.161. The Committee pointed out that the project was completed in June, 1968, as against June, 1964 originally planned. They would like to know the reasons for the delay in the completion of the Project. In a note, the Department of Rehabilitation have stated, "The main Bhaskal Dam was completed in the later part of 1965 and started giving irrigation for Rabi 1965-66. However, the commencement of the Project got delayed. Instead of being started in 1960, it was started early 1963 on account of delayed receipt of certain machinery from abroad. The main Dam was completed in 1965 and the right regulator of the Dam was taken up and completed later. That possibly explains the reference Audit has made to the year 1968 in the para."

1.162. As to the variations between estimated and actual cost, the Department have stated in their note "The figures of expenditure booked by the F.A. & C.A.O. of the Bhaskal Dam is of the order of Rs. 110.50 lakhs. However, this figure is being verified from the point of view of classification under various heads and reconciliation between the departmental figures and accounts figures is being effected. The actual expenditure will be known after these two steps are completed. Expenditure figures in respect of works establishment, spare parts of machinery, P.O.L. general stores and depreciated cost of machinery have since been worked out and these are being taken into account in the preparation of the revised estimate. Preparation of the revised estimate of Bhaskal Dam has already been taken up in hand and will be submitted to the Ministry of sanction during March, 1970.

1.163. "Audit has adopted the figures of Rs. 150 lakhs for the estimate of the Bhaskal Dam, but this includes the value of machinery which was partly utilized for Bhaskal Dam but mainly earmarked for the Malkhangiri and Paralkote Dams. In fact, the major part of the life of the machinery originally procured for the other two dams is still in tact and only that portion of the depreciated value which was actually used for the Bhaskal Dam would be apportioned to it. On this basis, it is expected that the revised estimates of the Bhaskal Dam will not work out far in excess of the original estimate and it may certainly not be Rs. 150 lakhs referred to by Audit."

1.164. The Committee pointed out that the actual booked expenditure on the project so far was Rs. 118.92 lakhs and an estimate of Rs. 211.61 lakhs had been prepared by the project Administration. Explaining the position in this regard the Department have informed the Committee as follows: "How the total estimated figure of Rs. 211.61 lakhs is arrived

to transfer this dam to the State Government treating the cost as a loan to the State Government. The question of levy water charges was also discussed at length by an Irrigation Law Administration Committee set up by the Government of Orissa on 2nd August, 1968 and the Committee was of the opinion that the Bhaskal dam should be taken over by the State Government of Orissa at an early date and levy of water charges started to exercise better financial discipline over cultivators to ensure optimum utilisation of water and to avoid any wastages. Expenditure is being incurred by the Project on maintenance of the dam and its canals. The Department of Rehabilitation have stated in a note that, "Irrigation is a State subject and the Irrigation laws have to be administered by the State Government in accordance with the enactment of their legislature. As such the D.D.A. has no power to levy water charges. Proposals have been made since 1965 to the State Governments to take over the completed Dams within their respective territories on mutually acceptable basis so that the irrigation law can be enforced. As regards betterment charges, the Project Report does not envisage its realisation. This matter was brought to the particular notice of the Irrigation Law Administration Commission of the Government of Orissa which had visited the Bhaskal Dam Project in August, 1968. They have also agreed to take up the matter with their Government. As regards the betterment charges, the Project report which has been administratively approved does not envisage its realisation."

1.169. The Committee pointed out that though the settler land potential has been indicated as 1,100 acres in Kharif and 550 acres in Rabi, the actual land allotted in various villages was only about 600 acres. Of the rest of 500 acres, there is a discrepancy of 300 acres in some villages about irrigable area and 200 acres are under heavy encroachments. As regards the discrepancy of 300 acres the Department of Rehabilitation have stated that, "The above discrepancy will be reconciled as soon as the Ayacut Survey of the command area which is now in progress is completed. The survey is in advance stage and expected to be completed by June, 1970." In regard to the encroachment, the Department have explained, "This presumably pertains to Mendabeda area in the command of the left canal. This area was released to Project by the Government of Orissa but physically possession was not handed over. Since this area was heavily encroached upon, the Project also did not like to take over this land from the Government of Orissa. Hence the question of the Project taking action to evict the encroachers in this case does not arise, since the land still vests with the Government of Orissa."

1.170. The Committee enquired about the actual expenditure incurred by the Project on the maintenance of dam and its canals since

the day of their completion (upto 1968-69). The Department of Rehabilitation have furnished the following information on this point:

	1966-67	1967-68	1958-69
Maintenance of Dam	Nil	29,796	33,716
Maintenance of canals	25,939	66,705	61,944

1.171. The Committee enquired to what extent machinery for the project was underutilised. The Department have explained the position in this respect as under:

“Audit has worked out the “Idle hours” on the basis that each scraper can work for 3,200 hours a year at the rate of 400 hours per month for a working season of 8 months from October to June. “Hand Book of Earth Moving Machinery” issued by C.W.&P.C. in 1960 mentions the performance as 2,800 hours a year. Conditions in Dandakaranya area, however, are difficult. Communications are poor, the area is remote, repair facilities in earlier years were practically non-existent and the spare parts scarce. The nearest urban markets are hundreds of miles away and a breakdown of a particular machine can mean long delay before resumption of the work.

“Considering the details of the machinery actually used on Bhaskal Dam, the average utilisation of net potential hours (excluding breakdown period) has been 65 per cent which is quite satisfactory.

“As mentioned in the preceeding paragraph, the under-utilisation was intermittent. It was also not due to avoidable factors. The day to day repairs for all earth moving equipment and other machinery were being attended to at the workshop established at the dam site itself. Further workshops were created in each zone to carry out the first and second line repairs of transport equipment and light machinery such as pumps etc. A Central Organisation known as Transport and Workshops was also set up. This Organisation apart from procurement of spare parts etc. for transport vehicles, looks after repairs to defective machinery brought for 3rd and 4th line repairs. Communications have also improved, but the difficulty in obtaining spare parts still persists.

“It can not be said that there was idle staff as such. The operating staff rendered idle when the machinery was under breakdown, was utilized for their repairs in the workshop. Also services of such skilled staff cannot be dispensed with during the intermittent periods of break-downs for practical reasons.”

1.172. The Committee feel that the construction of Bhaskal Dam, on which over Rs. 1 crore has been spent (exact expenditure still to be worked out by the project authorities), was undertaken without adequate investigations, though the Committee do not wish to question the utility of the project.

1.173. In the first place the project authorities did not ascertain to what extent there was scope for using the irrigation potential that would become available. The result of this has been a substantial waste of water available for irrigation. The maximum area irrigated by the project during any of the three years ending 1968-69 was 5,457 acres as against its capacity to irrigate 16,500 acres annually. Further utilisation of the potential would have to await development of irrigable lands by adivasis “who have yet to prepare their fields by bunding, levelling etc. and make them suitable for irrigation.” It has also been reported that “in many instances clearance of shrub jungle is yet to be done” and that the irrigable area “is sparsely populated.” As early as 1966, Government had informed the Estimates Committee that steps are being taken to construct water-courses to maximise utilisation of water but even the estimates for this work are yet to be worked out.

1.174. In the second place, the bulk of the area that the project can irrigate (14,850 out of 16,000 acres) constitutes non-settlers land on which the Dandakaranya Development Authority has not settled any families. Faced with this situation, the project authorities are obliged, in order to maximise use of water, to undertake construction of water-courses on these lands also—an item of work that, in the Committee’s opinion, belongs to the State Irrigation Department and not the Dandakaranya project. This illustrates the point made by the Committee earlier in this Report that the project authorities are undertaking work for outside their scope.

1.175. Thirdly, before deciding to undertake the work, it was overlooked that the Dandakaranya Development Authority would have no power to collect water charges from the beneficiaries, as irrigation is a state subject and irrigation laws have to be administered by the State Governments. The result of this is that no water charges have been recovered all along for over three years, nor betterment charges (the project report not having envisaged the recovery of the latter). To get over the difficulty, proposals have been made since 1965 to the State Government to take over the completed dam

1.176. The Committee would like the Government of India to take up immediately at the highest level the question of transfer of the dam to the State Government on a mutually acceptable basis. The exact expenditure incurred on the project should also be worked out without further delay.

Purchase of Tempo Vans

Audit Paragraph

1.177. For providing transport on hire to the settlers for carrying agriculture and poultry produce to the nearest markets four tempo vans were purchased for Rs. 39,200 and were received in the Project in November, 1966. Of them, three were sent in May, 1967 to three resettlement zones and one in October, 1967 to the Fourth zone. One of these vans plied for 23 days (upto April, 1968), the second for 2 days (upto May 1968) the third for 33 days (upto September, 1968) and the fourth for 47 days (upto October, 1968)—all for other purposes—and were idle thereafter.

1.178. The Project Administration attributed (December 1968) the poor utilisation of the vans to the rate of hire charges fixed being considered high by the settlers. It was also stated that the settlers being conservative minded and uneducated were slow to accept changes.

[Paragraph 57 of Audit Report (Civil), 1969.]

1.179. The Committee enquired about the expenditure incurred on the maintenance of idle tempo vans and the staff for the period for which they remained idle till the hire charges for the tempo vans were reduced in October, 1968. In a note, the Department of Rehabilitation have stated, "As the tempo vans have been utilised very occasionally, the expenditure on their maintenance has been negligible. No operational staff has been specially engaged for these vehicles. Out of the total number of transport vehicles (295) in the project, about 240 vehicles are meant for actual deployment to meet the demands of various departments. For these vehicles operational staff on pool basis is 217 drivers which includes leave reserves not only for the Transport Pool, but also for other Departments such as Medical and Publicity."

1.180. The Department have further stated: "Tempo vans were received in November, 1966. They were then registered and other formalities completed. By then Agricultural Season 1966 was over. It was only during 1967 Working Season that the Tempo vans were utilised. Matter could therefore be reviewed after the performance and popularity for one season was known."

1.181. In reply to a further question, the Department have stated that the line charges for these vans "have not yet been reduced."

1.182. The Committee enquired whether any steps had been taken to organise cooperative marketing societies in the resettlement areas, as recommended by the Estimates Committee. The Department have apprised the Committee of the following position in this respect :

“Reference is to the recommendation made in 1965 by the Estimates Committee that a scheme for developing marketing facilities for agricultural produce in the area and for developing the cooperative marketing societies should be framed. 3 Marketing Co-operative Societies have been organised, one in each of the 3 zones, Umerkote, Paralkote and Malkangiri. These 3 societies have been registered with the respective Registrars of the Co-operative Societies and the settlers of the 3 zones are members thereof. The institutions functioned effectively for the past couple of years for marketing of some of the agricultural produce of the settlers in the 3 zones, particularly of Mesta in Malkangiri and maize in Paralkote zone.”

As to other steps taken to help settlers get a reasonable price for their produce, the Department have stated, “The Project Administration has invited from time to time representatives of some jute and mesta mills as well as some other businessmen from certain business centres like Calcutta, Raipur, Vijayanagaram to organise the disposal of the produce to marketing centres within the zones and outside, proposals have been made for subsidised transport and these are under consideration of the Ministry of Finance.”

1.183. The Committee note that four tempo vans purchased at a cost of Rs. 39,200 in 1966 to provide transport facilities to settlers for carrying their agricultural and poultry produce have been virtually idle. The scope for maximising their usage through suitable adjustment of line charges or by transfer to marketing societies stated to have been organised by some of the settlers should be examined.

Avoidable Extra Expenditure

Audit Paragraph

1.184. The technical estimate of Bhanupratappur-Paralkote road sanctioned by the Chief Engineer, Dandakaranya Project, in 1960-61 provided (for 6" thick boulder soling for the road) *inter alia* for (i) collection and supply of full quantity of hard stone boulders (4" to 6") (13.69 lakh c. ft.) and (ii) stone fillers (other than granite) for soling layers 1½" to 3" (5.74 lakh c. ft.) to the extent of 35 per cent of the boulders. While the work was in progress, the Superintending Engineer, Construction (North) Circle, noticed in February, 1962 that the estimate of the work provided for excess quantity of boulders and stone fillers which would result in providing soling of more than 6" thick. He directed the Divisional Officer

to reduce the quantity of boulders and stone fillers to get 6" thick soling only. However, that was not done. After the work was completed, the Divisional Officer intimated the Superintending Engineer (May, 1966) that from the practical observations in the road construction only 10 to 15 per cent of stone fillers were required instead of 35 per cent provided in the estimate and as a result the soling provided was more than 6" thick. 12.71 lakh c. ft. boulders and 4.19 lakh c. ft. of stone fillers were acquired and paid for against the requirement of 12.47 lakh c. ft. of boulders and 1.39 lakh c. ft. of stone fillers on the revised basis. The extra expenditure on the extra boulders (Rs. 0.09 lakh) and stone fillers (Rs. 0.89 lakh) acquired was Rs. 0.98 lakh. Of that, expenditure of Rs. 0.89 lakh could have been largely avoided had action been taken to reduce the quantity of boulders and stone fillers as directed by the Superintending Engineer in February, 1962.

[Paragraph 59—Audit Report (Civil), 1969.]

1.185. The Committee wanted to know whether any inquiry was conducted to find out why boulder and stone fillers were procured in excess of requirements by the Divisional Engineer in spite of the direction given by the Superintending Engineer to reduce the quantity. In a note the Department of Rehabilitation had stated that "an enquiry has been ordered in the matter by the Ministry. . . . The road is being opened in each furlong to find out whether the stone boulders and fillers have been utilised as per the records available. It is a busy road and, as such, it is not found advisable to open the road at all places. It may take at least three months more for finalising the findings."

1.186. The Committee enquired whether any analysis has been made and responsibility fixed for laxity of supervision during execution of the work in not adhering to the prescribed thickness. In their note, the Department of Rehabilitation had stated, "subject to the finds of the enquiry, it has been stated that the variation may be due to:

- (a) area in filling where thicker soling was required;
- (b) slushy areas which had to be filled up by extra soling and spalls;
- (c) black cotton type areas where thicker soling was also required from the technical point of view;
- (d) materials required for extra thickness where high embankments had to be done.

In the ordinary circumstances, the earthwork in embankment is allowed to settle for one or two monsoons before the soling is spread, but in this case as the Zone had already been established, communication had to be kept open for movement of food-grains etc. alongwith the construction of the road and much time could not be allowed."

1.187. The Committee note that an avoidable expenditure of Rs. 0.89 lakh was incurred on soling of a road beyond the specified thickness due to excessive purchase of material by the Divisional Officer, contrary to instructions stated to have been given to him. The matter is under enquiry. The Committee would like to be apprised of the outcome thereof.

Rashtriya Vikas Dal

Audit Paragraph

1.188. In order to provide gainful employment to displaced persons (from East Pakistan) who were being maintained in transit and relief camps on Government doles, the Dal was formed by Government in 1964. Able-bodied persons in age group of 18-45 years were to be recruited and given a basic training of two months after which they were to be enrolled as Sahakarīs and an agreement was to be executed by them for serving the Dal for three years on road-building works on payment of remuneration at prescribed rates. On satisfactory completion of the terms of three years, the Sahakarīs were to be settled on agricultural land for which necessary facilities were to be provided by Government.

1.189. The table below shows the position (on 31st July, 1968) on the persons recruited:—

(a) Number of those deserted during the initial training of two months	141
(b) Number of those—	
(i) deserted before completing three years of service	875
(ii) were released before expiry of the three-years period	714
(iii) completed three years of service	942
(iv) were on rolls (balance)	687
TOTAL	3,359

The number of persons who, after three years service, were actually settled on agricultural land was 816.

1.190. It was estimated that the scheme would entail annually recurring expenditure of Rs. 19.69 lakhs for each unit of 1,000 persons (working to an average of Rs. 1.969 per person) and non-recurring expenditure of Rs. 2.27 lakhs.

1.191. Upto 31st July, 1968 Rs. 108.72 lakhs spent on the scheme, comprising recurring expenditure (Rs. 91.42 lakhs) and non-recurring expenditure (Rs. 17.30 lakhs). At the estimated level of Rs. 2.27 lakhs of non-recurring expenditure per 1,000 persons, the total non-recurring expenditure for 3,359 persons should have been about Rs. 8 lakhs only.

For the work executed by the persons under the scheme, Rs. 13.52 lakhs were pending recovery at the end of July, 1968 mostly from Government projects/Departments and State Governments. Of this, Rs. 9.21 lakhs still (January 1969) remain to be recovered, mostly from the following:

	Amount	Period of service
(In lakhs of Rupees)		
Dandakaranya Bolangir Kiruburu Railways	2.38	February, 1965 to February, 1966
Dandakaranya Project	2.59	February, 1965 to October, 1965
Department of Rehabilitation Andamans	3.34	1966 to May, 1968.

1.192. Having regard to the past experience whether the Dal should be continued has not been reviewed by the Ministry so far (December 1968).

[Paragraph 48 of Audit Report (Civil), 1969.]

1.193. The Committee enquired whether any investigation was made into the causes for desertion of a larger number of persons recruited to the Dal and what were the reasons for the number of persons actually settled on agricultural land being low even after completion of full service in the Dal. In their note, the Department of Rehabilitation have apprised the Committee of the following position:—

“The main reasons for desertion were as under:

- (i) Disinclination to go to Andaman and Nicobar Islands for work of the Rashtriya Vikas Dal and ultimate resettlement there.
- (ii) Separation from their families, and
- (iii) Unwillingness to do manual work. Of the 942 Sahakarīs released 816 persons were settled on land. The remaining ex-RVD persons are in Assam Camp; efforts are being made to find land for them there.”

1.194. The Committee wanted to know whether the expenditure on pay and allowances of officers' establishment was high as compared to the total recurring expenditure. In their note, the Department of Rehabilitation furnished the following information in regard to the estimate of recurring expenditure per annum under the scheme on a unit of 1,000 Sahakarīs:

	(Rs in lakhs)
(i) Salaries of Sahakarīs	10.42
(ii) Expenditure on food for Sahakarīs	3.65
(iii) Expenditure on Headquarter's staff including Medical Staff	5.01
(iv) Expenditure on training staff	0.61
	19.69

Thus out of a total of Rs. 19.69 lakhs, a sum of Rs. 5.62 lakhs was to be spent on staff (i.e. 28 per cent). Out of Rs. 106.05 lakhs (Rs. 108.72 lakhs minus Rs. 2.67 lakhs non-recurring expenditure), actually spent from November, 1964 to July, 1968, only a sum of Rs. 17.32 lakhs was incurred on establishment (i.e. only about 16 per cent).....”

1.195. In regard to the position regarding recovery from various agencies on account of the operation of the scheme, the Department of Rehabilitation have stated, “A sum of Rs. 25.85 lakhs has been recovered from the various agencies; a sum of Rs. 2.69 lakhs is under recovery. A sum of Rs. 10.37 lakhs has been recovered from the Sahakarīs for food supplied to them; a sum of Rs. 60.21 lakhs would have been payable to the sahakaris as doles had they not joined the R.V.D.; this amount, therefore, represents a saving to Government on account of R.V.D. against a total expenditure of Rs. 108.72 lakhs upto 31st July, 1968, Government has saved an amount of Rs. 99.12 lakhs; the net outgoing on a account of the R.V.D. is, therefore, Rs. 9.60 lakhs. The disposal of the stores rendered surplus on account of the winding up of the R.V.D. will fetch some amount”. As regards their engagement when the Sahakarīs were not serving with the agencies, the Department had stated, “Period of lay-off were anticipated and provided for in the estimated expenditure on the scheme. During these periods the Sahakarīs did not remain idle but were, in addition to undergoing, engaged in repairing of the Basha type quarters, tents laying and repairing of roads at the camp sites etc.”

1.196. The Committee wanted to know the position regarding recovery of Rs. 2.59 lakhs from the Dandakaranya Project for the works executed by the Dal. In a note, the Department of Rehabilitation had stated, “The question of recovery of the amount from the Dandakaranyā Authority has been taken up with the Chairman of the authority.”

1.197. In reply to a question about the utility of the scheme, the Department have stated, “The scheme was not conceived as a permanent scheme, but was intended to provide work to migrants who were staying in the camps without work. As soon as resettlement facilities became available, they were released from the Dal for resettlement. It may be stated that after 3 years service the Sahakarīs had the option to continue or not to continue with the Dal at their option. The majority of the Sahakarīs exercised their option not to continue with the Dal after their initial tenure of 3 years.

The Sahakarīs released from the Dal are being settled on land and in other occupations. All the Sahakarīs have since been released and the Dal will be wound up by the end of March, 1970.

1.198. The Committee cannot help feeling that the Rashtriya Vikas Dal, started with the intention of enrolling volunteers for various construction

activities from amongst displaced persons awaiting resettlement, was a failure. Out of 3,359 persons recruited under the scheme, as many as 1,730 persons either deserted or were released before the completion of three years which was the minimum period for which they were to serve the Dal. The only redeeming feature is that out of an expenditure of Rs 108.72 lakhs incurred on the scheme, the net outgo was only Rs. 9.60 lakhs. But this is inter alia on the assumption that a sum of Rs. 60.21 lakhs would have been payable to the recruits to the Dal as doles if they had not joined the scheme and further that a sum of Rs. 10.37 lakhs was actually recovered from the recruits for food supplied to them. The Committee would like these facts to be verified and the position intimated to them.

1.199. A sum of Rs. 2.69 lakhs is stated to be pending recovery on account of work done by members of the Dal for various agencies. This should be quickly recovered.

NEW DELHI;
April 27, 1970
Vaisakha 7, 1892 (Saka)

ATAL BIHARI VAJPAYEE,
Chairman,
Public Accourxs Committee.

APPENDIX

Summary of main Conclusions/Recommendations

Sl. No.	Para No.	Ministry/Department concerned	Conclusions/Recommendations
1	2	3	4
1	1-24	Min. of Labour, Employment and Rehabilitation (Deptt. of Rehabilitation)	<p>The Committee feel that the Dandakaranya Project has gone far beyond the scope originally envisaged for it. The preliminary project report contemplated an outlay of Rs. 17.70 crores for the resettlement of 12,000 agriculturist and non-agriculturist families by the end of March, 1961. For this purpose, it envisaged the reclamation of 70,600 acres. However, in actual implementation, the project has been allowed to grow, year after year, without any kind of long-range planning. The actual (gross) expenditure on the project to the end of March, 1968 amounted to Rs. 41.16 crores, of which as much as Rs. 33.36 was incurred during the period 1961—1968, which fell outside the scope of the project report. As against 70,600 acres which were to be reclaimed for resettling 12,000 families, an area of 125,089 acres has been reclaimed for the settlement of 13,300 families. The data furnished to the Committee indicates that substantial reclamation is still under contemplation of the Project authorities, who are moving the concerned State Governments for release of more land for this purpose.</p>
2	1-25	Do.	<p>The Committee are not in favour of the project being allowed to develop in this <i>ad hoc</i> fashion. The absence of a long-term perspective</p>

plan entails the risk of Government being committed to expenditure on the scheme, without any estimation of its magnitude or of the necessity for expenditure on that scale in the light of an over-all plan. It could be that the developments undertaken so far may not fit in or fall in with the requirements of the place. As early as 1965, the Estimates Committee had drawn attention to the need for a Master Plan for the project. This is yet to be drawn up; a revised project report prepared in 1962 is still awaiting Government's approval, pending formulation of the Master Plan. It is regrettable that Government have so far shelved action on the preparation of a long-term plan for the project. In the Committee's opinion, this does not brook further delay. The Committee would like immediate action to be taken by Government to draw up such a plan, in the light of objectives which should be clearly spelled out. The Plan should also assess the estimated outlay for the completion of the project, on the basis of definite targets, and should be placed before Parliament along with the demands for grants when next presented. While drawing up the Plan, Government may take note of two factors which have a bearing on the scope of the scheme:

- (i) the extent to which further reclamation is necessary, based on a careful assessment of families now awaiting resettlement and the prospects of these families being persuaded to move to the project site;
- (ii) the extent to which land suitable for reclamation is likely to be available, taking into account the unwillingness of the States to part with such lands and the fact that a good proportion of land made available in the past has been found after survey to be unsuitable for reclamation.

- 3 1'30 Deptt. of Rehabilitation The Committee observe that against an expenditure of Rs. 6,000 which was contemplated for resettlement per family, the actual expenditure has amounted to more than double, *i.e.*, Rs. 12,610 per family. Even this does not represent the final expenditure as it has been indicated that it is likely to go up further, when some of the families at the project are fully resettled.
- 4 1'31 Do While Government have stated that the increase in expenditure was inevitable due to the rise in prices that occurred since 1958-59, the Committee would like to point out that no systematic effort was made to control the expenditure on the various schemes for resettlement. On land reclamation, for instance, the *per capita* expenditure amounted to Rs. 3,152 as against Rs. 1,917 originally contemplated. Elsewhere in this Report, mention had been made of large areas of land given up as unsuitable for reclamation after surveys and to the fact that a substantial part of land reclaimed remained un-allotted. It is obvious that both these factors substantially pushed up costs. Other schemes, where expenditure substantially over-shot estimates, were those connected with provision of industries in the project area and operation of trucks. The Committee have referred to later in this Report to substantial losses incurred on both these schemes and to the fact that even proper proforma accounts were not maintained by the Administration. It is evident, therefore, that systematic attempts were not made to evaluate the working of these schemes. It would also appear that no control was maintained

on loans and grants to displaced persons. These two components of cost pushed up the expenditure on resettlement by as much as Rs. 2,213 per capita.

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One particular aspect of the workings of the project has been the increasing burden of the cost of establishment employed in the project. Out of the total expenditure of Rs. 41.16 crores incurred upto the end of March, 1968, as much as Rs. 9.77 crores represented outlay on establishment. The establishment expenditure, on a percentage of the gross expenditure of the project increased progressively (except for a marginal drop in 1963-64 and 1967-68), from 18.72 per cent in 1957-61 to 30.06 per cent in 1967-68. These figures leave little doubt in the Committee's mind that the project has been and continues to be burdened with large and unnecessary establishment. The Committee would like the matter to be at once subjected to study by the Staff Inspection Unit of the Ministry of Finance, so that the situation can be remedied.

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Another material factor that pushed up the cost of resettlement was the fact that a substantial number of families deserted the rehabilitation camps. The data furnished to the Committee by Audit shows that this factor alone increased the cost of resettlement per capita by Rs. 8,625. This gives rise to grave doubts whether the objective of the project is being fulfilled. The Committee would like the causes of this phenomenon to be closely studied and suitable remedial measures taken.

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The Committee were given to understand that certain families which had earlier deserted were applying for readmission to the project. The

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Committee hope that their cost of resettlement will correspondingly be reduced in accordance with the benefits enjoyed by them earlier.

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Depatt. of Rehabilitation

The Committee regret to observe that the Project Authorities incurred an avoidable expenditure of Rs. 7.2 lakhs on payment of subsidy to certain families pending their settlement on land, when reclaimed land was available for allotment to them. It should be investigated how this situation arose and the Committee appraised of the results of the investigation. Adequate procedures should also be evolved to ensure that in future reclaimed land which is fit for allotment is promptly allotted.

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Do.

The Committee also observe that year after year from 1960 onwards substantial areas of land ranging from 2,231 acres to 12,532 acres have remained unallotted to the settlers. In the initial stages of the project this is stated to have occurred because of settlers not turning up in expected numbers, but it would appear that other factors like non-provision of drinking water, absence of accommodation, roads and other living amenities have lately contributed to this situation. In the opinion of the Committee, this indicates that the implementation of the project is not proceeding in a co-ordinated manner. Suitable remedial measures to avoid this situation should be taken.

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Do.

The Committee also note that in a number of cases lands initially allotted to the settlers were found unsuitable and that the allottees had

to be given other lands in exchange. The data furnished to the Committee shows that as many as 1847 families complained about the quality of land allotted and that new lands were allotted to 1773 out of them. This constitutes more than a tenth of the number of families settled in the project. It is obvious that the reclamation work in all these cases was not satisfactory.

11 1 51

Do.

While the objectives of the follow-up cultivation scheme was unexceptionable, the Committee feel that the scheme was not efficiently executed. Between 1960 and 1966, 12316 acres of reclaimed land were brought under the scheme. Complete data is not available about the produce obtained, but from such information as Government have furnished on this point (which is reproduced at page 48 of this Report) it is obvious that the yield from land was negligible. The scheme was intended to maintain the reclaimed lands in a cultivable condition pending allotment to the settlers. This is largely failed to achieve, as in a number of cases (precise data not available with project authorities) land brought under the scheme had to be reharrowed again at the time of allotment to the settlers.

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12 1 52

Do.

It is also regrettable that the Project authorities did not maintain any systematic account of the expenditure incurred on the scheme. In fact, the accounts were drawn up for a period of six years after Audit reported the matter to the Committee. In the Committee's opinion, this indicates to what extent the authorities in charge of the project lacked cost consciousness.

The Committee note that the scheme has now been discontinued. It had to be undertaken all these years because the Project authorities were not able to allot land soon after reclamation. The Committee hope that, with better coordination, the project will be able to avoid a situation where reclaimed lands remain unallotted to settlers.

14 1 59 Deptt. of Rehabilitation

The Committee are dissatisfied with the way the mechanised cultivation scheme has been implemented.

15 1 60 Do.

The scheme has been in operation since 1960-61. In February, 1961 Government had issued instructions that "simple performa accounts" should be maintained by the project authorities so as to keep a watch on the working results of the scheme. The instructions for the maintenance of accounts were also reiterated in June, 1967, but the project authorities are yet to finalise the form of the accounts in consultation with Audit. The Committee deprecate the delay in this regard and would like to it to be examined why Government's instructions were not complied with by the project authorities.

16 1 61 Do.

In the absence of any contemporaneous accounting records, the data about the scheme that has been furnished to the Committee cannot be taken as a very reliable indicator of the working of the scheme. But even this data shows that the working expenses of tractors employed under the scheme have consistently exceeded the value of their outturn.

It seems to the Committee that the tractors are underutilised. The representatives of the Project stated during evidence that in the conditions obtaining in the project areas, the output of the tractors could be "only 100 acres" per tractor in a working season, as against 240 to 250 acres which constitutes the normal output of the tractors.

17 I 62

Do.

A significant factor emerging from the data given by the project authorities is that the bulk of the work has been done for other departments. In fact during a period of seven years ending March, 1967, out of the value of work amounting to Rs. 11 lakhs done by the tractors, over Rs. 9 lakhs worth of output was for other departments. It is quite evident that very little use was made of the tractors by the settlers for purpose of cultivation.

18 I 63

Do.

The Committee would like a review to be conducted to ascertain whether the existing fleet of tractors retained for mechanised cultivation are being put to the best possible use. Norms for output should also be evolved and ways and means found to optimise the output from these tractors, so that the scheme could 'break even'. It should also be ensured that the tractors are used to the maximum possible extent by the settlers for whose facility these are mainly intended.

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Do.

The Committee would also like expeditious action to be taken for recovery of dues aggregating Rs. 11.25 lakhs awaiting recovery from various departments which used the tractors.

The Committee observe that the tractors acquired by the Projects for the purpose of reclamation work are grossly underutilised. During the

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period 1961-62 to 1968-69, these tractors remained idle for 2.68 lakh hours over and above the permissible idling time. The loss on this account computed at the rate of Rs. 18 per idle hour worked out by the Department amounts to Rs. 48.24 lakhs.

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Deptt. of Rehabilitation

The Committee note the fact that these tractors were idle due to factors like mechanical breakdown (50,720 hours), want of land (1.57 lakh hours), rains (25,982 hours) etc. It would be observed that want of adequate land for reclamation was the major factor. As this was a recurring difficulty, year after year, the Committee consider that the project authorities should have in all prudence taken steps to transfer at least part of the fleet to other organisations like the C.P.W.D. where they could have been put to better use. The Committee would like an assessment to be made to ascertain, in the light of long-term requirements of the project, what would be the number of tractors the project would really need and to transfer the balance to other needy organisations.

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The data furnished to the Committee indicates that some of the Komatsu tractors supplied by the Director General, Ordnance Factories to the project have been constantly breaking down. The view has been expressed that these have "certain inherent manufacturing defects." The matter calls for close investigation, since as many as 36 of these tractors (out of the total fleet strength of 208 tractors with the project) have been

grounded for "the last two years". The Committee would like to be appraised of the results of this investigation and the steps taken to rectify these defects.

23 1 93

Do.

The Committee feel that a thorough investigation into this transaction is called for. 62 power-tillers costing Rs. 3.29 lakhs purchased for the project have been found defective. The orders were placed despite an unfavourable report on the performance of these tillers received from the Indian Agricultural Research Institute which was not taken notice of. Government have stated that the matter is being looked into. The Committee would like the investigation to be speedily completed and the findings intimated to them.

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Do.

The question of rectification of defects which is stated to be under examination in consultation with the D.G.S.&D. and the the firm's representative should also be energetically pursued.

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25 1 98

Do.

The Committee have earlier in this Report referred to laxity in financial control in the Project. The fact that proforma accounts have not been drawn up for a number of commercial schemes in operation since 1960-61 indicates how unsatisfactory the position is. The Committee would like the project authorities without further delay to finalise the form of accounts and have them prepared. The Committee have already emphasised the necessity for the expeditious preparation of these accounts in paragraphs 1.21, and 1.30 of their Sixty-Sixth Report (Fourth Lok Sabha). The matter does not brook further delay.

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26	I 115	Deptt. of Rehabilitation	<p>The Committee are not convinced by the view expressed by the Department that there was no loss on the Truck Operation Scheme. As pointed out by Audit, a consistent principle has not been adopted by the Project Administration in apportioning the expenditure on repairs, replacement and servicing between trucks and other lighter project vehicles. Systematic records of Petrol, Oil and Lubricants consumption have also not been kept. Besides, adequate allowance does not also appear to have been made for depreciation of the trucks.</p>
27	I 116	Do.	<p>The Committee would like the project authorities to settle in consultation with Audit the principles which should govern the allocation of common items of expenditure and the basis for determination of depreciation, interest charges etc. Based on these, correct proforma accounts for truck operations should be drawn up expeditiously.</p>
28	I 117	Do.	<p>Four other points emerging from the data furnished to the Committee need attention:</p> <ul style="list-style-type: none"> (i) Out of 346 months when 84 trucks remained idle only 143 months pertained to monsoon period. The idleness was thus not confined to monsoon period as claimed by the Department but it covered other period also. (ii) According to the departmental accounts out of Rs. 96 lakhs for hire charges due from other departments upto 31st March,

1966, Rs. 53 lakhs were outstanding as at the end of December, 1969. This is yet to be reconciled with the figures booked by F.A.&C.A.O. The outstandings in respect of subsequent years are not known as debits have not been raised in full in respect of any of these years. These, along with other dues, which might be disclosed when accounts are recast should be expeditiously realised.

- (iii) 30 trucks have been condemned and another 15 declared surplus (out of the total fleet of 156 trucks). These should be immediately disposed of.
- (iv) The trucks are used for transport operations in project areas for which truck operators are stated to be offering very competitive rates. The scope for the maximum use of private transport should be examined and on that basis the necessity for the present fleet strength reviewed.

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Do

The Committee note from the information furnished by Audit that credit sales to the extent of Rs. 6.34 lakhs were made under the consumer goods scheme and that full details of these are not available. It has been stated that the case has been referred to Government for regularisation. It should be examined on what authority these sales were permitted and whether there have been leakages. Appropriate action should be taken thereafter.

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I 124

Do

Action should also be taken to control the shortages of foodgrains during transit and storage which in some cases have been as high as 3.10%. For this purpose some norms for godown and handling losses should be

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			fixed so that the project authorities might be able to ascertain whether losses at these stages are more than what should be normal.
31	I 125	Deptt. of Rehabilitation	The Committee have already pointed out in paragraph 1.16 of their Sixty-Sixth Report (Fourth Lok Sabha) that high cost of transporting commodities to the interior is one major reason for the losses under the scheme. Steps should be taken to bring down this element of cost, by engaging private transport, where it is more economical and through other measures.
32	I 130	Do.	The Committee observe that no details are available with the project authorities in respect of goods worth Rs. 24.30 lakhs shown in the accounts as manufactured under the Industrial Scheme. This amounts to more than a third of the total value of goods manufactured under the scheme according to the accounts <i>i.e.</i> Rs. 61.44 lakhs. The matter needs thorough investigation and the Committee would like to be apprised of the results thereof.
33	I 131	Do.	The data compiled by Audit shows that this scheme incurred a cumulative loss of Rs. 35.60 lakhs upto end of March, 1967. The project authorities have, however, not accepted these figures, which are stated to be under verification. It is regrettable that the Project authorities did not keep any systematic record of the receipts and outgo under the scheme in which substantial investment took place year after year. The Committee would

like the accounts to be overhauled within a period of six months and the correct picture of the working of the scheme to be presented to them.

34 I. 132 Do.

It is obvious, however, that the scheme has been operating at a substantial loss. The data furnished to the Committee by the Department shows that as many as 15 industrial centres out of 24 were opened at different places in the project site between 1959 and 1967 were closed down. The Department have not been able to furnish data about the expenditure incurred on these centres, but it is obvious that a substantial part of the total expenditure of Rs. 91.67 lakhs incurred on 'industries' (upto 1966-67) has been largely infructuous. While some of them might have been intended as pilot projects and served some purpose by imparting skills to the resettled persons, the large number of centres closed down would suggest that they were not planned with care. The Committee would like to impress on the Department that these centres should hereafter be opened only after their necessity and the scope for running them successfully have been adequately examined.

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35 I. 136 Do.

The Forest Organisation Scheme is another of a number of schemes the working results of which are not susceptible of verification in the absence of any systematic accounts. The data furnished by Audit would indicate that, upto March, 1966, the scheme ran up a loss of Rs. 16.23 lakhs. The Committee would like the accounts to be speedily drawn up and measures taken to arrest the losses.

36 I. 137 Do.

The scheme was started in the context of large scale construction of houses undertaken by the project for the purpose of resettlement. A careful appraisal of the future scope for the scheme is called for, in the

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light of the plans for resettlement to be evolved on the basis of an over-all perspective plan earlier suggested by the Committee.

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Deptt. of Rehabilitation

The Committee note that equipment costing Rs. 1.29 lakhs purchased by the project for the manufacture of wooden boxes and crates became surplus even before it was installed.

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I-145

Do.

It has been stated that the equipment was purchased when the project had certain orders from the Directorate of Ordnance Factories for manufacture of boxes and crates and that further orders were expected to flow in regularly. However, the scheme had to be given up, as manufacture on terms stipulated by the Directorate was found uneconomic. The Committee do not find these arguments convincing. By the time the indents for the equipment were placed, the project had virtually completed supplies against two orders that it had then. The project authorities should have, therefore, known what standards were expected of them and whether it was an economic proposition for the project to manufacture boxes and crates conforming to those standards. There was also no definite prospect of more orders on a continuing basis, particularly as the Directorate of Ordnance Factories was following the tender procedure for selecting the suppliers. Besides, it would appear that boxes and crates supplied against the orders already placed were rejected in a number of cases due to defects

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and bad workmanship. It was therefore imprudent for the project authorities to have gone in for the purchase of new equipment for the scheme in the optimistic expectation that there would be a continuing flow of orders in the face of competition from trade.

39 I 146

One aspect of the case calls for particular comment. Certain packages containing seasoning kilns (which was part of the equipment) were not even opened by the Project authorities after they were received from the supplier. The explanation given is that as full payment for the supply had not been made and the firm itself had to instal the kiln "it was not thought fit to open the packages." The Committee consider this an extraordinary explanation. The Committee trust that Government will impress on the project authorities the need to safeguard public interest in transactions involving purchase of costly equipment by devising appropriate procedures for check of incoming stores.

40 I 150

The Committee feel that the purchase of the drop hammer (cost Rs. 17,600) was available. It has been stated that the hammer could not be used because power connection had not been made available. If this was so and there was need for the hammer, it need not have been declared surplus.

41 I 151

This is yet another case where the project authorities did not even open the packages containing the supplies.

42 I 154

The Committee feel that it was unnecessary for the project authorities to have proceeded with the purchase of the bamboo splitting machine, when an identical machine obtained by them meantime had not been put to use.

The latter was received by the project authorities in December, 1960 and by that time orders had not been placed by the Director General, Supplies and Disposals against the indent for the former. The indent could have therefore well been cancelled. In any case, the project authorities could have waited to see whether bamboo mats (for the production of which these machines were purchased) were suitable for walling of houses, before burdening themselves with two machines. Ultimately the mats were not found useful for the houses constructed for settlers nor could the machines be operated, as power was not available. Thus the purchase was not a well-considered one.

43 I 156 Deptt. of Rehabilitation

The Committee note that a review carried out has disclosed surplus machinery with the Project to the extent of Rs. 5.25 lakhs. Expeditious action for its disposal should be taken.

44 I 157

Earlier in this Report, the Committee have referred to underutilisation of costly equipment like tractors employed in the project. Later, a mention has been made of similar underutilisation of equipment deployed for the construction of the Bhaskar Dam and of certain tempo vans. The Committee are, therefore, left with the impression that the Project carries a heavy inventory of equipment, which is not being put to the best possible use. This results in substantial sums of money getting avoidably blocked up. The Committee would like Government to undertake an investigation to determine the extent to which machinery with the project is underutilised/unutilised and the avenues for maximising their use by transfer to other

Departments/organisations. It will also be necessary to evolve adequate procedures to ensure that purchase of equipment is resorted to only when absolutely essential. The Project Administration are stated to be undertaking a survey for this purpose, but the Committee feel that this survey should be made by Government itself, as the investment in inventories in the project is quite substantial.

45 I. 172 „

The Committee feel that the construction of Bhaskal Dam, on which over Rs. 1 crore has been spent (exact expenditure still to be worked out by the project authorities), was undertaken without adequate investigations, though the Committee do not wish to question the utility of the project.

46 I. 173 „

In the first place the project authorities did ascertain to what extent there was scope for using the irrigation potential that would become available. The result of this has been a substantial waste of water available for irrigation. The maximum area irrigated by the project during any of the three years ending 1968-69 was 5,457 acres as against its capacity to irrigate 16,500 acres annually. Further utilisation of the potential would have to await development of irrigable lands by adivasis "who have yet to prepare their fields by bunding, levelling etc. and make them suitable for irrigation." It has also been reported that "in many instances clearance of shrub jungle is yet to be done" and that the irrigable area "is sparsely populated." As early as 1966, Government had informed the Estimates Committee that steps are being taken to construct water-courses to maximise utilisation of water but even the estimates for this work are yet to be worked out.

47 I. 174 „

In the second place, the bulk of the area that the project can irrigate (14,850 out of 16,000 acres) constitutes non-settlers land on which the Dandakaranya Development Authority has not settled any families. Faced

with this situation, the project authorities are obliged, in order to maximise use of water, to undertake construction of water-courses on these lands also --an item of work that, in the Committee's opinion, belongs to the State Irrigation Department and not the Dandakaranya project. This illustrates the point made by the Committee earlier in this Report that the project authorities are undertaking work for outside their scope.

- 48 1. 175 Deptt. of Rehabilitation Thirdly, before deciding to undertake the work, it was overlooked that the Dandakaranya Development Authority would have no power to collect water charges from the beneficiaries, as irrigation is a state subject and irrigation laws have to be administered by the State Governments. The result of this is that no water charges have been recovered all along for over three years, nor betterment charges (the project report not having envisaged the recovery of the latter). To get over the difficulty, proposals have been made since 1965 to the State Government to take over the completed dam.
- 49 1. 176 .. The Committee would like the Government of India to take up immediately at the highest level the question of transfer of the dam to the State Government on a mutually acceptable basis. The exact expenditure incurred on the project should also be worked out without further delay.
- 50 1. 183 .. The Committee note that four tempo vans purchased at a cost of Rs. 39,200 in 1966 to provide transport facilities to settlers for carrying their agricultural and poultry produce have been virtually idle. The scope for maximising their usage through suitable adjustment of line charges or by

transfer to marketing societies stated to have been organised by some of the settlers should be examined.

51 1. 187

The Committee note that an avoidable expenditure of Rs. 0.89 lakh was incurred on soling of a road beyond the specified thickness due to excessive purchase of material by the Divisional Officer, contrary to instructions stated to have been given to him. The matter is under enquiry. The Committee would like to be apprised of the outcome thereof.

52 1. 198

The Committee cannot help feeling that the Rashtriya Vikas Dal, started with the intention of enrolling volunteers for various construction activities from amongst displaced persons awaiting resettlement, was a failure. Out of 3,359 persons recruited under the scheme, as many as 1,730 persons either deserted or were released before the completion of three years which was the minimum period for which they were to serve the Dal. The only redeeming feature is that out of an expenditure of Rs. 108.72 lakhs incurred on the scheme, the net outgo was only Rs. 9.60 lakhs. But this is *inter alia* on the assumption that a sum of Rs. 60.21 lakhs would have been payable to the recruits to the Dal as doles if they had not joined the scheme and further that a sum of Rs. 10.37 lakhs was actually recovered from the recruits for food supplied to them. The Committee would like these facts to be verified and the position intimated to them.

53 1. 199

A sum of Rs. 2.69 lakhs is stated to be pending recovery on account of work done by members of the Dal for various agencies. This should be quickly recovered.

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DELHI					
24	Jain Book Agency, Connaught Place, New Delhi.	11	33.	Oxford Book & Stationery Company, Scindia House, Connaught Place, New Delhi—1.	68
25	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	3	34.	People's Publishing House, Rani Jhansi Road, New Delhi.	76
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27	J. M. Jaina & Brothers, Mori Gate, Delhi.	11	36.	Hind Book House, 82, Janpath, New Delhi.	95
28.	The Central News Agency, 23/90, Connaught Place, New Delhi.	15	37.	Bookwell, 4, Sant Narankari Colony, Kingsway Camp, Delhi-9.	96
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30	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.	23	38.	Shri N. Chaoba Singh, News Agent, Ramial Poni High School Annex, Imphal.	77
31	Bahree Brothers, 188 Lajpatrai Market, Delhi-6.	27	AGENTS IN FOREIGN-COUNTRIES		
32.	Jayana Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi.	66	39.	The Secretary, Establishment Department, The High Commission of India, India House, Aldwych, LONDON W.C.—2.	59

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