



HARYANA VIDHAN SABHA
SEVENTH REPORT
OF THE
ESTIMATES COMMITTEE
ON
THE BUDGET ESTIMATES
FOR
1974-75
Co-operation Department

VIDHAN SABHA SECRETARIAT, CHANDIGARH
April, 1975.

TABLE OF CONTENTS

	<i>Pages</i>
1. Composite of Estimates Committee ..	(iii)
2. Introduction ..	(v)
3. Report—	
Co-operation Department ..	1—21
4. Appendix—	
Summary of recommendations/observations of the Committee ..	22—25

(iii)

**COMPOSITION OF THE ESTIMATES COMMITTEE FOR THE
YEAR 1974-75**

Chairman

1. Malik Sat Ram Dass Batra, M.L.A.

Members

2. Rao Bansi Singh, M.L.A.
3. Shri Behari Lal Balmiki, M.L.A.
4. Shri K.N. Gulati, M.L.A.
5. Shrimati Lajja Rani, M.L.A.
6. Chaudhri Mehar Chand, M.L.A.
7. Chaudhri Parbhu Ram, M.L.A.
8. Chaudhri Pokhar Ram Godara, M.L.A.
9. Chaudhri Shyam Lal, M.L.A.

Secretariat

- | | |
|----------------------------|-------------------|
| 1. Shri Raj Kumar Malhotra | Secretary. |
| 2. Shri Raj Krishan | Deputy Secretary. |
| 3. Capt. S.S. Ahlawat | Research Officer. |

INTRODUCTION

1. I, the Chairman of the Estimates Committee for the year 1974-75 having been authorised by the Committee in this behalf, present this report on the Budget Estimates for the year 1974-75, in respect of the Co-operation Department.

2. A brief summary of recommendations/observations of the Committee is given in Appendix. This summary is not exhaustive and for full recommendations or observations of the Committee reference should be made to the main Report.

3. A brief record of the proceedings of each meeting has been kept separately in the Vidhan Sabha Secretariat.

4. The Committee are grateful to the representatives of the Co-operation Department who appeared before them for oral examination.

5. The Committee place on record their high appreciation of the unstinted co-operation given by the Secretary and the staff of the Haryana Vidhan Sabha.

CHANDIGARH :
The 13th March, 1975.

MALIK SAT RAM DASS BATRA,
CHAIRMAN
ESTIMATES COMMITTEE

REPORT

1. The Estimates Committee for the year 1974-75 was elected by the Vidhan Sabha consisting of nine Members and notified, *vide* Haryana Vidhan Sabha Secretariat Notification No. CB/PAC-EC-3-74/21, dated the 4th May, 1974

2. Malik Sat Ram Dass Batia, M.L.A., was nominated Chairman of the Committee by the Hon. Speaker.

3. The Committee held 25 sittings at Chandigarh and one at Mussoorie in U.P., till the finalization of the Report

4. The Committee selected Agriculture and Co-operation Departments for examination. The Committee could not examine the Agriculture Department for want of time and late receipt of material.

5. The Committee scrutinised the material relating to the Budget Estimates of the Co-operation Department for the year 1974-75 and orally examined the representatives of this Department.

6. The Committee also scrutinised the Supplementary Estimates of the Government of Haryana for the year 1974-75 (1st, 2nd and 3rd Instalments), examined the representatives of the Finance as well as other Departments concerned with the Demands and submitted their reports thereon to the Vidhan Sabha on the 8th July, 1974, 27th November, 1974 and 8th January, 1975, respectively.

CO-OPERATION DEPARTMENT

7. Co-operation with its principles of open membership with **Importance of Co-operation** patronage and not with investment has been considered an indispensable instrument of achieving speedy and sound economic development of the State. In the process of development, the Co-operatives provide both goods and services necessary for agricultural and industrial progress and also provide the financial and marketing apparatus in tune with requirements. Their role in the agricultural sector has been of special significance.

Haryana is basically an agricultural State and the Co-operatives have pivotal role to play in its development. The re-organisation of the composite State of Punjab in November, 1966 provided a good opportunity to the Government to undertake various measures for converting the State deficit in foodgrains into a surplus one. The Co-operative Sector, therefore, with special emphasis on the needs of peasant, the worker and the consumer has become a vital factor and has to play a major role in the bringing of 'Green Revolution' by supplying short, medium and long term credit and other agricultural inputs in a package form at the door steps of the farmers. The Co-operative movement is no longer confined to the solitary field of rural credit. It now covers other important fields such as distribution of fertilizer, marketing of agricultural produce, consumer stores, dairy farming, cottage and small scale industries and sugar mills in the domain of large scale

industries. It is in this background that the Estimates Committee examined the Budget Estimates of the Department for the year 1974-75.

8. The Department has three main aspects, viz., administrative, **Function of the Department** financial and technical. The Department also ensures that the Co-operative Societies function according to the Co-operative Societies Act, the Rules and the Bye-Laws framed thereunder. For this purpose, the Department lays down day-to-day policies and issues circulars whenever considered necessary.

9. The Financial Commissioner is the Administrative Secretary of **Organisational set up of the Department** the Department and the Registrar, Co-operative Societies is the Head of the Department working under the administrative control of the Financial Commissioner. The Registrar, Co-operative Societies is assisted by three Joint Registrars, seven Deputy Registrars and 21 Assistant Registrars. Besides, there are a few other gazetted officers posted at the Headquarters as detailed below.—

- (a) Assistant Registrars (Credit).
- (b) Assistant Registrars (Fertilisers).
- (c) Statistical Officers.
- (d) Tanning and leather Expert.
- (e) Establishment Officer.
- (f) Assistant Registrar Flying Squad.

The total strength of the Department is as under :—

Class I	Class II	Class III	Class IV
12	32	1,188	285

10. After examining the above views and other various factors, **Joint Registrars** the Committee was of the view that there is not much justification for three posts of Joint Registrars at the Headquarters.

The Committee recommend that the post of Joint Registrar, Headquarters, at present being held by an I.A.S. Officer should be converted into that of an Additional Registrar, Co-operative Societies, and should be held by a technical officer, so long as the post of Registrar is held by an I.A.S. Officer. This will really remove heart burning amongst the technical personnel of the Department.

11. There are four Deputy Registrars at the Headquarters. **Deputy Registrars** The Committee wanted to know the justification for these posts particularly of Deputy Registrar, Consumer Stores, Planning and Legal. The Departmental representative informed the Committee that the Deputy Registrar, Consumer Stores, works as functional expert at Headquarters, assists the Registrar,

Co-operative Societies in the policy matters relating to Co-operative consumer stores and inspects the Central Co-operative consumer stores and other primary stores organised on co-operative basis. The Deputy Registrar, Planning, looks to the formation and implementation of plans, schemes and ensures the timely recovery of instalments of Government loans, repayment of loans received from the N.C.D.C., Warehousing Corporations etc.

The Committee considered the explanation given by the Department and was of the view that planning is not a whole-time job and this work can very well be done by the Deputy Registrar, Consumer Stores in addition to his present duties. The Committee, therefore, recommend that the post of Deputy Registrar, Planning be abolished and this work be transferred to Deputy Registrar, Consumer Stores.

In regard to the Deputy Registrar, Legal, the Departmental representative stated in oral evidence that he attends to the entire litigation work of the Department. He also attends to the work relating to amendment of Departmental manual and compilation of instructions issued by the Department from time to time. Since he is well conversant with the Co-operative Societies Act and Rules, he is not required to possess the legal qualifications. However, he is assisted by a legal assistant so far as the legal matters are concerned.

The Committee was surprised to know that the present Deputy Registrar, Legal, does not possess law qualifications and constrained to observe as to how he performs his duties efficiently. In the absence of possession of law degree, it is misnomer to call the Deputy Registrar, Legal. The Committee was not satisfied with the explanation that for attending to legal work, he is provided with the assistance of a legal assistant. If, for performing his efficient function, he has to depend upon his subordinate, the Committee is of the view that there is no need for the post of Deputy Registrar, Legal. Instead, an Assistant District Attorney can better perform these functions. The Committee recommend for the post of Assistant District Attorney in place of Deputy Registrar, Legal.

12. The Budget Estimates of the Co-operation Department for the year 1974-75 are Rs. 1,26,23,470 (voted) and Rs. 6,000 charged. The details of the plan and non-plan Budget of the Department is as under :—

<i>Minor Head</i>	<i>Budget estimate 1974-75</i>	
	<i>Non-Plan</i>	<i>Plan</i>
A—Direction and Admn. (charged)	37,81,060 6,000	4,65,000
B—Audit of Co-operative Societies	14,79,200	1,70,000
C—Education, Research and Training	3,06,230	2,50,000

Minor Head	Budget estimate 1974-75	
	Non-Plan	Plan
D—Information and Publicity	..	55,060
E—Credit Co-operatives	76,000	20,28,000
F—Housing Crop.
G—Labour Co-operatives	1,51,890	1,17,000
H—Farming Co-operatives	1,43,350	..
I—Warehousing and Marketing Co-operatives	3,51,730	2,44,000
J—Processing Co-operatives	..	5,000
K—Dairy Co-operatives	4,97,290	4,70,000
L—Fishermen's Co-operatives
M—Industries Co-operatives	9,11,090	1,60,000
N—Consumers Co-operatives	1,73,620	..
O—Other Co-operatives	1,90,720	..
Total 298-Cooperation Voted	79,62,470	46,61,000
(Charged)	6,000	..

The plan Budget includes all the Development Schemes of the Department. In the plan Budget, following amounts are also to be included in addition to the amount of Rs. 46,61,000

4298-Co-operation	698 Co-operation
(share capital)	(loan)
Rs. 2,32,70,000	Rs. 5,43,000

(including supplementary grants and also Rs. 140 lacs for Reserve Bank of India Schemes). The comparative Budget Estimates for the years 1972-73, 73-74 and 74-75 are given below .—

Year	(Rs. in lacs)		
	Non-plan	Plan	Total
1972-73	57.63	51.46	109.09
1973-74	67.23	35.41	102.64
1974-75	79.62	46.61	126.23

The increase in expenditure over last years under 'Non-plan' was stated to be not due to increase in the strength of staff but on account of the fact that posts created under 'Plan Schemes' during the 4th Plan were transferred to non-plan Budget during the year 1974-75 according to Government policy. As the Department is one of the expanding Departments and has a vital role to play in the economy of the State, so, it was with this additional background that the Committee, after scrutinizing the replies of the questionnaire prepared by the committee and furnished by the Department, decided to examine the Commissioner and Secretary to Government, Haryana Co-operation Department, by way of seeking personal clarification/explanation of some points. Therefore, the Committee examined the Financial Commissioner and Secretary to the Government, Haryana, other Officers of the Department and also the Managing Director of the Haryana State Co-operative Supply and Marketing Federation Ltd, Chandigarh.

13. The Financial Commissioner and Secretary to Government,

**Class III Staff
and T.A**

Haryana, Co-operation Department, informed the Committee that the bulk of the staff in the Co-operation Department is class III staff and the strength of class III staff has been increased from 823 to 1186. Along with this, there has been increase in the activities of the staff. The details of class III employees in the Co-operation Department as on 1st April, 1967 and 1st April, 1974 are as under :—

	1-4-67	1-4-74
1. Superintendent	1	1
2. Head-Assistants	3	7
3. Assistants	16	29
4. Head-Clerks	11	21
5. Head-Clerk to D.R.	1	3
6. Statistical Assistants	12	17
7. Inspector Publicity	1	1
8. Lecturers	3	5
9. Inspectors	126	170
10. Sub-inspectors	408	540
11. Clerks	214	318
12. Stenotypist	1	2
13. Junior-scale steno	4	7
14. Steno-typists	18	26

	1-4-67	1-4-74
15. Drivers	2	12
16. Restorer	1	1
17. Accountants	..	17
18. Legal Assistant	..	1
19. Insp. (statistical)	..	1
20. Leather designer	..	1
21. Leather supervisor	..	2
22. S.I. Statistical	..	2
23. Inspector Police	..	2

From the above statement it is clear that the major increase is in the case of (i) Inspector (44), sub-inspectors 132, and clerks (104). This is due to the fact that some new offices were created (8), and the industrial staff which was borne on the strength of Industries deptt. were re-transferred to the department with effect from 1970.

The Committee was further informed that the Department feels handicapped regarding less allocation of funds for T.A. purposes as for example, a sub-inspector gets Rs. 12.50 p.m. and inspector gets Rs. 40 p.m. as fixed T.A. This T.A. amount in the opinion of the Department is not sufficient to cope up with the work of the Department keeping in view the tours undertaken by the sub-inspectors and inspectors. The Committee was further informed that this rate of Rs. 12.50 and Rs. 40 given to sub-inspectors and inspectors as T.A. was fixed in the year 1947. The Committee examined this T.A. aspect given to the sub-inspectors and inspectors by the Department and also the load of work given to them.

The Committee feel that as the rates of fixed T.A. were prescribed as early as in 1947, the Department may take up the matter for reviewing these rates, if necessary, keeping in view the present prevailing circumstances and the expanding activities of the Department.

(b) T.A.—test checking and surprise visit by the Registrar, Co-operative Societies.

The Committee was informed by the Department that expenditure incurred on touring by the Registrar, Co-operative Societies during the years 1971-72, 1972-73 and 1973-74 was Rs. 4,241, Rs. 5,370 and Rs. 762 respectively. From the data supplied by the Department, the Committee observe that the expenditure incurred by the Registrar, Co-operative Societies during the year 1973-74 was only Rs. 762 which was negligible.

The Committee also desired to know if any test checks and surprise visits were conducted by the Registrar, Co-operative Societies. Reply of

the Department was in the negative. It was explained by the Department that the Registrar, Co-operative Societies was not expected to inspect any Co-operative Society. There were more than 13,000 societies in the State and if the Registrar inspects the Co-operative Society, he will have to do it quite thoroughly which is a tremendous job. It was further stated that inspection and audit have to be thorough after so many cases of embezzlement in Co-operative Institutions have been brought out by audit. There are Inspectors and Sub-Inspectors for this purpose. The inspection of Societies is the work delegated at various levels and it would not be a happy idea to expect the Registrar to have the quota of Societies for inspection. His job is to see that the concerned Officers/Officials do their job properly.

The Committee did not share this view of the Department. The Committee feel that the Registrar should carry out random checking of Co-operative Societies or Central Co-operative Stores to see if these are working properly and find out the defects/irregularities in the working of such institutions. The Committee further feel that surprise and test check by the Registrar will have salutary effect on the working of such institutions and will minimise the cases of shortage and embezzlement and tone up the administration. Accordingly, the Committee recommend that the Registrar should undertake test check and surprise inspection of Co-operative Societies/Central Consumer Stores at least three or four times a year depending upon the availability of time and take suitable remedial measures to remove the defects noticed by him during such inspection.

The Committee further recommend that all the senior officers including the Registrar should carry out inspection from time to time in order to bring out efficiency in the working of the Department.

14. From the material supplied by the Department the Committee observe that during the year 1967-68 the contingent expenditure was Rs. 1,54,040 whereas during the year 1974-75 the contingent expenditure was Rs. 4,16,890 excluding Rs. 33,000 which were not allowed to be incurred by the Finance Department. From this data it appears that the contingent expenditure of the Department has increased almost three times as compared to the expenditure incurred during the year 1967-68.

The Committee feel that contingent expenditure of this Department is on the high side. The Committee recommend that strict control over the contingent expenditure should be exercised to effect economy as far as possible.

15. In reply to a question of the Committee, the Departmental representative stated that maximum economies are being exercised in expenditure on account of jeeps etc. There is no further scope in this regard. The Committee desired if any surprise checks are conducted to detect that the vehicles are being used properly; in particular the vehicles provided to Central Co-operative Banks and Primary Land Mortgage Banks. The Departmental representative expressed his inability to give the names of

places/institutions where surprise checks were made in this connection but he informed that log books etc are checked at the time of inspection and if any complaint is made to the Assistant Registrar or Deputy Registrar about the mis-use of vehicles, action is taken after thorough investigations.

The Committee was not satisfied with this explanation and felt that public money should not be wasted over the consumption of petrol unnecessarily. Since the Department has not taken any concrete steps to check mis-use of Government vehicles and petrol, the Committee is of the view that the Department should have devised some ways and means to stop the mis-use of vehicles and should have apprised the Committee of such steps and their results. The Committee, therefore, recommend that some surprise checks must be made to ensure that the vehicles are used strictly for the purpose for which they are provided and the result of such surprise checks may be communicated for the information of the Committee

The Department furnished a written statement showing the expenditure incurred on the maintenance of jeeps of Central Co-operative Banks and Primary Land Mortgage Banks during the last three years *i.e.* 1971-72, 1972-73 and 1973-74 which are as under —

Name of the Bank	Expenditure incurred on the maintenance of jeep during the last 3 years			No. of Vehicles		
	1971-72	1972-73	1973-74	1971-72	1972-73	1973-74
1	2	3	4	5	6	7
Central Coop. Banks						
Jind	7840	6192	13593	1	1	1
Hissar	2754	7346	11381	1	1	2
Sirsa	3216	1883	2774	1	1	1
Rohtak	N.A.	55769	28699	—	1	1
Bhiwani	—	—	27406	—	—	1
Sonepat	—	—	8079	—	—	1
Karnal	15545	18511	9203	2	2	2
Kurukshetra	—	—	N.A.	—	—	1
Gurgaon	15889	20630	9138	1	1	1
Rewari	3782	7413	6739	1	1	1

1	2	3	4	5	6	7
Mohindergarh	33990	41747	33705	1	1	1
Ambala	N.A.	9116	N.A.	—	—	—
Primary Land Mortgage Banks						
Jind	—	—	—	—	—	—
Narwana	—	2661	4884	—	1	1
Safidon	—	—	—	—	—	—
Hissar	—	1869	2469	—	1	1
Hansi	—	—	12244	—	—	1
Tohana	—	—	5006	—	—	1
Fatehabad	—	2611	24192	—	1	1
Sirsa	—	747	5398	—	1	1
Dadri	—	—	8074	—	—	1
Bhiwani	—	—	892	—	—	1
Sonepat	5497	11406	8079	1 on Hire	—	1
Gohana	—	8116	10625	—	1	1
Jagadhri	12604	17526	17637	1	1	1
Naraingarh	—	—	—	—	—	—
Mohindergarh	6655	9084	11014	1	1	1
Kaithal	19287	3129	19310	1	1	1
Rewari	—	—	29505	—	1	1
Gurgaon	—	8284	12513	—	1	1
Ghula at Chika	—	—	—	—	1	1
Kurukshetra	506	457	31150	1	1	1
Karnal	5832	7188	19310	1	1	1
Palwal	3458	8288	25623	—	—	1
Nuh	—	—	20310	—	—	1

1	2	3	4	5	6	7
Ballabgarh	—	—	—	—	—	—
Ambala	—	4132	11930	—	1	1
Narnaul	1171	2227	9343	1	1	1
Panipat	—	8759	12050	—	1	1
Rohtak	—	—	16868	1	1	1
Jhajjar	2863	N.A.	17705	1	1	1

The Committee noticed that the expenditure on maintenance of jeeps in the case of some Banks is on the very high side and drew the special attention of the departmental representative to the expenditure incurred by Central Co-operative Banks, Mohinderagarh and Rohtak. The Committee noted that the expenditure in regard to Mohinderagarh Bank and Rohtak Bank on the maintenance of one jeep was far more than the actual price of a new jeep. The Registrar promised to hold an enquiry into the matter and to inform the results of investigations. The Committee recommend that a strict watch be kept on expenditure incurred on maintenance of vehicles.

16. In their written reply, the department stated that there are **Industrial Societies** 3323 industrial societies in the State. The total share capital, working capital and owned funds of these societies as on 30th June, 1974 were as follows:—

(i) Share Capital	24,462 (in thousands)
(ii) Working Capital	.. 73,661 (in thousands)
(iii) Owned Funds	.. 32,813 (in thousands)

The Committee noted that allocation of funds for industrial societies are inadequate. The Committee recommend that sufficient loans be advanced to these industrial societies so that industries may flourish in all parts of the State.

17. There are lime-stone industrial societies in Mohinderagarh and Bhiwani Districts. The Committee noticed that this industry is not running smoothly because of short supply of steam coal. The Committee recommend that when loans are advanced to the Industrial Co-operative Societies by the Co-operation Department, the Department should also ensure that these societies get essential raw materials like steam coal etc. so that the loan is properly utilised. With this purpose in view, the Department should co-ordinate their activities with other concerned Departments of the Go-

vernment. The Committee further recommend that those industrial societies which obtained loans from the Co-operation Department or its credit institutions, the Department should ensure that these societies get preference in the matter of allocation of raw materials.

18. It came to the notice of the Committee that huge stock of fertilizers are lying unsold with Haryana Agriculture and Marketing Federation and a heavy amount of interest, say Rs. 18 to 20 lakhs, is being paid to the Banks on account of these unsold stocks. The Committee recommend that the scheme be formulated whereby stocks of fertilizers are given to the farmers at subsidised rates so that unnecessary payment of interest be avoided so as to help increase food production in the State.

19. While discussing the working of Milk Co-operatives, the Committee noted that this new venture was progressing well. It is the need of the hour that proper attention be given to Dairy Industry with a view to ameliorate the economic conditions of landless, small and marginal farmers and also combating unemployment and under-employment among poor and small farmers. The Committee also noted that milk plants at Jind., Bhiwani and Ambala set up by the Haryana Dairy Development Corporation are concrete steps to achieve the objects stated above. But the Committee felt that there was still more scope for the Milk Co-operatives formed to meet the demand of these milk plants, to secure for their members a remunerative price for their milk. It is a fact that the private milk vendors pay advance to the milk producers a better price as compared to the milk plants. The Departmental representative stated that the Haryana Dairy Development Corporation was already paying the higher rates in comparison with the Punjab Dairy Development Corporation and Delhi Milk Supply Scheme. The Committee brought to the notice of the Department that the rates of cattle feeds like binola (cotton seeds) and gram etc., which are generally fed to the cattle and are necessary ingredients for formation of fat contents, are very high and the price offered for the milk by the Milk Plants has no relevance to the cost of cattle feeds, price of the cattle and other service charges. The Committee, therefore, recommend that the milk producer should be paid a remunerative price and as and when the rates of milk products produced by the Corporation are revised, the case of price of milk for upward revision be also considered simultaneously.

The Committee observe that the milk producers are generally illiterate and it is a common complaint that the plant authorities do not inform them about correct weightment of milk and measurement of fat at the time of taking milk. Often it results in loss to the milk suppliers. The Committee, therefore, recommend that procedure may accordingly be prescribed to give a slip of correct weightment of milk and measurement of fat at the time of taking supplies of milk.

20. The Milk Plants have not been able to cover all the areas of the State. Because of this, people residing in backward and drought-affected areas are not able to organise themselves into Milk Co-operative Societies for

drawing the benefits in the form of financial assistance for the purchase of milch animals. These people can prepare ghee out of milk which can be marketed by the Haryana Dairy Development Corporation and the latter can advance loans to them for the purchase of buffaloes. If this is done, the Committee feel that it can become a source of bread-earning to the people inhabiting these areas.

The Committee, therefore, recommend that arrangements be made for giving loans in those areas where at present Milk Co-operative Societies have not been formed as also for marketing the produce of the Agriculture Credit Service Societies in the form of ghee etc. The Secretary of the Department promised to examine this recommendation of the Committee.

21. In the current climate of shooting prices coupled with mass psychology of shortages by and large of all essential commodities, it is essential that essential consumer goods alongwith controlled clothes should be sold through Co-operative Consumer Stores so that the masses may get the goods at reasonable rates. The Committee was informed that all sorts of essential commodities such as sugar, pulses, ghee, kerosene oil etc. are being made available to the public from a network of Co-operative Consumer Stores.

The Committee observed that the Co-operative Consumer Store, Hissar was running at a loss. The Committee recommend that the reasons for the loss be gone into thoroughly and remedial steps be taken to streamline the working of the Store.

22. The Department stated in written reply that shortages and pilfrige have been detected in almost all the Stores. The Committee are alarmed at the loose supervision over the working of the Stores. The Committee recommend that deterrant action be taken to guard against such unsocial activities. The Committee may be informed of the steps taken to check these evils and actions taken against the delinquent officials during the last three years. The Committee also recommend that the Department should take steps to supply the controlled clothes, cycle tyres, scooter tyres and other like commodities in adequate quantities in rural areas.

23. It was stated that there were 3980 Agricultural Credit Societies and 176 non-Agricultural Credit Societies. 2273 Agricultural Credit Societies are running in loss. Its members being defaulters and Societies having over-dues, the Department is taking possible persuance and legal action. The details of cases referred to arbitration during the year ended on 30th June 1974 are as under —

	Number	Amount involved
1. Pending in Courts	2,607	42.59 lacs
2. Pending with Societies	2,348	35.54 lacs
Total	4,955	78.13 lacs

The Committee recommend that the cases be vigorously pursued and the results communicated to the Committee.

24. There are 12 Central Co-operative Banks in the State. The **Central Co-operative Banks** Committee noted with satisfaction that all the Banks are running at profit. It was brought to the notice of the Committee that in 1972, Central Co-operative Bank, Mohindergarh was an "A-Class Bank, when it was superseded. Thereafter, an Administrator was appointed and during his tenure, the profit of the Bank went down considerably and it became a 'C-Class' Bank. The Committee desired that the reasons for shortfall in profit of the Bank during the period when it was under an Administrator be investigated and responsibility be fixed on those Officers/Officials who were instrumental in bringing the Bank in such a state of affairs.

25. The Department in a written statement stated that the estimated **Bad and doubtful debts** bad and doubtful debts and reserves are as under:—

Sr. No.	Name of the Bank	Bad and Doubtful Fund	Special bad debt reserve	Estimated bad and doubtful debts
(Rupees in lacs)				
1.	Ambala	10.59	4.29	16.36
2.	Bhiwani	3.15	0.14	23.80
3.	Gurgaon	12.47	0.24	40.57
4.	Hissar	3.89	0.25	13.86
5.	Jind	3.85	0.37	1.57
6.	Karnal	10.22	0.13	10.22
7.	Kurukshetra	10.93	0.14	10.85
8.	Mahendergarh	2.58	0.14	2.11
9.	Rewari	2.43	0.04	2.15
10.	Rohtak	8.89	0.07	22.38
11.	Sirsa	8.22	0.58	35.36
12.	Sonepat	6.45	0.05	6.45
Total		83.67	6.44	185.68

The Committee observe that the estimated bad and doubtful debts are on the increase and have exceeded funds provided to cover such debts.

The Committee recommend that suitable steps be taken to arrest the growth of bad and doubtful debts.

26. The Committee observe that the land Mortgage Bank advances long-term loans for the development in agriculture such as for minor irrigation for mechanisation and development of agricultural lands. These objects are laudable and are necessary for the improvement in rural economy but the Committee feel that the illiterate farmers face tremendous practical difficulties in getting the loans for the stipulated purposes.

The Committee recommend that the procedure for grant of loan be simplified and the loans be granted with the least possible inconvenience. As a matter of fact, the Committee desired that the Department should inculcate a sense of real solicitude among the Banks' officials for service of the farmers.

27. The Department stated in the written reply that the Haryana State Co-operative Land Development Banks had advanced Rs. 787 61 lakhs to the Primary Banks. The Primary Banks had advanced the amount of Rs. 868.43 lakhs to the farmers/agriculturists in the State during the years from 1-7-1973 to 30-6-1974. On an enquiry by the Committee, the Department furnished the list of debtors of Primary Co-operative Land Development Banks in Haryana who have mis-utilised the loans as on 30-6-1974. The details of which are as under:-

Sr. No.	Name of P.L.D.B.	No.	Amount (in Rupees)
1.	Ambala	6	13,200
2.	Jagadhri	5	10,500
3.	Naraingarh	—	—
4.	Panipat	—	—
5.	Karnal	—	—
6.	Kurukshetra	4	33,500
7.	Kaithal	3	49,500
8.	Rohtak	14	65,900
9.	Jhajjar	6	38,500
10.	Sonepat	—	—
11.	Gohana	4	16,500

Sr. No.	Name of P.L.D.B.	No.	Amount (in Rupees)
12.	Jind	7	28,900
13.	Narwana	10	38,500
14.	Safidon	—	—
15.	Bhiwani	32	97,000
16.	Dadri	23	80,000
17.	Narnaul	58	3,57,100
18.	Rewari	21	73,500
19.	Gurgaon	10	59,000
20.	Palwal	17	95,000
21.	Nuh	11	46,000
22.	Ballabgarh	21	70,400
23.	Hissar	45	3,27,000
24.	Fatehabad	40	1,38,700
25.	Tohana	—	—
26.	Gulha at Chika	—	—
27.	Sirsa	79	4,81,000
28.	Mohindergarh	76	6,12,500
29.	Hansi	13	83,000
Grand Total		505	28,15,200

The Committee observe that the cases of mis-utilisation of loans are on the high side. The Committee recommend that recovery of loans be expedited in such cases and the Committee be informed of the progress of recovery as also other action taken against the defaulters.

28. The Committee observe that there were 29 Primary Land Development Banks in Haryana as on 30th June, 1974 and all these Banks were running in profit except that of Hansi. The detail figures showing income, expenditure, profit and loss of this Bank is given as under:—

Sr. No.	Name of the Bank	Income	Expenditure	Profit and loss
1.	Primary Land Development Bank, Hansi	6,10,426 06	6,42,309.10	—31,883.04

The Committee desire that the reasons for running the Bank at a loss be investigated thoroughly and the Committee be informed of the remedial steps taken by the department in this behalf

29. The statistics of Central Co-operative Banks as on 30th June, 1974 for the year 1971-72, 1972-73 and 1973-74 were as under:—

	1971-72	1972-73	1973-74
No. of Banks	9	12	12
Membership	11755	12121	12358
Share Capital	497.78	570.28	660.66
(i) Of which Government	145.74	150.73	135.76
Owned funds	888 14	954 14	1,069 09
Working Capital	2,997.25	3,567.22	4,228.74
Deposits	1,391.61	1,494.55	1,796.87
Borrowing outstanding	663.47	892.84	1,117.98
Loan advanced during the year	2,128.06	2,939 67	3,789.54
Loan outstanding	2,224.58	2,552.7	3,077.80
Overdues	1,124.17	1,156.06	1,227.36
Percentage of overdues to loan outstanding	50.0%	45.70	40
No. of Banks in profit.	9	12	12
Amount of profit	64.42	60.22	60.32
No. of Banks in loss	—	—	—
Amount of loss	—	—	—
No. of Banks in No Profit No loss	—	—	—

The Committee noted with satisfaction so far as advancement of loans was concerned but the figures of loans outstanding and overdues were on the increase. The Committee recommend that efforts be made to bring down the over-dues and progress communicated to the Committee.

30 The Department furnished a written statement showing the embezzlement cases in the Central Co-operative Banks, Primary Land Development Banks and Primary Societies which are as under :—

Embezzlement in Central Co-operative Banks, Primary Land Development Banks and Primary Societies.						
Name of the Banks	Total amount embez-zled	Action taken to recover the amount	Persons involved in the embez-zlement	Date in the which F.I.R. lodged	Date on which arbitra-tion is- initiated	Re-marks
Central Co-op. Banks						
Hissar	17,000	Case in Court	3	18 & 23-4-73	—	—
Bhiwani	8,41,962	Cases are in the court	64	1968	1968	Rs. 32,319 has been re-covered
Ambala	21,300	—	—	—	—	—
Primary Land Development Bank.						
Sonepat	36,000	Two cases are with arbitrators and one with police	5	July, 1971	73/74	Rs. 10,600 has been recovered
Primary Societies						
		No. of Societies	No. of cases		Amount embezzled	
		547	628		71 05 lacs	

The Committee recommend that speedy action be taken to recover the embezzled amount and action should also be taken against the Officers/Officials who are responsible for delayed action in cases involving embezzlement. The Committee be informed of the results achieved by the Department in this behalf.

The Committee further recommend that all those Societies which were involved in embezzlement cases and have not been traced so far, speedy action be taken to recover this amount and if this amount could not be recovered by the Department, the circumstances under which the amount could not be recovered be intimated to the Committee and steps be taken to write off such amount.

31. On an enquiry made by the Committee, the Department furnished a written statement showing the position of embezzlement in these Marketing Societies as well as action taken in each case which is as under :—

Embezzlement in Marketing Societies

Serial No	Name of M/K Soty	Amount embezzled	No of persons involved	No of FIRS lodged	No of Arbitration cases made out	Amt involved	No of awards taken	Amt involved in the awards	No of cases under execution with amount	Remarks
1	2	3	4	5	6	7	8	9	10	11
1	Sirsa	153246/56	1	188 dt 8-1-71	1	157549-62	1	157549-62	1	157549-62 Sh Ghisa Ram has taken stay from the court reg execution proceedings
	-do-	63807-19	3	182 dt 8-5-73	1	95710-73				Two cases are with Sh Balkar Mal Arb. and one is with A O. Hissar for decision
2	Kalanwali	138999-11	3	70 dt 1-5-73	7	156351-02	3	56911-03	2	53552-73 An amount of Rs 3318-60 of one award recovered
	-do-	10853-10	1	12 dt 21-1-73	1	17633-77				Case is with Inspector Marketing Sirsa for compliance of some objections.
3	Bhattu Kalan	36626-60	3	With Police	6	59800-66	1	5968-74	..	Copy of award has been secured by the society for execution in the court Emb. cases are with the police for investigation.
4	Fatehabad	14721-80	1	611 dt 14-1-70	1	26663-27				Case of arbit. is with the Inspector for some legal compliance & the police case is with court of S J. Fatehabad.

The Committee recommend that cases mentioned at serial No. 1 to 5 be pursued vigorously and progress be intimated to the Committee.

Regarding the diesel engines, at present with the HAFED, the Committee noted with regret that there was criminal negligence in handling these diesel engines and it reflects adversely on the working of HAFED. The Committee feel that on these diesel engines, public money was spent and the concerned institution should have taken pains to dispose of these engines in time and in case it was not possible to do so the same should have been properly stored to avoid unnecessary expenditure incurred to bring these engines in working order.

The Committee recommend that these engines be disposed of quickly and action be taken against the officials concerned under intimation to the Committee.

32. The Department stated in their reply that during the years **Embezzlement and Mis-utilisation of Funds in cooperative societies** 1972-73 and 1973-74, 334 and 372 cases of embezzlement/mis-appropriation/misutilisation involving the amount of Rs. 47.69 lacs and Rs. 37.80 lacs respectively were noticed. The field staff has been given necessary instructions to pursue these cases and effect the recovery by personal influence or if necessary F.I. Rs. be lodged with the police. The Departmental representative stated in oral evidence that speedy action was being taken in such cases. As a matter of fact, the Committee desired that the Bank officials should evince a real sense of solicitude for the welfare of farmers.

The Committee recommend that the Department should take preventive measures so that the cases of embezzlement or mis-appropriation or mis-utilisation be minimised if not totally eliminated and when such cases do occur, follow-up action should be prompt and speedy.

APPENDIX

SUMMARY OF RECOMMENDATIONS/OBSERVATIONS OF THE ESTIMATES COMMITTEE (1974-75)

Sr. No.	Page	Paragraph of the report	Recommendations/observations
1	2	3	4
CO-OPERATION DEPARTMENT			
1	2	10	<p>After examining the above views and other various factors, the Committee was of the view that there is not much justification for three posts of Joint Registrars at the Headquarters.</p> <p>The Committee recommend that the post of Joint Registrar, Headquarters, at present being held by an I.A.S. Officer should be converted into that of an Additional Registrar, Co-operative Societies, and should be held by a technical officer, so long as the post of Registrar is held by an I.A.S. Officer. This will really remove heart burning amongst the technical personnel of the Department.</p>
2	3	11	<p>The Committee considered the explanation given by the Department and was of the view that planning is not a whole-time job and this work can very well be done by the Deputy Registrar, Consumer Stores in addition to his present duties. The Committee, therefore, recommend that the post of Deputy Registrar, Planning be abolished and this work be transferred to Deputy Registrar, Consumer Stores.</p>
3	3	11	<p>The Committee recommend for the post of Assistant District Attorney in place of Deputy Registrar, Legal.</p>
4	6	13	<p>The Committee feel that as the rates of fixed T.A. were prescribed as early as in 1947, the Department may take up the matter for reviewing these rates, if necessary, keeping in view the present prevailing circumstances and the expanding activities of the Department.</p>
5	7	13(b)	<p>Accordingly, the Committee recommend that the Registrar should undertake test check and surprise inspection of Co-operative Societies/Central Consumer Stores at least three or four times a year depending upon the availability of time and take suitable remedial measures to remove the defects noticed by him during such inspection.</p>
6	7	13(b)	<p>The Committee further recommend that all the senior officers including the Registrar should carry out inspection from time to time in order to bring out efficiency in the working of the Department.</p>
7	7	14	<p>The Committee feel that contingent expenditure of this Department is on the high side. The Committee</p>

1	2	3	4
			recommend that strict control over the contingent expenditure should be exercised to effect economy as far as possible
8	8	15	The Committee, therefore, recommend that some surprise checks must be made to ensure that the vehicles are used strictly for the purpose for which they are provided and the result of such surprise checks may be communicated for the information of the Committee.
9	10	15	The Committee noticed that the expenditure on maintenance of jeeps in the case of some Banks is on the very high side and drew the special attention of the Departmental representative to the expenditure incurred by Central Co-operative Banks, Mohundergarh and Rohtak. The Committee noted that the expenditure in regard to Mohundergarh Bank and Rohtak Bank on the maintenance of one jeep was far more than the actual price of a new jeep. The Registrar promised to hold an enquiry into the matter and to inform the results of the investigations. The Committee recommend that a strict watch be kept on expenditure incurred on maintenance of vehicles.
10	10	16	The Committee noted that allocation of funds for industrial societies are inadequate. The Committee recommend that sufficient loans be advanced to these industrial societies so that industries may flourish in all parts of the State.
11	10	17	The Committee noticed that this industry is not running smoothly because of short supply of steam coal. The Committee recommend that when loans are advanced to the Industrial Co-operative Societies by the Co-operation Department, the Department should also ensure that these societies get essential raw materials like steam coal etc so that the loan is properly utilised. With this purpose in view, the Department should co-ordinate their activities with other concerned departments of the Government.
12	11	17	The Committee further recommend that those industrial societies which obtained loans from the Co-operation Department or its credit institutions, the Department should ensure that these societies get preference in the matter of allocation of raw materials.
13	11	18	The Committee recommend that the scheme be formulated whereby stocks of fertilisers are given to the farmers at subsidised rates so that unnecessary payment of interest being paid to banks be avoided so as to help increase food production in the State.
14	11	19	The Committee, therefore, recommend that the milk producers should be paid a remunerative price and as and when the rates of milk products produced by the milk plants are revised, the case of price of milk for upward revision be also considered simultaneously.
15	11	19	The Committee observe that the milk producers are generally illiterate and it is a common complaint that the plant authorities do not inform them about correct weighment of milk and measurement of fat at the time of taking milk. Often it results in loss to



1	2	3	4
			the milk suppliers. The Committee, therefore, recommend that procedure may accordingly be prescribed to give a slip of correct weighment of milk and measurement of fat at the time of taking supplies of milk.
16	12	20	The Committee, therefore, recommend that arrangements be made for giving loans in those areas where at present Milk Co-operative Societies have not been formed as also for marketing the produce of the Agriculture Credit Service Societies in the form of ghee etc. The Secretary of the Department promised to examine this recommendation of the Committee.
17	12	21	The Committee observed that the Co-operative Consumer Store, Hissar was running at a loss. The Committee recommend that the reasons for the loss be gone into thoroughly and remedial steps be taken to streamline the working of the Store.
18	12	22	The Committee are alarmed at the loose supervision over the working of the Stores. The Committee recommend that deterrent action be taken to guard against such unsocial activities. The Committee may be informed of the steps taken to check these evils and actions taken against the delinquent officials during the last three years.
19	12	22	The Committee also recommend that the Department should take steps to supply the controlled clothes, cycle tyres, scooter tyres and other like commodities in adequate quantities in rural areas.
20	13	23	The Committee recommend that the cases be vigorously pursued and the results communicated to the Committee.
21	13	24	The Committee desired that the reasons for short-fall in profit of the Bank during the period when it was under an Administrator be investigated and responsibility be fixed on those Officers/Officials who were instrumental in bringing the Bank in such a state of affairs.
22	13—14	25	The Committee observe that the estimated bad and doubtful debts are on the increase and have exceeded funds provided to cover such debts. The Committee recommend that suitable steps be taken to arrest the growth of bad and doubtful debts.
23	14	26	These objects are laudable and are necessary for the improvement in rural economy but the Committee feel that the illiterate farmers face tremendous practical difficulties in getting the loans for the stipulated purposes. The Committee recommend that the procedure for grant of loan be simplified and the loans be granted with the least possible inconvenience. As a matter of fact, the Committee desired that the Department should inculcate a sense of real solicitude among the Banks' Officials for service of the farmers.
24	15	27	The Committee observe that the cases of mis-utilisation of loans are on the high side. The Committee recommend that recovery of loans be expedited in such

1	2	3	4
			cases and the Committee be informed of the progress of recovery as also other action taken against the defaulters
25	16	28	The Committee desire that the reasons for running the Bank at a loss be investigated thoroughly and the Committee be informed of the remedial steps taken by the department in this behalf.
26	16	29	The Committee noted with satisfaction so far as advancement of loans was concerned but the figures of loans outstanding and over-dues were on the increase. The Committee recommend that efforts be made to bring down the over-dues and progress communicated to the Committee
27	17	30	The Committee recommend that speedy action be taken to recover the embezzled amount and action should also be taken against the Officers/Officials who are responsible for delayed action in cases involving embezzlement. The Committee be informed of the results achieved by the Department in this behalf.
28	17	30	The Committee further recommend that all those Societies which were involved in embezzlement cases and have not been traced so far, speedy action be taken to recover this amount and if this amount could not be recovered by the Department, the circumstances under which the amount could not be recovered be intimated to the Committee and steps be taken to write off such amount
29	21	31	The Committee recommend that cases mentioned at serial No 1 to 5 be pursued vigorously and progress be intimated to the Committee
30	21	31	The Committee recommend that these engines be disposed of quickly and action be taken against the officials concerned under intimation to the Committee.
31	21	32	The Committee recommend that the Department should take preventive measures so that the cases of embezzlement or mis-appropriation or mis-utilisation be minimised if not totally eliminated and when such cases do occur, follow-up action should be prompt and speedy.

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