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PUBLIC ACCOUNTS COMMITTEE
1973-74

(EIGHTEENTH REPORT)

(FIFTH ASSEMBLY)

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON PARA 46
OF THE REPORT OF THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA FOR THE YEAR 1969-70 OF THE
GOVERNMENT OF ASSAM RELATING TO SUPPLY
OF FOOD STUFF IN MIZO DISTRICT



ASSEMBLY SECRETARIAT, ASSAM, DISPUR

20th September, 1973

CALL NO.

ACC. NO. 2001

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OF FOOD STUFF IN MIZO DISTRICT



সত্যমেব জয়তে

ASSEMBLY SECRETARIAT, ASSAM, DISPUR

20th September, 1973

Presented to the Assembly on 29th NOV. 1973

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
1972-74

Chairman—

1. Shri Dulal Chandra Barua.

Members—

2. Shri Rajendra Nath Phukan,
3. Shri Jagadish Das,
4. Shri Abdur Rahman Choudhury,
5. Shri Lakshmi Kanta Saikia,
6. Dr. Bhumidhar Barman,
7. Shri Abul Kasem,
8. Shri Pushpadhar Chaliha and
9. Shri Giasuddin Ahmed.

Secretariat—

1. Shri P. D. Barua, Secretary.
2. Shri N. Deuri Bo a, Under Secretary.
3. Shri S. Ahmed, Committee Officer.

INTRODUCTION

1. The Chairman of the Public Accounts Committee, having been authorised to submit on behalf of the Committee, present this Eighteenth Report on Paragraph 46 of the Report of the Comptroller and Auditor General of India for the year 1969-70 relating to Government of Assam on the matters arising out of the supply of food stuff in Mizo District. There have been lot of the complaints and criticisms in the press as well as in the floor of the House about the alleged financial irregularities resulting in huge amount of misappropriation of Government money and also misuse of Government vehicles incurring heavy losses to public ex-chequer in supply operation carried out by the Government in Mizo District. The Committee therefore seized of the situation and decided to take up the matter.

2. The Committee examined the concerning officers and have gone through the relevant reports and documents whatever was made available. The Committee could not but appreciates the difficult circumstances in which this operation had to be carried out, but at the same time the Committee cannot brush aside the wastage of Government money in such a way in the interest of public.

3. The Committee with a view to making on-the-spot study of the matter visited on 4th December to 19th December, 1972 certain places in the Mizo District in which the supply operation was carried out. The examination of the Committee was confined mainly to the following points:—

- (1) The Accountal of commodities in physical and monetary terms.
- (2) The use of supply dropping equipments
- (3) The distribution of food stuff; and
- (4) Other serious irregularities.

Since the points raised and clarification received from the Departmental witnesses gave rise to certain points of interest, the summary of discussion has been incorporated in the Report.

4. The Committee considered and finalised the Report in its sitting held on 20th September, 1973.

5. The Committee places on record its appreciation of the valuable assistance rendered throughout its examination by Shri R. S. Maunder, I. A. and A. S. and Shri R. C. Suri, I. A. and A. S., Accountant Generals and Shri A. B. Paul, Account's Officer of the Office of the Accountant General, Assam, Nagaland and Meghalaya, etc., and also the officers of the Mizo and Cachar Districts.

DULAL CHANDRA BARUAH,
Chairman,
Public Accounts Committee.

EIGHTEENTH REPORT OF THE PUBLIC ACCOUNTS
COMMITTEE ON PARAGRAPH 46 OF THE REPORT
OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA FOR THE YEAR 1969-70 OF THE
GOVT. OF ASSAM RELATING TO SUPPLY
OF FOOD STUFF IN THE MIZO
DISTRICT

1. With the outbreak of disturbance in Mizo District in March, 1966 Government took over responsibility of bringing essential commodities (rice, dal, sugar, maize, kerosine oil, salt, etc.) in large quantity by road or air to meet requirements of local population scattered all over the hills. Between November, 1968 and October, 1969 seventy-four air dropping centres, land supply centres at Aizawl and Lungleh and 19 protected progressive village centres were maintained. These centres received supplies from the Deputy Commissioner, Silchar, and the Deputy Commissioner, Aizawl, by road or air arranged by the authorities.

1.1 According to the instructions (April, 1968) of the Deputy Commissioner, Aizawl, each centre is required to furnish monthly stock account from (May, 1968) showing receipts, shortages in transit, cash and credit sales and free supply of ration and cash account showing opening balance, receipt, expenditure, remittance of cash and closing balance so as to enable the Headquarters office at Aizawl to work out unit-wise as well as district-wise details of commodities received, amounts realised by sale, etc. and loss in operation, if any.

1.2 During the audit of the accounts of November, 1968 to October, 1969 (conducted in November-December 1969) it was noticed that—

- (i) Nine units did not furnish monthly accounts of stores and cash to the Headquarters office at Aizawl at all while 45 units did not furnish the accounts for one to eight months. It was not, therefore, possible to co-relate the commodities supplied by various consignors to these centres or to ascertain whether cash realised was properly accounted for by the units.
- (ii) Returns received from units were not tabulated and consolidated to ascertain the position of supply to the units individually and collectively. In their absence the total position about commodities received, shortages in air dropping, shortage in road transit, godown shortages, cash and credit sales, sundry debtors, amount realised and amount remitted could not be ascertained.
- (iii) No quantity account of air dropping equipment and empties (like parachutes, jerrycans, tins, canvas cases, bags, skid boards, wooden cases, etc.) showing their receipt and disposal was maintained by the centres. The value of such stock handled and amount realised from their disposal have not yet been assessed (January, 1971).
- (iv) No account of dead-stock articles purchased and held by the centres was maintained.

1.3 Credit sales—Scrutiny of the accounts rendered by a few centres showed that the centres sold the commodities on credit to the fair price shops, lower primary school teachers and to staff although rules of the Department stipulated pre-payment of the cost of supplies. The volume of credit sales was about Rs. 10 lakhs annually. In five centres alone credit sales between October, 1968 and September, 1969, were Rs. 1.55 lakhs.

1.4 Short account of sale proceeds—The accounts of four centres showed that Rs. 0.12 lakh realised as sale proceeds of commodities during April, May and August, 1969 were not accounted for by the centres in their cash statements.

1.5 Shortage of cash—While taking over charge of Dimagiri centres in February, 1968 the relieving Administrative Officer found Rs. 12,456 short; the shortage has not yet been investigated (November, 1970).

1.6 Loss due to sale below cost price.—In November, 1968 and again in April, 1969 sale prices of various commodities were raised by the Deputy Commissioner, Dimagiri centre, however, continued to sell the commodities at the old rates; this resulted in loss of Rs. 0.20 lakh.

1.7 Retail and wholesale issue prices of commodities—Government order regulating fixation of retail and wholesale issue prices of commodities were not available with the Supply Branch. Normally issue prices were to be regulated from time to time on the basis of procurement price plus freight, handling and administrative charges, etc. It was noticed that the consignor (Deputy Commissioners, Silchar and Jorhat) had not furnished invoices showing the basic price of each commodity consigned by them to the Deputy Commissioner, Aizawl. Issue prices were fixed by the Deputy Commissioner, Aizawl, on some reports received from consignors. It was not thus possible to assess the loss or gain due to such price fixation.

1.8 Transit loss: (1) Carriage by road.—Commodities were also carried from Silchar to Aizawl through army trucks, private carriers, State Transport Organisation and transport wing of the Deputy Commissioner's Office. Between November, 1968 and October, 1968 total shortage of 890.70 quintals (rice, atta, mustard oil, wheat, dal and salt) occurred in carriage by road. Similarly accounts of 19 progressive village centres showed shortage of 355.33 quintals during April-October 1969 in transit by road from the Supply points. According to instructions of Government, shortages in transit by road were to be recovered from the carriers. The Department has not so far ascertained the total transit shortages centre-wise for each commodity and taken steps for recovery (January, 1971).

(2) Carriage by air.—The Department has not so far assessed total transit losses in air dropping of food-grains and other commodities. A test check of the accounts of the Supply Branch for the period April-September, 1968 showed, however, total loss of Rs. 1.25 lakhs on 997 quintals of food-stuff air dropped. No record was available about the terms and conditions under which air dropping was being done by the carrier/I. A. F. and whether any liability for loss rested with the carrier.

1.9 **Loss** —The accounts of five centres showed that food-stuff was sold in auction or destroyed as unfit for human consumption removed from stock register from January to November, 1969; detailed reasons for the latter were not available. In these centres against stock of Rs.86,025 certain commodities fetched only Rs.3,590 in auction and the balance stock was taken off from the stock account.

1.10 **Physical verification.**—There was no indication in records that physical verification of store and stock was ever conducted.

1.11 **Other topics.**—(i) According to rules, receipts of the Department are required to be remitted to the treasury for credit to Government account. Almost all the centres, however, appropriated the receipts for payment of salary to staff, construction of godowns, carriage charges, etc.

(ii) No register was maintained to show the amount of pending bills on account of carriage of commodities from Silchar to Aizawl and from Aizawl to interior centres by road.

(iii) Retention of heavy cash balance is fraught with the risk of misappropriation, embezzlement, etc. The accounts of three centres for February to September, 1969 showed that heavy cash balances ranging from Rs.0.21 lakh to Rs.0.77 lakh were retained in hand.

In March, 1970 Government intimated that special reports on the matter had been called from the Deputy Commissioner, Aizawl and a team of officials was being sent there for construction of accounts.

1.12 The Committee discussed the above audit paragraph which is based on the accounts for the period from April, 1968 to October, 1969 conducted in November, 1968 and November-December, 1969 and contain serious defects in accounts keeping apart from individual and general irregularities.

1.13 The Committee was naturally interested in finding out whether these accounts have subsequently been brought upto-date. The matter also received added urgency and importance from three circumstances viz. (1) necessity of satisfying the Government of India by rendering proper accounts in respect of advances received from them from time to time and also for obtaining final payment, (2) formation of a separate Union Territory of Mizoram from 21st January, 1972 making it imperative that accounts upto that date were finalised while the officials dealing with that work were available and (3) also because the issue has come up for discussion on the floor of the Assembly in the form of a motion raised by Dr. Rabindra Kumar Goswami, M.L.A., under rule 50 of the Rules of Procedure and Conduct of Business in Assam Legislative Assembly and aroused interest amongst the members of the House. Dr. Goswami in course of his deliberations highlighted the following points besides those mentioned in the audit paragraph—

(a) Missing of 15 vehicles from the fleet deployed for transportation of food-stuff (loss Rs. 5 lakhs) ;

(b) Non-utilisation of State Transport vehicles in order to use requisitioned private vehicles (loss Rs. 5 lakhs) ;

- (c) Loss on supply dropping equipments (Rs. 238.00 lakhs) ;
- (d) Non-accountal of food-stuff (Rs. 293.37 lakhs) ;
- (e) Non-recovery of resultant atta from private parties on account of wheat given to them for milling (loss Rs. 14 lakhs) ;
- (f) Non-accountal of cost of petrol (Rs. 7 lakhs) ;
- (g) Use of Government vehicles for private purposes (cost of petrol consumed Rs. 45 lakhs) ;
- (h) Free issue of food-stuff without authority (Rs. 57 lakhs) ;
- (i) Non-accountal of advances given to officers for procurement of paddy during 1967-68 (Rs. 83.07 lakhs) ;
- (j) Despatch of food-stuff to centres without assessing the actual requirement (infructuous expenditure of Rs. 88 lakhs) ;
- (k) Undue favour shown to supply and handling contractors ;
- (l) Disposal of unserviceable gunny bags at unusually low rate (loss Rs. 0.50 lakhs) ;
- (m) Disposal of gunny bags at short notice without giving adequate publicity ; and
- (n) Inability on the part of the State Government to satisfy the Government of India as to the re-imbursement of expenditure incurred by the former on account of free issue of food-stuff.

1.14. With a view to finding out the correct position after discussion with the Departmental witnesses, the Committee decided to go to the various places in which the supply operations had actually taken place.

1.15. The Committee therefore went into the background and transactions of the supply scheme of food-stuff to Mizo Hills District between March, 1966 and January, 1972 with thoroughness and examined the witnesses including the Officers who had held charges of key appointment in the past (list of officials examined is given in Annexure at page 49). The Public Accounts Committee also visited Silchar and Jorhat where main depots for supplies to Mizo District were maintained and also Aizawl and other places in Mizo District where supply operations were in force with the courtesy of the Mizoram Government and the Honourable Speaker.

1.16. The Committee was particularly concerned to determine, (a) the exact quantities and the value of the commodities and other similar supplies inducted in the Mizo District between March, 1966 and January, 1972 ; and (b) the distribution and accounts of those commodities, viz. (i) by cash sale (ii) by free issue and (iii) by credit sale. (Consolidated statements

showing despatches of various commodities to Mizo District from Silchar and Jorhat by road and air have been appended to the Report as Appendices I—III *vide* pages 36 – 41).

1·17 During the course of evidence tendered before the Committee and the deliberations of the Committee other serious questions also cropped up as to the existence of well laid coordinated administrative machinery, their functions in well defined lines of responsibility to ensure that those transactions amounting to crores of rupees were properly documented and whether necessary documents and records were available to satisfy the Legislature about the nature of the transactions.

Keeping the above points in view the findings of the Committee are divided under the following broad groups of activities—

1. Accountal of commodities in physical and monetary terms (*vide* page 6) ;
2. Supply dropping equipments ;
3. Distribution of food-stuff, etc.
4. Other serious irregularities.

Accountal of commodities in physical/monetary terms

(Referred to in page 5 item (1) of second para)

At the instance of the Committee, Supply Department intimated in their letter No.SDA.58/72/156, dated 2nd March 1973 that during the period from 1966-67 to 1971-72 food-stuff worth Rs. 6.73 crores had been inducted into Mizo Hills from Silchar both by road and air from Jorhat by air as shown below—

Name of commodity	Despatched from Silchar				Despatched from Jorhat by air			Total		
	By Road		By Air		Quantity (in quintals)	Value (in lakhs of rupees)	Quantity (in quintals)	Value (in lakhs of rupees)	Quantity (in quintals)	Value (in lakhs of rupees)
	Quantity (in quintals)	Value (in lakhs of rupees)	Quantity (in quintals)	Value (in lakhs of rupees)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Rice	..	2,82,524	78,843	94.49	15,047	17.29	3,76,414	4,38.01		
Atta	..	1,02,676	38,677	39.37	14,354	12.43	1,61,707	1,50.37		
Pulses	..	8,444	2,350	3.71	407	0.58	11,201	16.72		
M. Oil	..	2,477	866	5.03	122	0.72	3,465	18.15		
Sugar	..	6,575	3,164	5.36	1,829	3.02	11,568	18.75		
Salt	..	13,988	14,275	3.03	3,999	0.86	32,262	6.59		
Wheat	..	15,819	..	..	..	..	15,819	15.29		
Maize	..	9,027	66	0.05	97	0.09	9,190	7.43		
Tea leaf	..	240	..	..	..	..	240	1.04		
Sujee	71	0.07	71	0.07		
Flour	113	0.10	118	0.10		
		4,47,770	4,86.37	1,51.04	36,044	35.16	6,22,055	6,72.57		
K. Oil	..	2,520 Litres	39,853 Litres	0.24	19,140 Litres	0.13	61,513 Litres	0.39		
		4,86.39		1,51.28		35.29		6,72.96		

As to the question posed by the Committee in regard to the action taken by the Department to render proper accounts of the commodities and other similar supplies induced into Mizo District between March 1965 and January 1972, the Secretary, Supply Department stated in course of his evidence before the Committee at Shillong that—

- (i) at the beginning the operations had been carried out by the Army and Border Security Force, who had no clear cut knowledge of the accounting procedure and, therefore, right at the beginning no systematic accounting had been made;
- (ii) as early as in March 1970, a team of official had been sent to Aizawl for construction of accounts; during the period from 15th March 1970 to June 1970 they had started collecting accounts but failed to complete the same;
- (iii) following a discussion with the Financial Commissioner in April, 1970 quite a number of additional staff had been sanctioned to help the team in the matter of compilation of accounts;
- (iv) although the team had gone to Aizawl and stayed there for about a year, nothing could be achieved owing to the accountants having to look more after the day to day work than after the work connected with the compilation of Accounts

Asked whether the Government had issued any instructions at the time of starting the units as to how to manage the centres, keep accounts and give reports, the Secretary replied that instructions had been issued by the then Deputy Commissioner, Shri Natarajan in 1968. Afterwards he explained to the Committee (at Silchar) that the procedure had been that on the requisition of the Additional Deputy Commissioner, Mizo Supply, the Deputy Commissioner, Cachar used to get commodities loaded in trucks in the presence of officers of Mizo Hills and that receipts of the despatches used to be acknowledged to the Additional Deputy Commissioner, Mizo Supply from the receiving end. In a subsequent statement, the Secretary pointed out to the Committee that every consignment sent to Mizo Hills had followed by a W. T. message and that the consignment had been presumed to have been received unless challenged.

(It, however, appeared to the Committee in course of its on-the-spot verification that whatever confirmation had been received had not been tallied with the despatch register).

The Secretary, Supply showed the Committee some acknowledgements of goods received by the Deputy Commissioner, Aizawl to the Additional Deputy Commissioner, Mizo Supply, but the acknowledgements were not found totally with the despatches.

The Committee observed that only upto 1966 some statements of accounts had been received and on a query as to what steps had been taken to obtain the wanting statements, the Secretary, Supply replied that several reminders had been issued for the purpose—the first

reminder had been issued in September, 1966 the second in October, 1966 and the third in 1970.

Asked by the Committee as to whether the break up of the different Commodities sent to Mizo Hills by road and air had been worked out and whether acknowledgements against each consignments sent to Mizo Hills had been received, the Deputy Director of Supply, Silchar stated (at Silchar) in course of his evidence before the Committee that—

- (i) the goods were used to be handed over to the representative of the Deputy Commissioner, Aizawl and that the acknowledgement from the other end used to come to the Additional Deputy Commissioner, Mizo Supply ;
- (ii) the goods for air-dropping were used to be handed over to the handling agent and it had been the responsibility of the Deputy Commissioner, Aizawl to direct where the goods had to be air-dropped ; the Airforce staff used to give a certificate as to the goods so air-dropped ;
- (iii) the goods had been despatched on the basis of indents from Mizo Hills, but acknowledgement in respect of each consignment from the other end had not been received.

Asked as to whether any monthly or quarterly statement from the Deputy Commissioner, Aizawl showing the total quantity of goods received in Mizo Hills had been received at Silchar, the Deputy Director of Supply replied in the negative.

In reply to the question as to how the Additional Deputy Commissioner, Mizo Supply could satisfy himself that the Deputy Commissioner, Mizo Hills had actually received the goods he had requisitioned, the Deputy Director of Supply stated that—

- (i) all despatches were used to be intimated to the Deputy Commissioner, Aizawl ;
- (ii) it had been the responsibility of the carrier to deliver the goods to the other end ;
- (iii) the drivers of the trucks were used to be given two copies of chalans ; one copy of the chalan bearing acknowledgement of receipt was required to be brought back by the driver as an evidence of delivery of the goods having been made ; in actual practice this had, however, not always been done ;
- (iv) in case of private carriers, the drivers used to bring back one copy of the chalan, but in case of Government vehicles this had not been done ; sometimes the contractors also retained the chalans for billing purposes ;
- (v) the drivers of the State Transport vehicles carrying the goods used to deposit the chalans with their own office or had not returned them at all ;

- (vi) the Deputy Commissioner, Aizawl had not submitted periodical statements of goods received.

Asked as to whether in the register they had been indicating receipt back of the copies of chalangans against the consignments, the Deputy Director of Supply replied in the negative. He, however, stated that all receipts and issues had been entered in the register.

In reply to other questions the Deputy Director of Supply stated that—

- (i) wherever they had not received any statement of receipts, they had deputed persons to collect the information, but all the information could not be collected ;
- (ii) they had collected information relating to the period upto 1970-71 except for the year 1969-70 in respect of which no accounts had been available ;
- (iii) no team had been sent to Aizawl for collecting financial returns though this had been sent for collecting treasury returns ;
- (iv) in 1970 a team of 4 Accountants had visited 20 centres and had collected some accounts ;
- (v) the Deputy Commissioner, Aizawl used to confirm the actual air-dropping of the goods, but it was not known whether he had got all the records ; the pilot could only report whether he had been able to air-drop the goods or not ;
- (vi) the air-droppings had been done at the instance of the Deputy Commissioner, Aizawl and every air-dropping was used to be reported to him ; the Silchar end had been responsible only for the loading of the goods for air-dropping ;
- (vii) a consolidated statement of air-droppings was used to be sent to the Government.

Asked as to whether the total receipt and despatch statement had been sent to the Government, the Deputy Director of Supply replied in the affirmative.

In course of his evidence before the Committee, Shri R. Natarajan, the then Deputy Commissioner, Aizawl stated that—

- (i) there had been two Sections in the Deputy Commissioner's Office, one dealing with P. P. V. Centres and the other dealing with administrative centres ;
- (ii) the accounts of all those centres had been kept and compiled and that whenever there had been any discrepancy, the matter was used to be referred to the centre concerned ;
- (iii) upto 31st March, 1968 the accounts had been fully consolidated ; on that basis a report had been sent to the Government ;

The Director of Supply, Assam stated in course of his evidence that he did not remember to have received any consolidated accounts from Mizo Hills.

- (iv) he had been sending detailed statements to the Chief Secretary ; he had an idea that those statements would be collected by the Supply Department ;
- (v) statement showing the total receipts from Silchar had been sent to Shillong ;
- (vi) accounts at Aizawl had been fully compiled but now because of change of hands the records had not been traceable ;
- (vii) it would be unfortunate to presume that no instruction had been issued by the Deputy Commissioner to compile the accounts ; instructions had been issued by the Deputy Commissioner through W. T. messages to prepare accounts ; that was why accounts upto March, 1968 could be produced before the Committee ; detailed instructions had been issued in April, 1968, but there had been no opportunity to check up whether the instructions had been followed ;
- (viii) in May every year all the centres had been supplied with food-stuff for four months and the centres had acknowledged receipt of every consignment.
- (ix) the drivers of the State Transport vehicles had not returned the chalans but instead they used to give the chalans to the transport wing and the Transport wing had acknowledged receipt of the chalans.

In course of the evidence before the Committee, Shri A. K. Palit, the then Deputy Commissioner, Mizo Hills, who had succeeded Shri Natarajan stated that—

- (i) during the disturbances certain centres had been air-maintained and those had been under the control of the Security Force ; there the food-stuff used to be distributed free of cost by security forces ; therefore, in these centres the total receipts had been known but distributions had not been known ;
- (ii) at that time there had been no postal service in the district and therefore all the accounts might not possibly have been sent to the Deputy Commissioner ;
- (iii) those centres which had been under the control of Security Forces at the initial stage had been brought under the civil administration from September, 1969 ; therefore, accounts would be available from September, 1969 onwards and not for earlier periods ;
- (iv) he himself had suggested to the Government while he had been the Deputy Commissioner, Aizawl to send a team of accounts staff to visit the centres and complete the accounts ;

- (v) the Supply staff in Mizo Hills had two separate types of work, one relating to general supply and distribution and the other relating to compilation of accounts ;
- (vi) in his opinion, the Supply staff had not been adequate and though the post of Deputy Director of Supply had been created for Mizo Hills, the officer had been utilised at Gauhati ;
- (vii) the Deputy Commissioner had been primarily concerned with the distribution of essential commodities ; the accounts side had been the responsibility of the Director of Supply (Accounts) ;
- (viii) till the beginning of 1970 the Accounts Branch of the Supply wing in the Deputy Commissioner's Office, Aizawl had been in a mess and the Government could not/had not built up the Organisation which had been required to maintain the accounts.

Secretary, Revenue (Shri A. K. Palit) showed the Committee a letter, dated 10th July 1968, from the file, which showed that all wanting statements mentioned in the Supply Department letter had been sent to Shillong. From the records produced before the Committee it appeared that on 4th October 1969 the accounts for 1968 had been furnished. Copies of 4 letters were shown to the Committee which showed that the returns for one year and three months had been sent to Shillong. Some acknowledgements from the Deputy Director of Supply (Accounts) of receipt of the statements could also be produced before the Committee. It could not, however, be ascertained whether all the returns had been sent to Shillong.

The Director of Supply, Assam, in course of giving evidence before the Committee stated that—

- (i) a team of accounts staff had been sent to Aizawl for compilation of accounts, but they had not submitted any accounts or report ;
- (ii) the team was supposed to work under the Officer on Special Duty ;
- (iii) the Officer on Special Duty had pointed out in his report that no uniform procedure had been followed by the distribution centres and that the people who had been in charge of those accounts had no knowledge of accounting ;
- (iv) the Officer on Special Duty had prescribed certain forms, which he had felt would help compilation of accounts ;
- (v) he (Director of Supply) did not remember to have received any consolidated accounts from Mizo Hills.

Asked as to what was the total amount deposited with the Aizawl Treasury from time to time, the Director of Supply, Assam informed the Committee that Rs.3,87,000 had been so deposited.

The Director of Supply, Mizoram stated before the Committee that—

- (i) the accounts of 6 centres, which had been under the administrative control of the Security Forces at the initial stage, had not been received ;
- (ii) some information had been obtained from the centres about the quantities of different commodities that had been received, but it had not been known as to how the commodities had been disposed of ; hence accounts, could not be compiled.

Asked as to whether the statement of the total receipts at Aizawl had been prepared, the Director of Supply, Mizoram, stated that two statements had been prepared and submitted year-wise both in respect of goods received by road and that by air-dropping. About the despatch of goods from Aizawl to various interior centres, the Director stated that the accounts had been compiled for two years, but the rest could not be done.

The Assistant Accounts Officer (Mizoram) stated before the Committee at Aizawl that—

- (i) the commodities were used to be received from Silchar by road and these were sent to different interior centres ;
- (ii) every despatch from Silchar was used to be followed by a W. T. message ;
- (iii) the driver of each truck had to be given back a copy of the chalan which he would bring with the consignment ;
- (iv) about air-dropping of commodities at Aizawl was used to be informed by Silchar only after the air-dropping had taken place ;
- (v) in case of goods received by road, every consignment was used to be weighed and any shortage noticed recorded ;
- (vi) only receipt and expenditure statements were used to be sent to Shillong ;
- (vii) Aizawl used to inform Silchar about receipt of every consignment ; the intimations were used to be sent by post ;
- (viii) every centre receiving supplies used to intimate Silchar about their total receipts ;
- (ix) the complete accounts of receipts and despatches could not be compiled at Aizawl and sent anywhere as out of 119 distributing centres, Aizawl had received accounts only from certain centres ;
- (x) the position regarding compilation of accounts had been reviewed in 1970 and a team consisting of one Accounts Officer, four Accountants and nine Assistants had been sent to Mizoram from Shillong ;
- (xi) the team had been in Mizoram for three months, but they had not submitted any accounts at Aizawl.

At Kolasib the Committee enquired of the Block Development Officer, Kolasib whether a copy of the chalan in respect of the consignment had invariably be handed over to the driver of the truck carrying the goods. The Block Development Officer stated that one copy of the chalan duly signed by the godown in-charge was used to be handed over to the driver and the other copy retained in the godown. The Block Development Officer, also stated that previously shortage certificates had been recorded on the chalans, but that system had subsequently been changed.

The Under Secretary, Finance Department, Government of Mizoram stated that in 1970-71 he had been put in-charge of Supply accounts and had been asked to compile the accounts. But he could not, find detailed accounts for all the years and as such no compilation for the whole period could be made.

Asked as to whether all the accounts could be placed before Audit, the Under Secretary, Finance Department replied in the negative.

In reply to a question as to whether the Deputy Director of Supply (Accounts) had received any report from Aizawl (because it had appeared to the Committee from the records made available at Aizawl that reports had been sent to Shillong), the Deputy Director of Supply (Accounts) stated before the Committee (at Shillong) that—

- (i) without records he could not definitely say whether any report had been received at Shillong, but as far as his knowledge goes no final report had been received from Aizawl; some administrative reports had, however, been sent to Shillong;
- (ii) he had been working in the Department as Deputy Director of Supply (Accounts) from August, 1969;
- (iii) on 4th October, 1969, some reports had been sent to the Government by the Deputy Commissioner, Mizo Hills with copies to the Deputy Director of Supply (Accounts) and those reports had been shown to the Committee;
- (iv) after he had joined the Department he had been told that complete accounts had not been submitted by Aizawl;
- (v) then in May, 1970 he had gone to Aizawl and stayed there for 3/4 days; he had been told there that the Supply Staff had not been adequate to deal with the huge work;
- (vi) the Government had been then moved for sanctioning additional staff and after sometime additional staff had been sanctioned in 1970;
- (vii) instructions had been issued as to how to maintain accounts.

[Note—It appeared from the file under the heading “statement of monthly sales” for the years 1968, 1969 and 1970 that monthly statements had been sent regularly to Shillong.]

Asked about the staff strength in the Accounts Branch of the Directorate, the Deputy Director of Supply (Accounts) stated that there had been 2 Accounts Officer, 2 Superintendents of Accounts, 4 Senior Accountants and more than 20 Accounts Assistants and that their job had been to compile the accounts district-wise.

Asked whether formal orders had been issued from the Directorate of Supply (Accounts) regarding submission of accounts returns, the Deputy Director of Supply (Accounts) stated that there had already been standing orders in this regard.

In course of his evidence before the Committee, Shri A. C. Roy, who had been the Deputy Commissioner, Mizo District during the period from 17th January 1971 to 20th January 1972, stated that—

- (i) as far as he knew the records had been kept properly not only for the administrative centres but also for Aizawl as far as possible they had tried to keep the accounts; the Financial Adviser used to go to centres to find out the facts;
- (ii) he (Shri Roy) had issued instructions from time to time regarding proforma accounts; but there had been acute shortage of staff and stationery; communication difficulty had also been there;
- (iii) regarding maintenance of accounts they used to forward to the Mizo Supply Office whatever information had been available;
- (iv) the basic thing which they had followed was to see that the despatch and receipt had tallied;
- (v) he used to send a statement regularly in respect of despatches from Silchar and Jorhat and he also used to compile notes pointing out discrepancies;
- (vi) he used to maintain accounts in the proforma that had been prescribed by the Supply Department; centre-wise registers had been maintained and the officers concerned used to send the Deputy Commissioner reports every week and every month about the stock position;
- (vii) the question of maintenance of accounts had been discussed with the Accounts party during his time and they held the opinion that it had been such a voluminous job that it would take quite some time to compile the accounts; by the time the Union Territory was formed, they could bring the accounts upto 1968-69; broad accounts had been maintained; probably classifications had not been done in details, but he was sure that broad accounts had been maintained;

- (viii) he did not know what Mr. Gohain, Accounts Officer and Mr. Dutta, Under Secretary, Mizoram had meant when they said that there had been no accounts at all ;
- (ix) the accounts statements he had sent were more or less assessment statements ; so far as he was concerned, he did not give all the detailed account of each and every item ; so far as the expenditure such as detailed statement of accounts were concerned, he got a total and when the total tallied he was satisfied and made a report to the T.A.D. ;
- (x) Any Directorate was not to deal with them directly except in the case of some minor adjustments ;
- (xi) he did not remember if there was any instructions to him to submit returns except stock report, which he had sent and also the monthly and quarterly statements required to be submitted ;

From the facts brought out before the Committee during evidence it was seen that during 1967-68, 99,134 quintals of food-stuff and 11,800 litres of K. Oil were despatched to Mizo Hills from Jorhat and Silchar whereas it appeared from the statement of account for 1967-68 in respect of 26 centres (Out of the total number of 32 centres) furnished to the Committee by the Director of Supply Mizoram that 1,40,939 quintals of food-stuff and 60458 litres of K. Oil were received by the centres during 1967-68 of which 555 quintals food-stuff were purchased locally. Besides, the centres had opening balances of 20905 quintals of food-stuff and 828 litres of K. Oil in their stocks. From the maize of contradiction and conflicting accounts so far submitted to the Committee (receipts in Mizo Hills during 1967-68 were more than the quantities despatched during 1967-68) the only clear thing that emerged was that during 1966-67 to 1971-72 food-stuffs valued Rs.6.73 crores were despatched to various places in Mizo Hills by road and air from Silchar and Jorhat and as against this credit for sale/distribution to the tune of Rs.2.16 crores only could be shown as accounted for. (The Department however submitted that Rs 3.33 crores were deposited with Aizawl Treasury. The Committee could not be convinced as to whether actually the money shown to have been deposited with the Aizawl Treasury was in fact deposited or not as it could not be verified from records made available to the Committee. The value of the closing stock in hand was Rs.39.12 lakhs and free distribution amounted to Rs.71.00 lakhs). Accountant of the remaining amounts of Rs.2.30 crores could not as yet be made reportedly owing to non-rendition of necessary accounts of sale/distribution/stocks of various centres and sub-centres in Mizo Hills.

Although the scheme was in operation for quite a few years and from 1969 was also under the direct control of the Civil Government steps taken by Government for preparation of accounts and setting up of necessary organisation were only half-hearted. The then Deputy Commissioner, Mizo Hills stated in his evidence that the Supply staff had not been adequate and though the post of Deputy Director of Supply had been

created for Mizo Hills. The officer had been utilised at Gauhati. It was further stated by him that till the beginning of 1970 the Accounts Branch of the Supply Wing in his Office had been in a mess and Government could not/had not built up the organisation which was necessary to maintain the accounts. The Committee noted that even with the staff engaged in this regard the channels of financial control and communication from the field officers to the Secretariat were of-ten vague even though due to the magnitude of transactions involved it was imperative to have such channels clear and well defined and supervision over follow-up actions rigid and strict. The Committee also noticed that despatches to Mizo Hills were not invariably tallied with the acknowledgements in all cases when received; in most of the cases acknowledgements were not received at all at the despatching point (of the commodities despatched) and frequently allowed to be left with the carriage contractor/agency. Monthly or quarterly returns were either not sent to the headquarter at Shillong for receipts/distribution of commodities in Mizo Hills or when sent were not traceable at Shillong. Successive teams of officials sent to Mizo Hills in 1970 for preparation of these accounts did not submit any accounts reportedly due to their being busy with day to day accounts. Curiously enough, however, neither the arrear accounts nor accounts for the periods for which the teams were in Mizo Hills could be submitted to the Committee.

OBSERVATION

The Committee observed that the queerest thing that appeared to the Committee was that the budget provision was continued to be made year after year without attempting any financial review of the operation of the scheme or sorting out the difficulties that stood in the way of complete accountability of the amounts approved by the Legislature. The Committee failed to appreciate how in the absence of necessary accounts of the centres the requirements of these centres were assessed and provided for in the budget estimates and how Government ensured that the requirements as budgetted for were adequate. The Committee cannot but conclude that there had not been sufficient awareness on the part of the administrative machinery about the necessity of proper accounts and that either no thought had been given to the procedure regarding maintenance of accounts or the system introduced completely failed to produce the desired effect and sufficient steps were not taken by Government to get the necessary administrative machinery moving. The Committee are constrained to point out that in the absence of complete accounts of the money provided for by the Legislature, the only conclusion that could be reached is that several crores of rupees still remained unaccounted for and possibility of wastage/loss defalcation could not be ruled out.

RECOMMENDATION

The Committee are convinced that the Executive Government had completely failed to discharge its responsibility about the accountability of the money provided for to the Legislature and would therefore urge the Government to complete the preparation of accounts without any more loss of time. The Committee therefore recommend that steps to investigate the appalling situation of accounts and to apportion responsibilities be taken by Government and the action taken may be reported to the Committee within six months from the date of presentation of this Report to the House.

SUPPLY DROPPING EQUIPMENTS

2.1. The Committee enquired who indented for supply of dropping equipments; The Special Secretary stated; "The local Air Force was requested from time to time for loaning of such equipments. But air-dropping of supplies become a Regular feature, the local Air Force advised us to send indent for such equipments for our ready use." Asked as to who decided the requirement of air dropping equipments, the Special Secretary replied: "I do not think there is anything in writing; our officers used to go to local Air Force to consult the Air Force Officers who knew about these things, and then the indent was worked out."

2.2. On being questioned as to whether any budget provision was made, the Special Secretary stated that at the time of giving indent no budget provision was made. Asked what was the number of equipments used during the period of operation and its total value, the Secretary, Tribal Areas Department stated that the value would be roughly about Rs.2.77 crores and about 25 per cent to 30 per cent of the equipment was used. Asked what was the explanation of the Department as to the indenting of supply dropping equipments in excess of actual requirement, the Special Secretary stated: "The indent for SDF requirement of these commodities to A.A.T.O. and Ministry of Defence was sent in January 1968 to March, 1969 for supplying a number of equipments required by the Indian Air Force for food dropping in Mizo Hills. Subsequently it was found that the indent was much on the higher side. By the time we asked the Defence Ministry to stop supplies a number of railway wagons were despatched from Mathura and Kanpur to Jorhat and Silchar. We were then flooded with supply dropping equipments. This matter was then brought to the notice of the Chief Secretary. The indent was sent to the Ministry of Defence without budget provision and concurrence of Finance. Then the Appointment Department was moved to fix the responsibility on the officer concerned and to obtain explanation from him. Enquired as to who decided to send the indents, the Special Secretary replied: "It was sent to the Ministry of Defence under the signature of Under Secretary, T. A. D. But actually it was done at the level of Joint Secretary, T. A. D. Mr. C. L. Rema. Due explanation was called from Mr. Rema as to why such irregularities were committed by him. Accordingly he gave his explanation and along with that he had sent his resignation letter to Government. It was agreed both by the Finance Secretary as well as by the Secretary, T. A. & W. B. C. that there was not and could not have been any element of malafide or underlined business connected with the ordering of the equipment. It was found that Shri C. L. Rema did not exercise precedence in a matter involving many lakhs of rupees either taking the approval of the Chief Secretary or going to the Finance Department. Simply he stated that the materials had to be purchased and ordered in the emergent situation of the Mizo District and it was so ordered after consultation with the Air Force authorities and by A.A.T.O."

2.3. In a written reply submitted to the Committee earlier, the Joint Secretary, T. A. & W. B. C. stated:

"As desired by the Hon'ble Chairman I submit a note on surplus supply dropping equipments lying both at Jorhat and Silchar.

2.4. Immediately after the outbreak of wide-spread MNF hostilities in Mizo District in March, 1966 all surface communications in the District were disrupted. As a result, food and other essential commodities had to be supplied to the law abiding people of the district by means of air transport. To complete the task of air dropping of essential commodities a large quantity of supply dropping equipments such as cargo-parachutes, skid boards, etc., were purchased from the Ordinance Factories at Mathura and Kanpur through the Ministry of Defence. The S. D. Es. were purchased much in excess of the immediate demand. According to the instructions from the Defence Ministry 3 years requirements in advance had to be projected and on that basis an assessment was made by the Tribal Areas Department and the required S. D. Es. were indented from the Ordinance Factories. It was also found that the costly parachutes and other simpler types of S. D. Es. were not required at all for the purpose of air dropping. Those S. D. Es. are normally required for air dropping at a very high altitude and not in the terrains of the Mizo District having a much lesser altitude.

2.5. Immediately after the surplus was detected the matter was taken up with the Government of India by the Department which was followed up by a number of D. O. letters and discussions with the officials of the Defence Ministry. In my D.O. letter dated 3rd July, 1970 to the Defence Ministry the entire background of the matter (surplus S. D. Es.) was indicated with the request that the Defence Ministry should make arrangements to take back those S. D. Es. before they start rotting. I had also given a specific suggestion in my D. O. letter that an expert from the Ministry may visit both Silchar and Jorhat for an on the spot assessment of the conditions as well as durability of the S. D. Es in view of the long storage. Instructions were also sought for from the Ministry to indicate the procedure by which the surplus S. D. Es may be disposed of thereby saving the Government from huge financial losses. The Ministry *vide* their D. O. letter dated 8th September, 1970 suggested that the surplus S. D. Es may be disposed of by Assam Government in any manner considered suitable and in the best interest of the State. Thus it is clear that the Government of India did not agree to take back the surplus stock of S. D. Es and passed on the responsibilities to the Government of Assam to dispose of this surplus stock in a suitable manner.

2.6. After protracted correspondences the Ministry of Defence deputed an Inspection Party to inspect the surplus stock at Jorhat and Silchar and submit a report. The team inspected most of the items leaving out parachutes which cannot be used for any other purchases. The Inspection Team was sent to Silchar and Jorhat on the understanding that those items which the team could find suitable for use may be taken back but subsequently nothing was heard from the Ministry. The matter was further followed up by a D. O. letter dated 12th July, 1971. Since then no reply was received by us.

2.7. Proper storage and maintenance of these S. D. Es posed a great problem. After the S. D. Es reached Silchar and Jorhat, the Deputy Commissioner faced the immediate problem of providing adequate storage facilities for which they had to hire a number of godowns. The total expenditure for this purpose will be more than Rs. 8 lakhs approximately.

2.8. After the Mizo Hills District was converted into an Union Territory a question arose if the liabilities of Assam Government should pass on to the Union Territory of Mizoram. The matter was examined by us and it was observed that Section 52(2) of the N.E.R. Act clearly provided for transfer of such type of liabilities to the Union Territory of Mizoram.

2.9. The relevant Section reads as follows :—

“Unless the Central Government otherwise direct, any stores, articles and the goods belonging to the existing State of Assam and situated outside the Mizo District immediately before the appointed day shall as from that day pass on to the Union if such stores, articles or other goods are held or are relatable to the administration of the District.”

2.1 . Therefore Government of Mizoram was moved with a request to take over the S.D.Es before it deteriorates further in quality. The Government of Mizoram agreed in principle to take over these S.D.Es and requested D.C., Jorhat for proper storage of the S.D.Es. and keep it ready for delivery. But subsequently, Government of Mizoram intimated D. C., Jorhat with a copy to the T.A.D. indicating that they do not require the stock of S.D.Es. and other food stock which was lying as surplus in the stock of Assam Government but meant for food-supply operation for Mizo District. The matter was again referred to the L.R. for his views and to indicate to us if our presumption relating to the passing on of the responsibilities for disposal of the S.D.Es to the Mizoram Government is correct. The L.R. agreed with our views and the matter has again been taken up with the Mizoram Government to take back all these surplus S.D.Es.

2.11. At the instances of the Committee, the Joint Secretary, Tribal Areas Department furnished the information regarding the “Supply dropping Equipment” despatched by the C. O. D. Kanpur and Ordnance Depot Mathura between the period from June, 1968 and January, 1969 to the Additional Deputy Commissioner in-charge Mizo Supplies, Silchar and the Deputy Commissioner, Jorhat, respectively which is appended to this Report as Appendix II.

From the facts brought out during evidence, the Committee noted that Supply Dropping Equipment worth Rs. 2.77 crores were obtained for supply dropping operations by air between 1966 and 1969, of which only 25 to 30 per cent could be utilised. The Committee also noticed that these purchases were much in excess of the immediate demand due to projection of requirements for three years on the basis of an assessment made by the Tribal Areas Department which included equipments normally required for air dropping at very high altitude and not in the terraced of Mizo District having a much lesser altitude. The Committee is constrained to note that no technical advice regarding the suitability of the equipments procured were either sought for or obtained while projecting the necessary requirements. Which alone has caused these excess and surplus stock.

The Committee are further appalled to note that there was no specific approval of the cabinet or of an expert in the matter of obtaining such air dropping equipment nor was there any financial concurrence from the Finance Department pre or ex-post-facto.

It also came to the knowledge of the Committee that godown rent amounting to Rs. 8 lakhs (approximately) had to be incurred on storage of such excess supply dropping equipment and efforts of the Government in disposing of these surplus stock so far proved abortive with the result that huge amount of money invested without proper care remained idle without any prospect of substantial future recovery.

The Committee, therefore, desires that responsibility be fixed on the officer or officers for whose negligence and administrative lapses air-dropping equipments not suitable for the region was purchased far in excess of the actual requirement. Responsibility should also be fixed for the delay in disposal of the equipments in spite of the specific recommendation made by an expert Committee of the Government of India entailing a heavy expenditure on godown rent, besides deterioration of the equipments due to prolonged storage.

The Committee also recommends that immediate action should be taken to dispose of the stock to avoid further loss.

Distribution of Food-Stuff, etc.

In reply to enquiries made by the Committee in regard to the matter of sales of food-stuff on audit and free issue of ration, deposit and sale proceeds into Treasury, etc., the following deliberations were made before the Committee.—

Shri R. Natarajan, the then Deputy Commissioner, Mizo Hills, stated that.

At Aizawl credit sales were used to be made, but those were restricted only to Police and Jail; In the P. P. V. Centres there had been credit sales on the instructions from the Deputy Commissioner; Some credit sales had been made to the B. R. T. F., for issue of ration which had been authorised by the Government; on the basis of accounts available upto 31st March, 1968. Issue of ration free of cost had been to the tune of Rs.67 lakhs. The official witness could not say whether the approval of the Legislature in this regard had been obtained or not; while he had been Deputy Commissioner, he had suggested that in the P. P. V. centres at least 15 days' ration must be given free of cost, but the Military authorities had put up another scheme that free ration should be given to all the centres; this matter had been discussed on 6th December, 1966 where the Chief Secretary also had been present; subsequently, the matter had been discussed in the Eastern Command headquarters on 26th December, 1966 where the Commissioner also had been present; there it had been decided that free ration should be given to all the centres; a W. T. message had then been sent to the Deputy Commissioner by the Government saying that whatever facilities had been sanctioned by the Army authorities must be continued; so far as Aizawl was concerned, the commodities had been issued directly to the retailers who used to deposit the value before lifting the commodities and receipt of goods had always been intimated to the Additional Deputy Commissioner, Silchar in cases of goods received by road.

Shri A. K. Palit, the then Deputy Commissioner, Mizo Hills, who succeeded Shri Natarajan, stated that the Government had been informed that free issue of commodities for a period of 3 years had amounted to Rs.71 lakhs and that the amount should be sanctioned as gratuitous relief; Rs.71 lakhs had been sanctioned for free distribution of commodities.

He read out a telegram from the Commissioner authorising the Deputy Commissioner to issue ration on credit and also referred to a letter from the Government to the Deputy Commissioner regarding credit sale.

The Subdivisional Officer (Sadar), Aizawl stated that.—

Whenever distress report had been received at Aizawl, a W.T. message used to be sent to Assistant Accounts Officer authorising him to issue free ration and bonds had been given by the individual recipients that they would repay the loan when test relief work would be undertaken. The bonds had been received back at Aizawl and these had been filed; at the end of 1969 the loan to Saiha alone had come to about Rs.6 lakhs. The Government had been moved to sanction the amount, but thereafter he had been transferred and he could not say whether this had been sanctioned or not; but the Government had been moved. An amount of Rs 5,72,343 had been spent by the Deputy Commissioner, Mizo Hills for issue of ration to the distressed people on credit basis and it had been authorised by the Government in their letter No.TAS/MEC/64—69/50, dated 15th November, 1969; but subsequently the Government had regretted its inability to sanction the said amount; later on it had been found from records that the Additional Deputy Commissioner, Mizo Hills had made further communication with the Deputy Secretary, Tribal Areas

Department with a request to sanction money in his letter No. AGRR. 31/69/58, dated 6th January, 1970 ; but after that no further communication appeared to have been made to regularise the expenditure either from the side of the Tribal Areas Department or from the Deputy Commissioner.

Asked about the position of adjustment of sale proceeds Shri A. C. Roy, the then Deputy Commissioner, Aizawl stated that most of the issues had been on the credit side. There had been a Government sanction for credit issue of ration ; according to a survey conducted by the Deputy Commissioner, most of the people had been in distress ; there had, therefore, been not much of cash deposits. As regards retention of cash balance actually their instruction had been that nobody should keep balance more than what was absolutely necessary. At that time Administrative Officers and others had not been getting their salaries ; because of that limited factor food-stuff and other necessities had been sent to them instead of money ; he was told that it had been the procedure followed from earlier days. During his time in surgency had been high and as a result their movement had been very much restricted and they had not taken any risk with cash ; in some cases godowns had been looted and cash taken away. At that time they had thought on two things—(i) cash deposit must be with security forces and (ii) whenever the security column would move, cash would go only with them ; he had prescribed a proforma, which had been circulated to all the centres saying that every week the officials must report to him as to how much quantity had been issued on account of audit sales and free rations and how much had been the cash sales ; they used to get these reports from centres, of course not from all the centres.

Asked whether reports had been sent to Shillong, Shri Roy stated that when he had moved the Government for gratuitous relief, he had indicated to them the total requirements for the same and he used to report to the Tribal Areas Department and Supply Department the matters which required clarifications. There had not been much of free issue of ration. Free rations had not been necessary except in the case of some disabled and destitutes, whose number had been very limited. Free ration had been given from 1966 and that had involved very small amount ; the total amount of credit sales had not been reported to the Government ; the officials were supposed to send weekly and monthly returns in the proforma, which he had sent to all the centres.

Asked about the adjustment of sale proceeds, Shri Roy stated that the officer had not been getting their pay for months together ; the Administrative Officers in the interior had not been getting their pay for the period ranging from six months to one year. As a result, the adjustment could not take place because of lack of sanction, in many cases adjustments had been made before the Union Territory was formed ; they had been expecting that after the sanctions were received, they would be able to regularise the cases.

Asked about the system of issue of free ration, Shri Roy stated that they had three types of ration under this category; at the very beginning he had been instructed to issue ration on credit to persons affected by cyclone. The second point had been about the destitutes; that category included the members of the family of persons, who might have been killed during insurgency; they were comprised mostly of disabled and old persons and children; number of such persons would not be more than 6/7 in a village; the third was cash dole under the employment scheme; they used to instruct the Administrative Officers to employ people and get work done.

The Committee desired to know whether approval of the Finance Department had been obtained in the matter of free issue of ration. To this, the Joint Secretary, Tribal Areas Department replied in the negative.

Asked as to what amount of sale proceeds had been deposited into the treasury from time to time, the Director of Supply, Assam informed the Committee that Rs.3,87,000 had been so far deposited.

In reply to the question as to whether distribution of food-stuff had been made in the manner as required, the then Commissioner, Mizo Hills stated before the Committee, he cannot say it. Owing to the difficulties in communication with outlying administrative centres and centres which are located along the road, they were not getting properly. As regards free issue of ration the Commissioner stated before the Committee that a decision was taken with the agent of the Chief Secretary, Government of Assam that there could be free supply of rations. The Committee desired to know at whose instance or orders food-stuff had been issued free and whether the Government of Assam had been in the picture. In reply the Commissioner said that there was a meeting where the Chief Secretary and the Chief Minister were also present. But I was not present. Asked as to whether it was not irregular to distribute food-stuff free of cost without any executive order either from the State Government or from the Central Government, the Commissioner admitted that it had been quite so. Asked as to who would bear the brunt, the Commissioner replied, "Normally it was the Political Department bringing in law and order and safety of life and their progress. Therefore, I feel it was Political Department." As to the requirement of asking the Government for allotment of funds on the basis of requirements indicated by the Deputy Commissioner, the Commissioner stated that he had thought that the matter would be processed through the Political Department. The Secretary, Tribal Areas Department, however, admitted that it had been a mistake on the part of the Government not to have processed the matter. He said, "We have now taken up the matter and we will have a meeting on the 6th April, with the Chief Secretary and the Financial Commissioner to regularise the matter." Asked as to whether no attempt had so far been made to regularise the matter, the Secretary, T. A. D. said, "We have already made a start in 1970." Asked on what basis the Government would move for regularisation, the Secretary, T. A. D. replied that they had accounts upto 1969. He said, "Upto a certain point of time we have got the information and beyond that we have no information. So we have to compile." He also

informed the Committee that the Government of India had given an *ad-hoc* pay back on account of free issues of ration, but they had held back Rs.1.6 crores pending production of account certified by the Accountant General.

The Committee earlier desired to have a detailed note from the Tribal Areas Department of the Government on the free issues of ration to inhabitants of the erstwhile Mizo District. Accordingly, the Joint Secretary, T. A. D., submitted a note to the Committee on 27th December, 1972.

The note states—

I was asked by the Chairman, while deposing before the Committee at Aizawl on 7th December, 1972 to submit to him a detailed note on free issue of ration issued to the inhabitants of the erstwhile Mizo District of Assam. Accordingly a note is submitted below :

It appears that the Deputy Commissioner, Mizo District had incurred an expenditure of Rs.71,57,682-00 on account of free ration that was issued to the people during the early part of 1967 to the end of June, 1968. This came to the notice of the Tribal Areas Department when a letter from the S.D.O. (Sadar) addressed to the Secretary, T.A. & W.B.C. was received on 23rd December, 1969. Since at no stage the Tribal Areas Department was associated with any discussion where a decision was taken to issue ration free of charge to the people of Mizo District there was no paper available in this Department to throw any light on the matter. The matter was examined by this Department and since there was no paper on the subject this was referred to the Political Department for their comment. We had also moved the Finance Department for giving their concurrence to this sum of Rs.71 lakhs which was spent for the purpose of free ration. The Finance Department did not agree to the proposal and wanted to see papers containing the original decision for this particular scheme. Further, they wanted to know if the previous approval of the Finance Department was taken. On the advice of the Financial Adviser, the Political Department was requested to let us have all the relevant papers in this matter. The Political Department informed us that the grouping of villages in Mizo District was initially done by the army authorities and free ration was supplied to the inhabitants of the grouped villages. This was done by the army authorities. Therefore, when these centres were taken over by the civil authorities the army insisted on continuance of supply of free ration at the same rate. On the 20th May, 1967 there was a discussion held in Gauhati where the Cabinet Secretary, Defence Secretary, Home Secretary to the Government of India, the Chief Secretary, Commissioner for Cachar and Mizo Districts and the Deputy Commissioner, Mizo District were present. In that meeting it appears from the recorded minutes of discussion that the Home Secretary to the Government of India has expressed his view that it was never the intention of the Government to give free ration to the population in the grouped villages and not affected by the grouping schemes. Further, it was wrong to have given free ration on an equal basis to the adults as well as children. It was explained to the Home Secretary that the army authorities who implemented the grouping schemes in the initial stages have been pressing

the Assam Government and the local officials of Mizo District to continue the scheme since it was a decision of the Cabinet of the Government of India to issue free ration to all concerned on an equal basis in the P.P.Vs., on the scales laid down by the army authorities. Even when the scales of ration were sought to be changed the army authorities interfered to stop any such change without a decision from the Government of India which will be necessary for the purpose. In the said meeting the following decisions were taken :—

(a) The scales of rations for children below the age of 12 and above the age of one would be reduced to half of the scales applicable to adults, and infants below the age of one will not be given any ration at all.

(b) Free rations may be given to the original inhabitants of the grouped centre as they have also suffered economically due to large number of people being concentrated in their area, and the jhum area available for cultivation to them was also reduced to the total available land within a vicinity of five miles radius from the grouped centres having been equally distributed to all the new population of the P.P.Vs. It was felt that the paddy available with any family should not be taken into consideration for the purpose of assessing the economic standing of a family in this regard.

(c) In order not to create any discontentment among the population which might adversely affect military operations in the area there should be no reduction in the scale of rations applicable to adults and the adults should get the same scale as has been laid down by the army authorities.

(d) The situation should be reviewed and the entire question of issue of free rations should be reconsidered in October, 1967 and a new policy adopted and implemented after 31st October, 1967.

(e) No free rations need be given to any family which earns adequate income though one or more of its members to pay for such rations. A family any of those able bodied member/members refuse gainful employment should be deprived of free ration. It was explained by the Deputy Commissioner, Mizo District that a normal family of five individuals would be able to maintain itself with an income of about Rs.90.00 (Rupees ninety) a month.

From the above it will appear that the Chief Secretary in the Political Department was in full picture when such a decision was taken. Subsequently, the Political Department *vide* its message No.PLB. 1867, dated 2nd February 1967 approved in principle the original P. P. V. scheme in which giving of free ration in the form of dry ration to the appropriate people. On a request from up the Political Department handed over certain papers consisting of various D. O. letters received from the Government of India on the P. P. V. scheme which are available in our file and may be produced before the Committee if desired, but it is quite clear that there is no extract of any Cabinet decision of Government of India with us which contains a specific decision to continue free ration in the grouped villages after Assam Government taken over these centres. Further, it appears that no stage the matter was placed before the State Cabinet and also referred to the Finance Department for their concurrence in principle. Further, it appears a decision was taken in Gauhati where Cabinet Secretary and other senior officials of Government of India and State Government were present. Therefore, so far

as T. A. & W. B. C. Department is concerned we have no further knowledge about the matter as already indicated above and there is no paper with us to show formal sanction from the Government of India to continue the scheme. At this stage there is no other alternative but to place the matter before the Cabinet for *ex-post-facto* approval of the scheme after which the amount has to be voted by the Legislature.

RECOMMENDATION

The Committee noted with concern that the decision taken by certain officials for free issue of rations at Gauhati was not placed before the Cabinet for approval nor was the financial concurrence having financial bearing on such courses or such action obtained at any stage. No effort was also made to pursue the matter subsequently (after the meeting at Gauhati on 20th May 1967) either with the Government of India or with the State Government to have a clear and categorical sanction of the course of action followed or to be followed in this regard although the procedure of issue of free rations continued even subsequent to the date of the meeting. The Committee without going into the merits of such a course of action can not but feel with concern that in this case Government seemed to have been run by officials instead of by the chosen representatives of the people and recommend that Government must see that actions taken by officials are properly authorised before its executions in future.

The Committee were also surprised to find that the scheme being included as part of the scheme of a Commercial Department like Supply Department included elements like free issue and credit sale which were against the very spirit of receiving value for services rendered. Gratuitous relief, loan in kinds, etc., should have been budgetted for as such and not as part of a commercial scheme and the Committee are, therefore, at a fix to appreciate what principles of budgetting and finance were followed by Government here and whether or not this had amounted to overriding Legislature or giving incorrect information to the House at the time of submission of budget estimates. The Committee would appreciate if correct and complete information is provided in the budget estimates in future and the destination of a grant provided by the House is not changed without its subsequent approval.

In regard to the question of reimbursement of expenditure incurred in connection with disturbances in Mizo Hills from the Government of India, the Secretary, T. A. D. submitted to the Committee that although no detailed accounts of expenditure so far incurred could yet be had, the Department had head-wise expenditure on the basis of actual drawals and adjustments. According to the statements furnished by the Department, the year-wise actual expenditure and reimbursement received from the Government of India on ad-hoc basis were as follows:—

Year	Expenditure	Reimbursement
	In lakhs of rupees	In lakhs of rupees
1966-67	78.19	—
1967-68	1,45.86	1,25.00
1968-69	3,15.88	16.00
1969-70	3,36.18	64.50
1970-71	4,52.09	1,34.59
1971-72	1,93.54	3,00.00
Total—	15,21.74	6,40.09

It was also stated by the Departmental witness that upto a certain point of time the Department had information about free issue and credit sale and thereafter the accounts had to be compiled and as such the reimbursement claim submitted by the State Government to the Government of India were on the basis of uncertified accounts and Government of India had held back Rs. 1.6 crores claimed by the State Government for want of certified figures.

RECOMMENDATION

The Committee noted with concern that even in the matter of claim for reimbursement of expenditure incurred, the Government had not yet been able to come to any definite basis for want of proper and detailed accounts. The Committee would, therefore, recommend that the amount justified for reimbursement from the Government of India may be determined with utmost speed and urgency so that the expenditure already incurred does not remain unreimbursed for long and would also urge upon the Government to find out the machinery which had actually gone wrong resulting in this chaotic phenomena and to take remedial measures to gear up this machinery to avoid similar circumstances in future.

Other important irregularities

(1) Air dropping charges losses

Asked by the Committee as to the total amount of air-dropping charges, the Joint Secretary, T.A.D., stated that total expenditure on this account had amounted to Rs. 54 lakhs, but nothing had yet been paid.

Asked as to whether there was any formal agreement with the Government of India regarding air-dropping charges, the Joint Secretary, T.A.D. stated that there had been no formal agreement, but that the rate had been guided by the Government of India aircular on the basis of flying hour and the type of air-craft used. Asked as to whether the Department had any occasion to verify the percentage of air-dropping losses with a view to comparing the same with the norm prescribed, the Joint Secretary, T.A.D. stated that only in one case the loss had been 33 per cent. It was also stated by the Joint Secretary that in the beginning the air-dropping losses had been more, but gradually the losses had come down. He, however, admitted that the losses had not been worked out.

(Subsequently it was stated by the Under Secretary, Finance Department, Government of Mizoram that the air-dropping loss had been about 8 per cent, which was within the admissible limit).

OBSERVATION

The Committee noted with concern that the air-dropping operations were carried out without any formal agreement either with the Defence authorities or with the Ministry and that the load manifests of the aircrafts had never been tallied with the receipts acknowledged by the dropping Zones Officers or staff to find out the loss in such operations. The Committee recommend immediate determination of the amount of air dropping loss and investigation of cases where it exceeded the prescribed norms and responsibility for loss in excess of the prescribed norms should be fixed on the persons at fault.

(ii) Transportation of Food-stuff to Mizo Hills.

The Committee enquired how transportation charges had been paid to the contractors without getting acknowledgment, from Mizo Hills, the Deputy Director of Supply, Silchar stated (at Silchar) that without a certificate from the Inspector of Supply, Aizawl no carriage charge had been paid and that the private contractors had been paid carriage charges only on production of chalang bearing consignees acknowledgments of receipts of the goods. As regards transit losses the Deputy Director of Supply stated that necessary adjustments in this regard were used to be made in the contractors' bills.

About charges of transportation by Government vehicles, the Joint Secretary, T. A. D. stated before the Committee that the transportation charges had not yet been paid owing to a dispute regarding the rate at which the charges were to be paid.

Asked as to the rate of charges of transport by the Government vehicles, Shri R. Natarajan, the then Deputy Commissioner, Mizo Hills, submitted before the Committee that the rate had been originally fixed by the Government in the T. A. D. at Rs. 15 per quintal, but subsequently it had been raised to Rs. 35 per quintal. Asked as to why private vehicles had been deployed for the transportation of goods, Shri Natarajan stated: "The Army authorities used to take 40 vehicles in a convoy and since many of the Government vehicles used to remain out of order, private trucks had to be employed. In fact, there were three types of vehicles, private, transport Department vehicles and Deputy Commissioner's own vehicles. A Transport wing was created in 1966 and ultimately 85 trucks were there in the Transport wing." At this stage Shri A. K. Palit pointed out that in 1969 all the Transport Department vehicles had been released as it had been found that in most of the time 50 per cent of the vehicles had remained off the road. Subsequently, it was stated by Shri Natarajan, "40 vehicles were placed by the Transport Department and half of them always remained out of order. These vehicles were never placed at the disposal of the Deputy Commissioner, Aizawl or Deputy Commissioner, Silchar."

The Committee desired to know what was the total amount due for payment to the Transport Organisation. In reply it was stated by the Secretary, T. A. D. that the amount was disputed and that it would be Rs. 1.05 crores.

RECOMMENDATION

The Committee is alarmed to find out that vehicles from Transport Department were obtained without any formal agreement and that the bills of that Department had not yet been analysed to find out how much of this related to off-road vehicles and how much pertained to actual carriage charges. "The official witnesses could not also give the break-up of the transport charges paid to the private contractors." The Committee therefore recommend immediate sorting out and settlement of this affair in consultation with the concerned Departments, Corporation and the action taken should be reported within 3 months from the date of placing the report in the House.

(iii) Advances to the F. C. I.

About the advances made to the F. C. I., the Committee was informed (at Silchar) that about Rs. 2 crores had been advanced to the F. C. I. of which only Rs. 20 lakhs had been adjusted. It was pointed out to the Committee that the Department had not yet received all the bills from the F. C. I. Asked as to why the F. C. I. had not been submitting bills and whether they had received much more than the value of the goods supplied by them, the Deputy Director of Supply, Silchar could not give the exact figures, but stated that his idea was that a small amount might have remained to be recovered from the F. C. I. The Committee also could not be convinced whether commodities against the advances were actually supplied by F. C. I., and whether the advance has since been adjusted or not. There was also no specific Government orders for making such advance, and as such the Committee apprehends some foul-play in this deal also. The matter needs to be thoroughly investigated and responsibility fixed on the persons who made the advance without any Government authorisation.

RECOMMENDATION

The Committee failed to appreciate the basis on which advance payments were made when the previous advances remained unadjusted owing to non-submission of bills by the Food Corporation of India. The Committee therefore recommend settlement of accounts on this score and recovery, if any, also be made immediately.

(iv) Cash Book

The Cash Book of the Supply Department was shown to the Committee while at Aizawl. It appeared that many entries in the Cash Book had not been signed by any authority upto December, 1970. Even before that no date had been given by the authority signing the Cash Book.

In reply to a query as to whether no cash book had been maintained in 1970, Shri A. C. Roy, the then Deputy Commissioner, Mizo Hills stated before the Committee, "What happened if Accounts Officers would come and they would bring accounts. I was told that there was discrepancy; some people had already collected some money and that some adjustments had to be made against some payments made to others. There was a procedure in which some payments were made. We had Rs.35 lakhs under the Employment Generation Scheme. We did not send this amount to the interior centres because from the interior centres they would be issuing labourers' wages in terms of rice. When in terms of rice they had given the labourers' wages, on getting reports how much labourers' wages had been given in terms of rice, and the amount of Rs.35 lakhs had to be adjusted accordingly. As a result, Accounts Officers used to come with muster rolls and we would check and then we would deposit the accounts with chalans and then it would be entered in the Cash Book". Asked as to whether the Cash Book had been signed by the Accounts Officers regularly, Shri Roy stated

that it had not been done because of the limiting factors. Asked as to whether the Cash Book had been made up-to-date and whether every page had been signed by the Officer, Shri Roy stated that he had been told of the Cash Book having been signed, but it had not been shown to him. In reply to queries Shri Roy also stated that he had pointed out to the Cash Officer that the Cash Book had to be made up-to-date but he told him that because of certain difficulties, he could not maintain the Cash Book properly; he (Shri Roy) thought that this would be done later on; he had considered it to be an irregularity, but at that time his choice had been to see which irregularity had been more dangerous.

Asked whether he had the concurrence of the Finance Department and the Accountant General when he had relaxed the rules in this regard, Shri Roy replied in the negative. In reply to queries made by the Committee, Shri Roy admitted that he had not issued any written orders instructing the Additional Deputy Commissioner or Senior Officer to make the Cash Book up-to-date and also that he had not written to his successor that due to certain difficulties the Cash Book had not been closed.

OBSERVATION

The Committee is alarmed to find out that well laid down principles of maintaining Cash Books as provided in the Assam Financial Rules were violated without any written authority or in absence of any order for relaxation of rules. The Committee could not appreciate the difficulties explained by the Department in this regard. The Cash Book should record transactions of receipts and payments of cash as and when take place and as such there cannot be any difficulty in writing up these transactions.

RECOMMENDATION

The Committee recommend that responsibility should be fixed on the officer/officers at whose instance such serious financial irregularities were committed. Cash Book is the main record for building up accounts and it is not understood how without the Cash Book transactions could be made involving a huge amount of public money.

(V) Godown Rent

The Committee desired to know the total number of godowns maintained from year to year and the total amount of expenditure incurred on account of rent.

The Secretary, Supply Department submitted before the Committee (at Jorhat) that Godown rent had been worked out to Rs. 8,65,800, but it had not yet been paid owing to non-fixation of rent by the Deputy Commissioner in the case of private Godowns. The Deputy Commissioner, Jorhat later explained the matter and stated that the P. W. D. had done valuation only recently and that he would now do the rest soon.

RECOMMENDATION

The Committee inspected the Central Warehouse at Jorhat on 28th December, 1972. A statement of the stock held there was submitted to the Committee. The stock was found to have been there since 14th December, 1968, the monthly rental of the Warehouse being Rs.12,500. The Committee is dismayed to notice that years have rolled by and Government had not taken any concrete steps to remove/dispose of stocks lying in the Central Warehouse at Jorhat where monthly rental liability of Rs.12,500 are being incurred since December 1968, even in the context of present day food crisis. The Committee would like to be enlightened immediately why these stocks could not be disposed of so far and what steps are proposed to be taken by the Government now to reduce/extinguish this unnecessary liability.

The Committee recommend that reasons for purchase of such a huge stock should be investigated and responsibility fixed.

(VI) Purchase of bad quality Food-stuff

The Committee desired to know whether there had been any report of bad quality food-stuff being air-dropped. Shri Palit, the then Deputy Commissioner, Mizo Hills, stated that except in case of arhar dal no such complaint had been received. Shri Palit added that in another case wheat and maize brought from Haryana had been found to be in bad condition, but these had not been distributed.

OBSERVATION

The Committee would like to have the views of the Government as to whether there was any procedure or system of inspection of goods before being issued for despatch or air-dropping and if so, how the bad quality arhar dal was issued for air-dropping.

It should also be investigated whether sub-standard dal was purchased or the stock deteriorated due to long storage, and responsibility should be fixed on the persons responsible for purchase of sub-standard dal or deterioration of the stock due to long storage.

(vii) Loss due to sale below cost price at Demagiri

Sale prices of various commodities had been raised by the Deputy Commissioner, Mizo Hills in November, 1966 and in April, 1969. Demagiri Centre, however, continued to sell the commodities at old rates : this resulted in a loss of Rs.0.20 lakh. In course of giving evidence before the Committee, Shri Nataranjan, the then Deputy Commissioner, Mizo Hills, stated that the Officer concerned at Damgairi might not have received the communication regarding price rise as Demagiri was at that time connected by W. T.

OBSERVATION

The Committee failed to appreciate why was this centre not communicated the rise of price by W. T. when it was known to the Deputy Commissioner that the centre was not connected by normal means of communications. The Committee would like to know whether similar cases came to the notice of the Department elsewhere also and if so how Government proposes to deal with such Contingencies.

(viii) Gunny bags

At the time of on-the-spot verification, it appeared to the Committee that the gunny bags returned by the contractors had been shown as mostly unserviceable, whereas they had been supplied with serviceable bags.

Asked as to how the empty gunny bags were disposed of, the Director of Supply, Mizoram stated that the gunny bags had been sold by auction. He however, could not produce any compiled account in this regard before the Committee.

RECOMMENDATION

The Committee recommend submission of detailed accounts of gunny bags purchased, supplied to contractors, returned by the contractors, disposed of by auction and still in stock immediately so that the magnitude of the loss sustained on this account can be gauged. The loss on this score, including the return of gunny bags by the contractors, should be thoroughly investigated and responsibility fixed.

(ix) Physical Verification

Asked by the Committee as to whether any verification of the stock from the side the Government had ever been conducted, the Joint Secretary, T.A.D. stated that he could not say whether or not the stock had been verified.

OBSERVATION

The Committee are surprised to note that the Department was not having the information whether physical verification of stocks was carried out and what had it revealed. The Committee would like to be enlightened on this point along with results of such physical verification and action taken by Government to deal with any loss due to pilferage, theft, negligence, etc., including fixation of responsibility for such cases.

GENERAL RECOMMENDATION

The Official witnesses pointed out to the Committee the special circumstances in which the scheme was undertaken and the difficult situation in which the administration was put to even in exercising control, let alone maintaining accounts, over the operation of the scheme and various transactions in the outlying areas in particular and whole of Mizo District in general. It was also pointed out by the official witnesses that in the far-flung areas the administration was left with no choice but to depend upon the Security Organisation for distribution of essential commodities to the people and as such, it was contended, no attempt could be made to maintain accounts. In order to understand the difficulties faced by the administration, the Committee visited some of the out-of-the-way places and taken note of what was possible and what was not under the circumstances. While appreciating the difficult situation then prevailing the Committee cannot but remark that even in places where it was possible to maintain proper accounts, no attempt whatsoever was made to do so. It is also amazing to note even after the cessation of hostiles activities in the District, no attempt was made at any level to prepare and compile the accounts until the Committee went into this question. No account worth the name could be produced before the Committee, and whatever were produced in the name of accounts were only post-constructed accounts. The Committee was distressed to find the complete callousness of the administration in maintaining accounts of an operation in which a colossal amount of public money was involved.

The Committee, therefore, recommends that the matter may be referred to the Ministry of Home Affairs, Government of India to make a sifting enquiry into the whole affairs by the C. B. I. and to fix responsibility on the officer or officers at fault in maintenance of proper accounts.

The Committee further recommends that a Judicial Enquiry Committee may be constituted under the Commission of Inquiry Act to find out and to bring book the persons responsible for not maintaining proper accounts of an operation of such a huge dimension.

The action taken shall be intimated to the Committee and to audit within three months from the date of presentation of this report in the House.

APPENDIX I

Information regarding supply dropping equipments despatched by the C. D. O. Kanpur and ordnance Depot Mathura (Referred Para 2-11 at Page 19)

Despatched by C.O.D. Kanpur Name of the consignee.	Issue Voucher No. and date	Amount	Despatched by Ordinance	Department, Mathura
		Rs.		Rs.
Addl. Dy. Commissioner in-charge Mizo Supply.	TM-A4-50429, dated 27th June 1968	6,18,758.20	A4-OOOB KND, dated 26th June 1968	1,08,706.50
	TM-A4-50430, dated 27th June 1968	25,17,869.41	A4-OOII KND, dated 4th July 1968	43,97,676.81
	TM-42-50431, dated 27th June 1968	6,758.51		
	A4-50838, dated 2nd November 1968	23,053.92		
	11-51038, dated 2nd January 1969	36,945.22		
	Total	32,03,395.26	Total	45,06,383.31
By Commissioner, Jorhat.	TM-A4-50432, dated 27th January 1968	11,68,379.60	A4-00g KND, dated 26th June 1968	16,25,77.80
	TM-A4-50433, dated 27th June 1968	46,85,920.16		
	TM-A4-H2-50434, dated 27th June 1968	48,516.30	A4-0012KND, dated 4th July 1968	4258146.30
	Total	59,02,816.06	Total	44,20,724.10

Statements showing the quantities of supply dropping equipments despatched by the C.O.D. Kanpur and ordnance Depot Mathura are given in appendix at pages 47-48.

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APPENDIX I

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APPEN

(Referred to in Para

CONSOLIDATED STATEMENT SHOWING DESPATCHES OF
CHAR BY

Year	Rice		Atta	
	Quantity	Amount	Quantity	Amount
(1)	(2)	(3)	(4)	(5)
1965-66	1,776.02.169	1,61,382.43	..	..
1966-67	19,198,85,690	18,42,533.33	9,332.00	6,38,558.59
1967-68	46,131,41.500	51,66,046.64	22,569.69.500	16,63,629.22
1968-69	46,231.50.500	49,96,557.86	27,393,88.500	26,42,217.33
1969-70	30,465.52	33,39,097.04	12,309.84.525	15,80,248.25
1970-71	56,319.25	68,17,385.62	27,438.82.500	24,58,285.06
1971-72	82,401.54	1,03,00.192.50	9,631.43	8,82,306.85
	2,82,524.10.850	3,26,23,215.92	1,08,675.68.025	98,57,345.21

	Salt		K. Oil	
	Quantity	Amount	Quantity	Amount
	(12)	(13)	(14)	(15)
1965-66	46.77	826.89	..	..
1966-67	2,490.77.500	41,991.63	1,120 Lit.	649.60
1967-68	2,760.20	40.168.44	..	..
1968-69	4,548.18	82,998.00	..	..
1969-70	2,763.12.500	54,658.35	..	..
1970-71	...	..	800 Lit.	464.00
1971-72	1,378.89	49,280.83	600 Lit.	354.00
	13,987.94.000	2,69,924.14	2,520 Lit.	1,467.60

Sd./-
2-3-1973.

D. D. S. (A).

DIX II

graph 1.16 at Page 4

VARIOUS COMMODITIES TO MIZO DISTRICT FROM SIL-ROAD

Pulses		M. Oil		Sugar	
Quantity	Amount	Quantity	Amount	Quantity	Amount
(6)	(7)	(8)	(9)	(10)	(11)
152.11	22,960.13	132.80	55,421.43	..	...
1,710.78.500	2,26,068.77	695,03.200	2,95,385.50	3,193.30.500	4,78,053.06
4,757.92	6,28,890.48	442.43	2,15,852.47	3,127.88	5,10,931.28
1,723.75	3,48,144.14	9,08,61.500	4,99,319.75	207.00	37,810.62
3.61	685.86	86,34.500	47,313.31	..	..
10.00	1,381.30	..	..	..	..
50.00	10,961.20	210.48	1,26,732.17	46.00	10.002.84
30.00 (G. Dal)	4,260.70				
84,44.17.500	12,43,352.58	24,76.50.200	12,40.024.63	65,75.18.500	10,36,707.80

Wheat		Mizo		Tea Leaf	
Quantity	Amount	Quantity	Amount	Quantity	Amount
(16)	(17)	(18)	(19)	(20)	(21)
...
..
..	..	..	..	239.99	104.355.39
3,505.03.500	3,72,839.09	9,026.81.500	7,33,789.79	..	..
12,314.37	11,55,899.97	..	..	..	..
..
..
15,819.40.500	15,28,739.06	9,026.81.500	7,33,789.79	239.99	1,04,355.39

Sd./-
2-3-1973.

Director, Supply.

Sd./- P. N. RAO,
2-3-1973.

Supply Secretary.

APPEN

(Referred to in Paragraph 1.16

CONSOLIDATED STATEMENT SHOWING DESPATCHES OF VARI

Year	Rice		Atta	
	Quantity	Amount	Quantity	Amount
(1)	(2)	(3)	(4)	(5)
1965-66	116.40	10,572.62	...	..
1966-67	3,411.80	3,12,804.35	4,952.91	3,43,088.08
1967-68	3,158.46	3,18,609.56	1,990.50	1,43,439.59
1968-69	5,918.59.500	7.02,182.13	8,846.00	7,15,995.20
1969-70	10,522.20	11,67,785.5	15,214.10	20,39,754.39
1970-71	29,133.65	36,14,181.32	7,124.25	6,41,223.25
1971-72	26,582.20	33,22,817.50	549.00	49,718.90
	78,843,30.500	94,48,953.04	38,676.76	39,37,219.41

Year	Sugar		Salt	
	Quantity	Amount	Quantity	Amount
(1)	(10)	(11)	(12)	(13)
1965-66 ... ..	...	...	4.80	84.86
1966-67	1,283.10	1,86,402.41	1,702.34	30,097.34
1967-68	658.85	1,11,859.39	2,182.50	31,733.55
1968-69	202.12	36,919.26	2,790.80	51,490.44
1969-70	91.40	16,695.13	2,109.10	43,131.09
1970-71	622.50	1,16,301.80	3,329.48	68,986.75
1971-72	336.02	67,645.19	2,156.40	77,161.82
	3,163.99	5,35,823.18	14,275.42	3,02,685.85

Sd/-
2-3-1973.
DDS (A)

Sd/-
2-3-1973.
Director, Supply.

DIX III

at page 4)

OUS COMMODITIES TO MIZO DISTRICT FROM SILCHAR BY (AIR)

Pulses		M. Oil	
Quantity	Amount	Quantity	Amount
(6)	(7)	(8)	(9)
4.80	683.81	...	...
626.70	90,266.14	123.52	51,971.04
347.28	46,733.37	71,51.500	36,940.20
424.50	80,650.75	127.33	73,329.36
102.15	19,407.46	45.41	24,376.94
616.60	85,171.09	316.96	2,10,385.68
227.90	48,448.26	181.18	1,03,100.46
2,349.93	37,13,360.88	856,591.500	505,103.68

K. Oil		Wheat		Maize	
Quantity	Amount	Quantity	Amount	Quantity	Amount
(14)	(15)	(16)	(17)	(18)	(19)
..
1,800 Lit.	1,044.00	..	..	..	..
..
5,300 Lit.	3,074.00	...	...	65.70	4,340.75
4,652 Lit.	2,698.16	..	...	...	...
16,001 Lit.	9,920.62	...	...	...	...
12,100 Lit.	7,136.81	...	...	...	...
39,853 Lit.	23,873.59	...	...	65.70	4,340.75

Sd/- P. N. RAO,

2-3-1973.

Supply, Secretary.

APPEN-

(Referred to in Paragraph 1-16)

CONSOLIDATED STATEMENT SHOWING DESPATCHES OF

Year	Rice		Atta		
	Quantity	Amount	Quantity	Amount	
	(1)	(2)	(3)	(4)	(5)
1965-66		Nil			
1966-67	1,146.00	1,39,067.10	714.75		50,611.45
1967-68	3,256.25	3,71,898.89	4,800.25		3,47,500.20
1968-69	3,500.50	4,13,150.24	5,333.75		4,41,022.15
1969-70	3,182.75	3,63,481.29	3,405.35		3,88,803.13
1970-71	3,962.00	4,42,159.20	99.50		14,765.80
1971-72		Nil			
	15,047.50	17,29,766.72	14,353.60		12,42,702.73

Year	Salt		K. Oil		
	Quantity	Amount	Quantity	Amount	
	(12)	(13)	(14)	(15)	
1965-66			Nil		
1966-67	157.00	3,118.02	..		..
1967-68	1,414.75	28,096.94	11,800 Lit.		8,026.00
1968-69	1,389.50	33,473.06	4,140 Lit.		2,898.00
1969-70	902.10	18,594.63	3,200 Lit.		2,240.00
1970-71	135.75	2,696.00	...		...
1971-72			Nil		
	3,999.10	85,978.65	19,140 Lit.		13,164.00

Sd/

12-3-73

DDS (A)

DIX IV

at Page 4)

COMMODITIES TO MIZO DISTRICT FROM JORHAT BY AIR

Pulses		M. Oil		Sugar	
Quantity	Amount	Quantity	Amount	Quantity	Amount
(6)	(7)	(8)	(9)	(10)	(11)
Nil					
10.00	759.20	...	...	168.50	25,574.93
162.50	21,097.38	80.61	47,559.90	1,151.50	1,88,170.79
120.25	15,612.06	23.25	13,717.50	175.75	29,200.11
113.75	20,574.51	18.00	10,620.00	235.50	41,203.03
...	..	..	...	99.00	17,887.43
Nil					
406.50	58,043.15	121.86	71,897.40	1,130.25	3,02,036.29

Suji		Maize		Flour	
Quantity	Amount	Quantity	Amount	Quantity	Amount
(16)	(17)	(18)	(19)	(20)	(21)
Nil					
...	...	...	...	93.50	7,890.47
70.75	6,542.25	..	...	24.00	2,025.26
..	..	96.75	9,033.55	...	..
...
..
Nil					
70.75	6,542.25	96.75	9,033.55	117.50	9,915.83

Sd/-
2-3-73
Director, Supply

Sd/- P. N. RAO,
2-3-73
Supply, Secretary.

APPENDIX V

(Referred to in Paragraphs 1.16 and 1.17 page 4)

Statement showing the total quantities of commodities received in the centres during 1966-67

Name of the commodities				Opening balance	Receipt during the period	Total
Rice	...	...	...	1,571	28,342	29,913
Atta	...	...	...	...	18,985	18,985
Pulses	...	...	...	158	3,312	3,470
Salt	...	...	...	53	4,188	4,241
Sugar	...	...	...	1	5,054	5,055
M. Oil	...	...	...	120	815	935
Tea	...	...	...	...	47	47
K. Oil	...	...	...	...	9,601 Lt.	9,601 Lt.
Total All commodities				1,903	60,743	62,646
K. Oil	...	..	...	...	9,601 Lt.	9,601 Lt.

APPENDIX VI

(Referred to in para 1.16 page 4)

Statement showing the receipt and purchase of various commodities for Mizo Supply by the Deputy Director of Supply Jorhat during the period from 1965-66 to 1971-72

Year of receipt	Rice			Atta		Salt		Sugar		Pulses	
	Qty.	Value	(3)	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
1966-67	2,125	28.21	1,475	0.97	540	0.08	826	1.21	10	0.01	
1967-68	7,727	7.46	7,531	5.02	1,275	0.18	1,340	2.10	603	0.69	
1968-69	2,419	2.76	5,939	4.57	2,456	0.47	170	0.29	82	0.10	
1969-70	7,470	8.05	13,951	12.73	720	0.13	323	0.54	505	0.64	
1970-71	9,915	8.16	..	..	..	..	90	0.16	..	..
1971-72	1,075	1.19	..	..	..	..	..	..	..	..
Total	28,731	30.44	28,896	23.29	4,991	0.86	2,749	4.30	1,200	1.44	

Total value—Rs.63.36

APPENDIX VII

(Referred to in para 1.16 page 4)

Statement showing the receipt and purchase of various commodities for Mizo Supply by the Deputy Director of Supply, Jorhat during the period from 1965-66 to 1971-72.

Year of receipt	Flour				Suji		Maize		M. Oil		K. Oil	
	Qty.		Value		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
	(12)	(13)	(14)	(15)								
(1)												
1966-67	..	107	0.08	59	6.05	..	..	..	..	..	..	..
1967-68	..	38	0.03	18	0.02	625	0.50	91	0.46	22,100	0.10	..
1968-69	153	0.72	..	..	..
1971-70	270	1.07	..	..	..
1970-71
1971-72
Total	..	145	0.11	77	0.07	6.25	0.50	5.14	2.25	22,100	0.110	..

Total value—Rs. 63.36

APPENDIX VIII

(Referred to in Paragraph 1.10 at page 4)

Statement showing the receipt and purchase of various commodities and Mizo Account by the Deputy Director of supply, Cachar and Deputy Commissioner, Cachar (Mizo Supply) Silchar during the period from 1965-66 to 1971-72.

Year of receipt (1)	Rice		Maize		M. Oil		Salt		Tea leaf	
	Quantity (2)	Value (3)	Quantity (4)	Value (5)	Quantity (6)	Value (7)	Quantity (8)	Value (9)	Quantity (10)	Value (11)
1965-66	2,008	1.69	...	...	190	0.77	2,145	0.32	..	..
1966-67	24,440	23.91	..	...	744	3.29	3,858	0.58	2.40	1.04
1967-68	51,052	61.73	13,493	10.31	1,459	7.13	6,033	1.26	..	...
1968-69	60,248	64.90	...	..	705	3.98	5,982	1.07	...	...
1969-70	48,397	51.88	...	...	33	0.18	5,320	2.01	...	...
1970-71	1,03,892	1,15.60	...	...	400	2.40	3,372	0.73	...	...
1971-72	1,03,745	1,15.44	...	..	253	1.44	3,100	1.01	...	..
GRAND TOTAL	3,93,782	4,35.15	13,493	10.31	3,784	19.19	29,809	5.98	240	1.04

Total value of commodities purchased and received at Silchar—Rs. 635.00 lakhs.

APPENDIX IX

(Referred to in paragraphs 1.16 and 1.17 at pages 4-5)

Statement showing the receipt and purchase of various commodities and Mizo Account by the Deputy Director of supply, Cachar and Deputy Commissioner, Cachar (Mizc Supply) Silchar During the period from 1965-66 to 1971-1972.

Year of receipt	Quantity—In quintal									
	Pulses		Wheat		Atta		Sugar		K. Oil	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
(12)	(13)	(14)	(15)	(6)	(17)	(18)	(19)	(20)	(21)	(22)
1965-66	1,182	1.47	5,069	2.53	...	..	..	...	..	..
1966-67	1,851	2.51	6,518	4.37	3,107	1.84	5,769	9.27	2,080	0.01
1967-68	4,726	5.20	44,315	31.43	3,332	2.36	2,303	3.69	5,800	0.03
1968-69	2,250	3.77	21,135	17.96	4,988	3.55	468	0.79	5,000	0.03
1969-70	8	0.01	41,908	34.01	...	...	90	0.16	5,679	0.03
1970-71	519	0.66	38,893	30.34	..	...	721	1.29	15,800	0.09
1971-72	290	0.53	6,000	4.69	...	...	293	0.63	13,900	0.08
GRAND TOTAL	10,826	14.15	1,63,838	1,25.33	11,427	7.75	9,645	15.83	48,259	0.27

Total value of commodities purchased and received at Silchar—Rs. 635.00 lakhs.

APPEN

Statement showing the quantities of supply dropping equipments

June, 1968 and

Serial No.	Name equipments indicated for	Dakota air craft at Kumbhir-gram	An 12 air craft at Jorhat	Total
(1)	(2)	(3)	(4)	(5)
1.	Cargo parachute 28 cotton S. D. complete	Nos. 7,900	Nos 11,135	Nos. 19,035
2.	Parachute 28' cotton with pack para shackle chain and cordage sisel.	Sets 400	...	Sets 400
3.	Container canvass type S. D. B.	8,400	...	8,400
4.	Liner corrugated cord board type S. D. B. complete with line tying 2 ft.	16,250	...	16,250
5.	Corrugated card board container 35" x 15" x 22"	..	11,135	..
6.	Head percussion type S. D. M. filled	8,100	11,560	19,660
7.	Set harness webbing type S. D. B.	7,035	23,154	30,189
8.	Set harness webbing type S. D. M.	7,035	11,560	18,595
9.	Attachment cargo lashing strap	7,900	...	7,900
10.	Set strap release cargo	276	296	572
11.	Line static 610 C. M. type S. D. L.	800	1,018	1,818
12.	Card breaking No.8 Kg.	315	410	725
13.	Cord breaking Nylon 400 Metres	...	...	...
14.	Cord breaking Nylon 400 Metres	..	..	..
15.	Shackles chain bow hard with pin 3/4"	...	300	300
16.	Shaceles chain bow hard pin 7/16"	7,900	11,560	19,460
17.	E. S. D. skidboard 1,000 lb.	2,900	...	2,900
18.	E. S. D. skidboard large	...	4,195	4,195
19.	D. S. D. skidboard medium	...	5,500	5,500
20.	F. S. D. skidboard small (for 12 AAN)	...	11,135	11,135
21.	E. S. D. skidboard (for C-47 aircr,ft)	7,900	...	7,900
22.	Twin jute	Kg. 11,875	Kg. 16,790	Kg. 28,665
23.	Dasootie Blue	Metres	Metres	Metres
24.	Dasootie, yellow	105	190	295
25.	Dasootie, scarlet	105	190	295
26.	Dasootie, scoored	105	190	295
27.	Large parachute 28' cotton S. D. in cluster pack of parachutes.	Nos. 7,900	Nos. 11,630	Nos. 11,530
28.	Cordage manilla hawser laid 1 1/4"	Metres 20,000	Metres 1,51,000	Metres 1,71,000

DIX X

despatched by the cod Kanpur and Ordnance Depot Mathura between
January, 1969

Quantity released by defence Ministry			Quantity actually despatched by ordnance depot of Kanpur/ Mathura			S. D. E. taken back by 2AATU	Remarks
Silchar	Jorhat	Total	Silchar	Jorhat	Total		
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
900	11,135	19,035	6,397	8,000	14,397	5,200	...
..
1,232	...	1,232	...	...	...	...	...
16,250	..	16,250	...	...	16,250	4,000	...
..
8,100	11,560	19,660	8,100	11,560	19,660	6,200	...
7,035	23,154	30,189	7,035	23,154	30,189	..	...
7,035	11,560	18,595	7,035	11,560	18,595	5,500	..
7,900	..	...	...	..	...	...	...
276	296	572	..	296	296	...	..
800	1,018	1,018	..	1,018	1,018	..	...
315	410	725	...	410	410	...	..
..
..
..	300	300	...	300	300	...	...
8,300	11,560	19,860	...	11,560	11,560	...	...
2,900	...	2,900	2,900	..	2,900	...	..
...	4,195	4,195	.	...	...	..	...
...	5,500	5,500	..	5,500	5,500	...	...
...	11,135	11,135	...	...	...	...	...
...
...	16,790	16,790	...	...	...	...	...
...	Metres						
...	190	190	..	..	...	...	..
...	190	190	.	..	..	..	...
..	190	190	...	..	..	...	...
...	190	190	...	...	..	..	...
8,300	11,630	19,930	8,300	11,630	19,930	600	...
21,066	1,51,000	1,72,066	21,066	1,51,000	1,72,066	..	...

ANNEXURE

(Reference paragraph 1-15 at page 4)

List of officers who were examined by the Public Accounts Committee

Sl. No.	Name of officers	Date on which examined
1*	Shri P. N. Rau, I. A. S.	13th, 15th, February, 1973.
2	Shri R. Natarajan, I. A. S.	Do
3	Shri A. Shyam, Joint Director, Supply	10th, 13th, 15th, February, 1973.
4	Shri D. Kevichusa, I. A. S., Director of Supply.	13th, 15th, February, 1973.
5	Accounts Officer, Supply Accounts	Do
6	Shri P. K. Roy	13th February, 1973.
7	Shri D. Das, I.A.S. Chief Secretary	8th January, 1973.
8	Shri M. C. Narasinhani, I.A.S.	11th January, 1973.
9	Shri C. K. Bhuyan	13th February, 1973.
10	Shri P. J. Nandi Deputy Director of Supply, (Accounts).	Do
11	Shri O. Nongrum	Do
12	Shri V. S. Jafa, I. A. S., S. D. O., Lungleh.	13th and 15th February, 1973
13	Shri T. S. Gill, I. A. S.	15th, 17th, February, 1973.
14	Shri A. K. Patil, I. A. S.	Do
15	Shri B. K. Bhuyan, I. A. S.	10th February, 1973.
16	Shri Lala B. K. Dey, I. P. S.	Do
17	Shri Md. Sadulla, Joint Secretary, Law ...	15th February, 1973.

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|----|--|-----|----------------------------|------------------------------|
| 18 | Shri S. L. Khosla, I.A.S. | ... | ... | 8th 9th, 10th January, 1973. |
| 19 | Shri C.D. Tripathy, I.A.S. | ... | .. | Do |
| 20 | Shri J. K. Bagchi, I. A. S. | ... | ... | Do |
| 21 | Shri R.P. Sinha, I. A. S. | ... | ... | Do |
| 22 | Shri R. K. Barua, A. C. S. | ... | .. | Do |
| 23 | Shri T. K. Kamilla, I. A. S. | ... | ... | Do |
| 24 | Shri B.C. Cariappa, Commissioner, Mizoram | | 23rd and 24th March, 1973. | |
| 25 | Shri K. S. Rao, I.A.S. Deputy Commissioner, Silchar. | | | 5th March, 1973. |
| 26 | Shri M. D. Raptap, I. A. S. | ... | ... | 10th January, 1973. |
| 27 | Shri A.C. Roy, I. A. S. A. D. C. Mizoram. | | | 10th and 11th January, 1973. |
| 28 | Shri Lalminthanggya, Former A.D.C. | ... | | 12th January, 1973. |
| 29 | Shri Raja Ram Mishra, I. A. S. | .. | | 11th January, 1973. |
| 30 | Shri K. K. Sinha, A. D. C., Mizoram | ... | | 5th March, 1973. |